

Measuring Impact for International Social Enterprise

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Agenda

- Introductions
- Key Concepts/Terminology
- Measuring Impact Methods
- Case Study
- Social Return on Investment (SROI)
- Q&A

About You!

Turn to someone you don't know and share your:

Name

School

Academic focus

What brought you here today

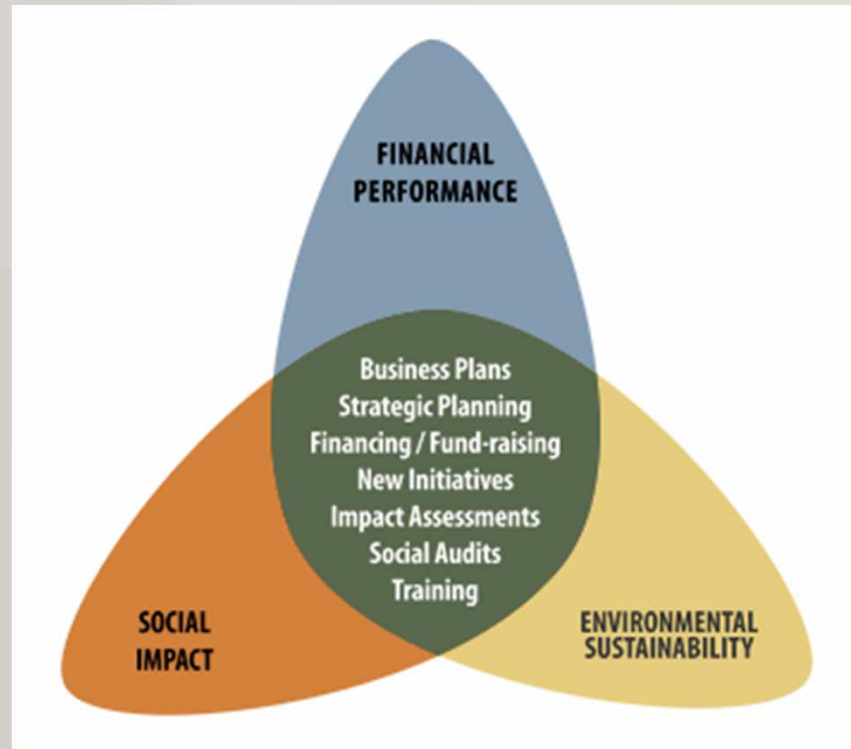
What interests you about this topic

About Us

Social Enterprise Associates

Private Consulting Firm

A network of professionals making communities better by applying business skills & sustainable practices



Drew Tulchin, Managing Partner, UW MBA Class of '00

- 13 years relevant professional experience
- Written >50 business/strategic plans, raised >\$100 mil.
- Biz plan winner, Global Social Venture Comp; Prisma Microfin raised venture \$1.2 mil.

Recent Engagements

U.S. Gigs:

- Nemours Health & Prevention Services – measure impact of child obesity reduction efforts in State of Delaware
- Solar for All – business plan and presented quadruple bottom line for CA based NGO training inner city kids to install solar panels
- Sante Fe Alliance, City of Santa Fe Department of Economic Dev. – link Sustainability Plan to specific job creation opportunities

International Stuff:

- Taxi Excel, Peru – raising capital for microfranchise effort creating jobs using fuel efficient taxis
- Prosperity Candle, Iraq – helping US entity to sell candles made by women in Iraq
- SEEP Network, Value Initiative. Working with cohort to scale up enterprises in India, Pakistan, and the Philippines

Why Need Social Enterprise?

- 3 billion people in poverty (live < \$2 / day)
 - Most countries, few employment options; people on their own
 - The Poor pay more for services
 - Many people lack ACCESS
-
- Poor people deserve same opportunities as rich people

ACCESS to capital is a 'foundational right', because having it allows other rights to build upon it.

- Prof. Yunus, Nobel Peace Prize Recipient 2006

Getting a Job in this Sector

With an org you feel passionate about

1. Volunteer
2. Start while in school
3. Work Abroad
4. Start for free
5. Seek technical skills
6. Do your homework
7. Figure out what you want
8. Use your network
9. Be polite, but tenacious
10. Be honest with yourself

Conduct MANY informational interviews

Professors, alumni, family, friends

Classes, student clubs, speakers, internships

Intern at a bank or other finance role

Organization size, type, location Ex: Small NGO vs. World Bank

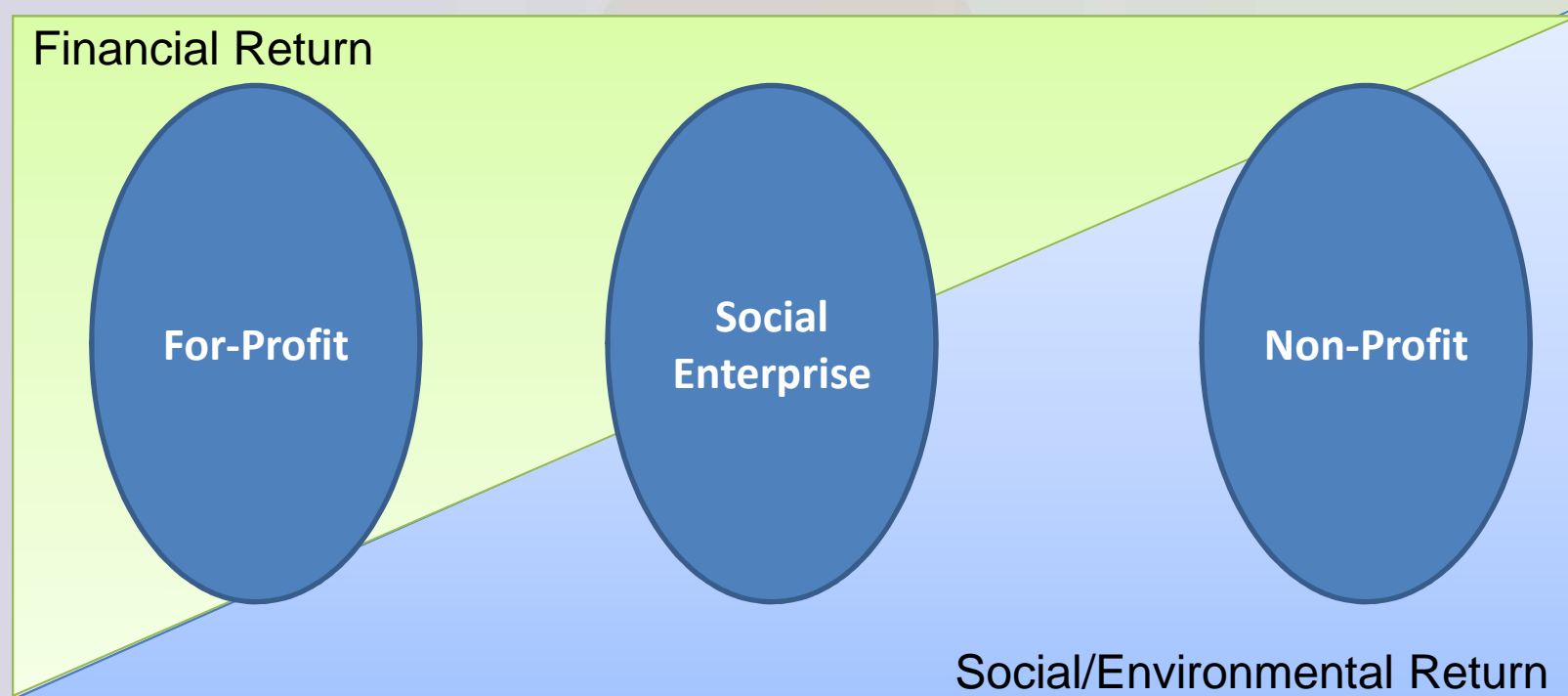
Key Concepts & Some Theory

A Venn diagram consisting of three overlapping circles. The top circle is light blue, the bottom-left circle is light orange, and the bottom-right circle is light green. The circles overlap in the center and at the intersections of two circles.

Social Enterprise

An organization or venture that achieves its primary mission to benefit others and/or the world using business methods

Where Social Enterprise Falls



Social Enterprises can meld For-Profit & Non-Profit Models

- Mission-driven seeking social and environmental returns
- Not charity, recovers costs from operations through business
- Blended value proposition

What Makes a Good Social Enterprise?

$$\mathbf{P + O = S}$$

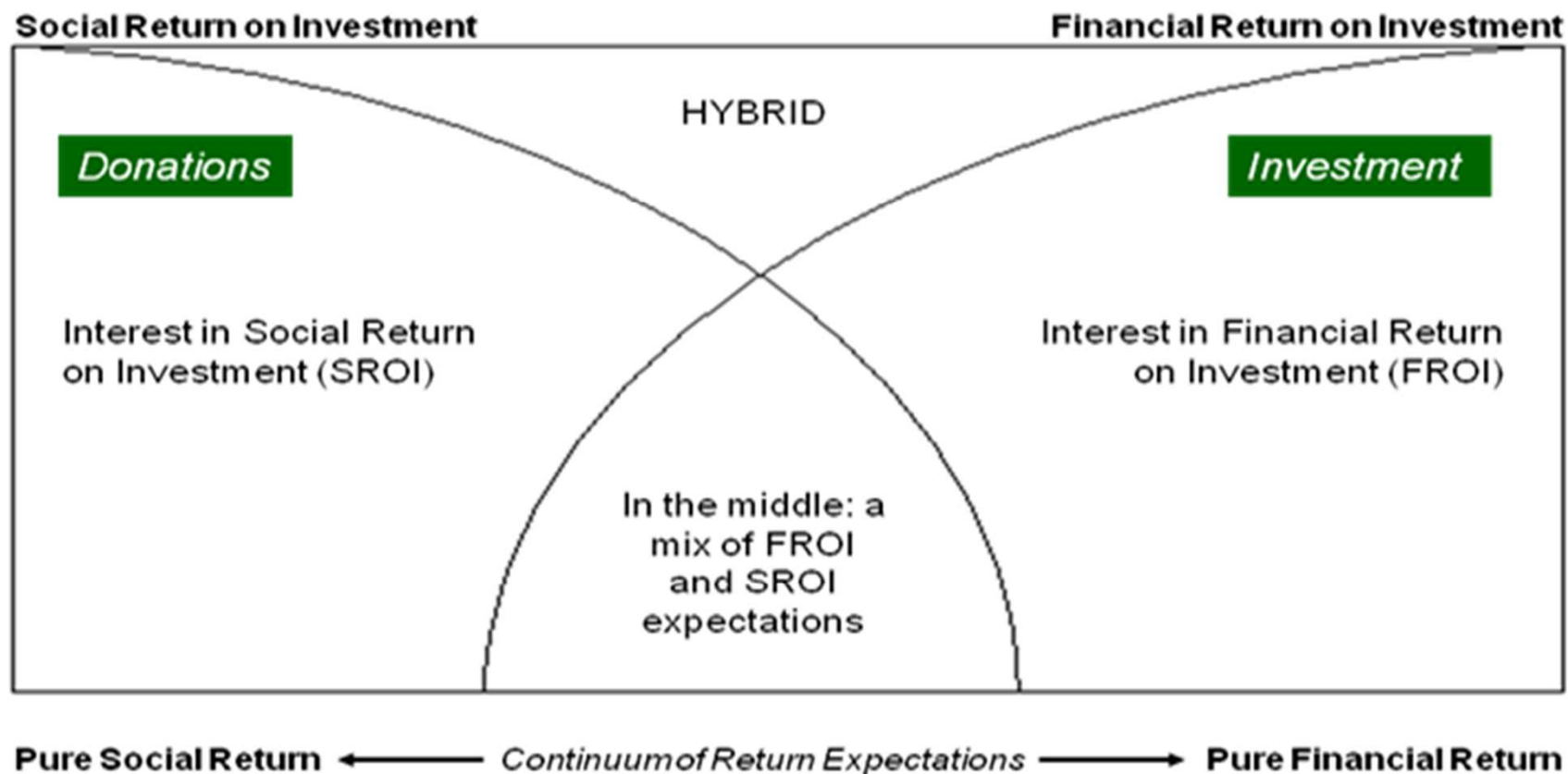
Switch to GSEC materials, website.
Taxi Excel and Prosperity Candle.

Key Questions

- What is the pain?
- What is the solution?
- Who wants this?
- What do they do about it now?
- How will this make money (get paid for)?

Back to more theory...

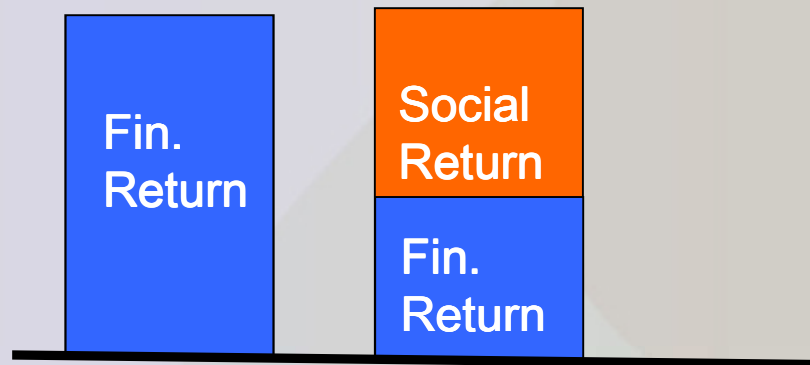
Blended Value Proposition



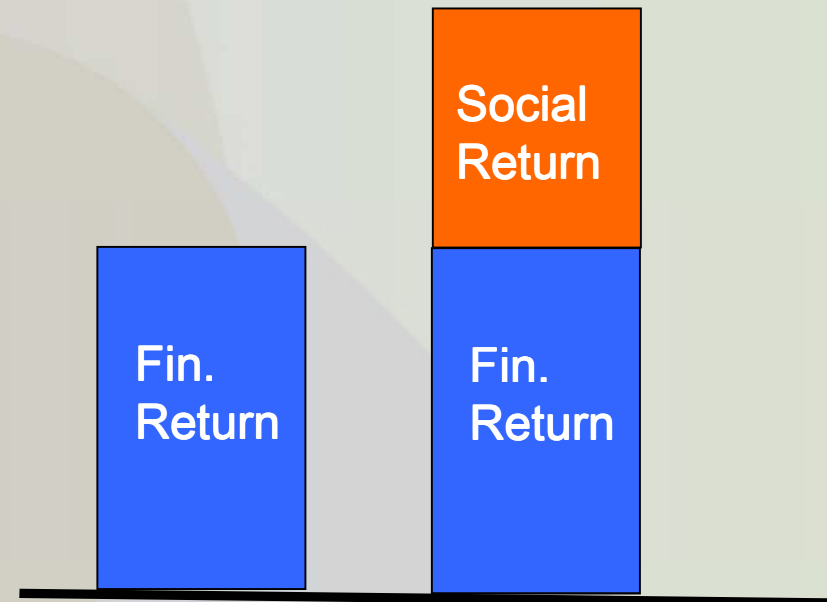
Morino Institute, Blended Value Proposition

Thinking About Returns

Social Return as substitute
for Financial Return w/r/t ROI



Social Return in addition to
Financial Return



How do you measure your activities to show this?

Triple Bottom Line

Multiple bottom lines:

Single Bottom Line = financial profitability

Double Bottom Line + social / community impact

Triple Bottom Line + environmental impact

What are the 3 Ps?

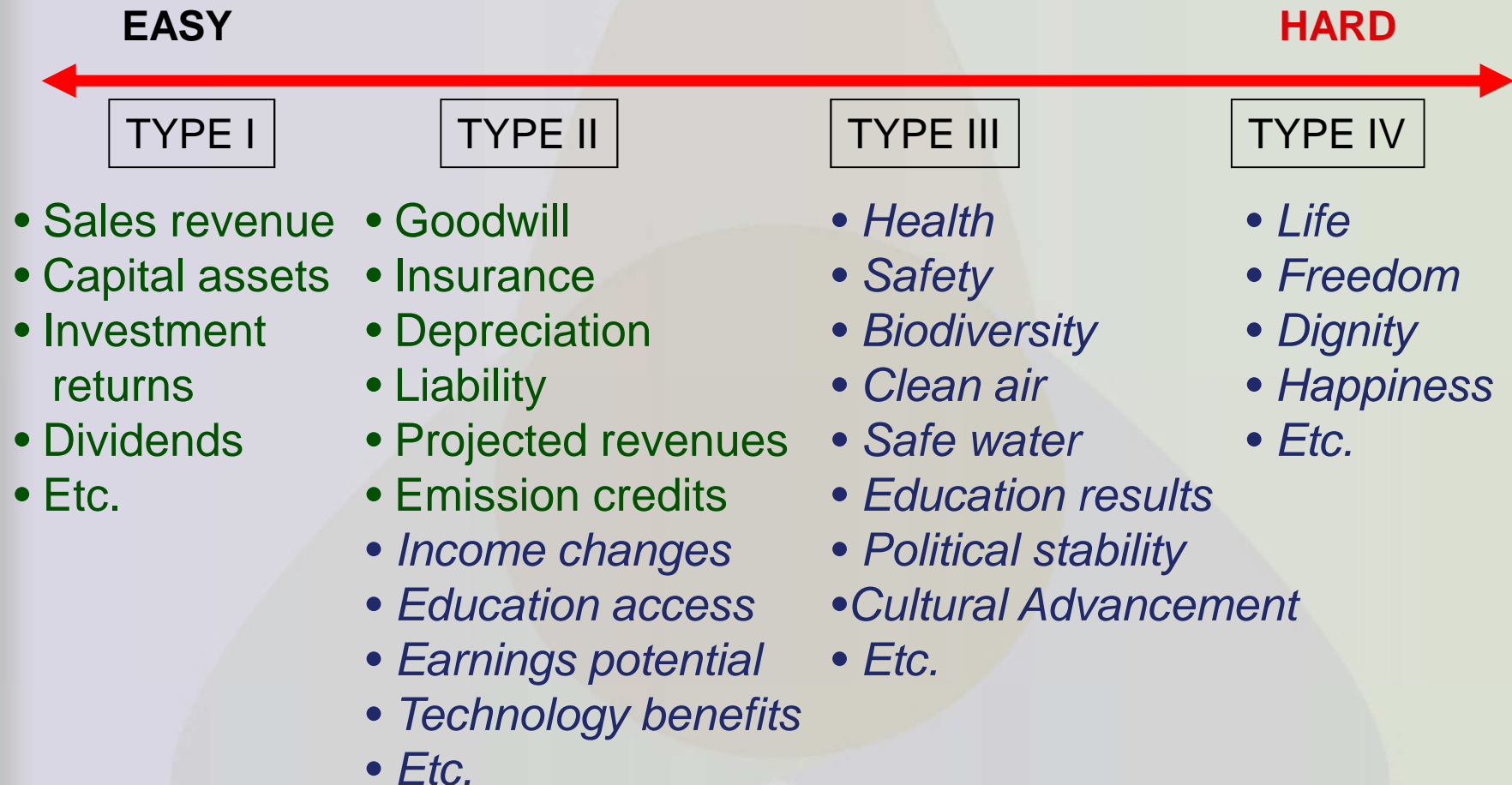
Quadruple Bottom Line + cultural impact

(The 4th Dimension...cool)

Measuring Impact

A Venn diagram consisting of three overlapping circles. The top circle is light blue, the bottom-left circle is light orange, and the bottom-right circle is light green. The circles overlap in the center and at the intersections of two circles, creating a complex geometric shape.

Tangibility Spectrum



Information about Value...

Five ways to articulate value creation:

Financial
information

Monetizable

Quantitative

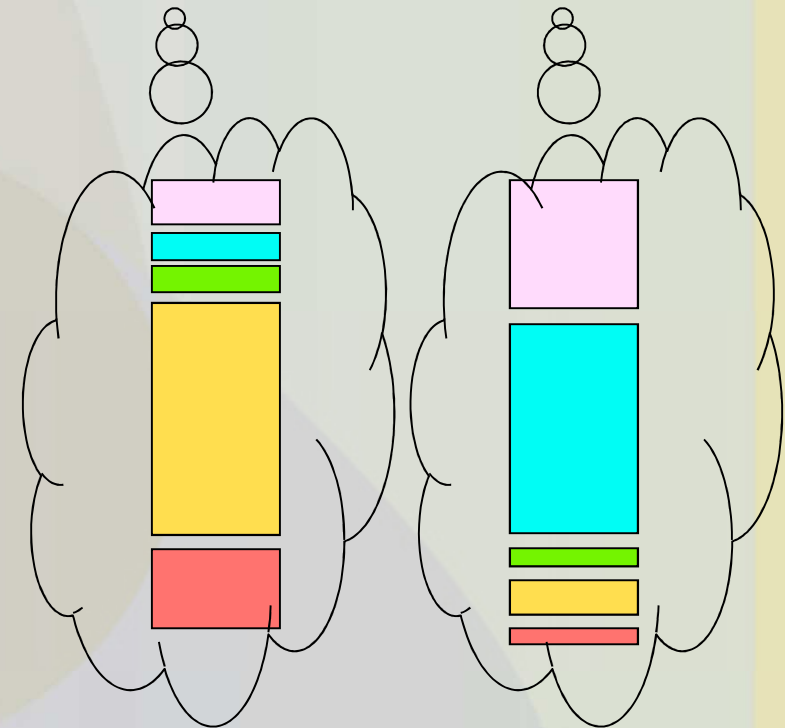
Qualitative

Narrative

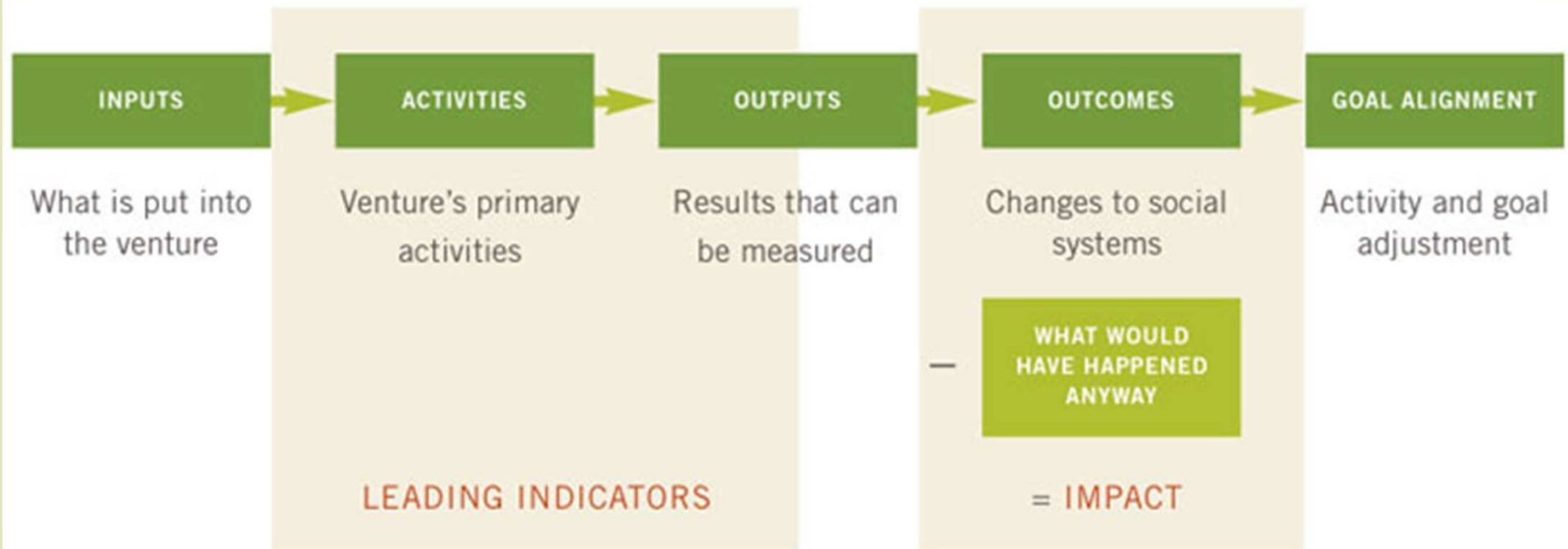
- accounting: cash in, cash/work out
- translating non-financial value into \$ equivalent
- numbers: size, magnitude or degree
- description: kind, type, or direction
- storytelling

Audience 1

Audience 2



Impact Value Chain



Your Turn

- Identify ACTIVITIES (2 OR 3)
- Count some OUTPUTS
- Consider OUTCOMES

- What are the metrics?
- How do you know you reached your goal?

Parts for Sound Measuring

Social Impact Assessment:

DEFINE:

- Theory of Change, Impact Value Chain, Your Mission

COUNT:

- What are you doing? How many?

QUANTIFY:

- Social Value with Leading Social Indicators

MONETIZE:

- Social Value in Monetary Terms (SROI)

What did we learn from this?

Impact Examples

B Corporations

200 + B Corporations across 31 industries

Social Enterprises Associates: First Certified B Corp in NM!



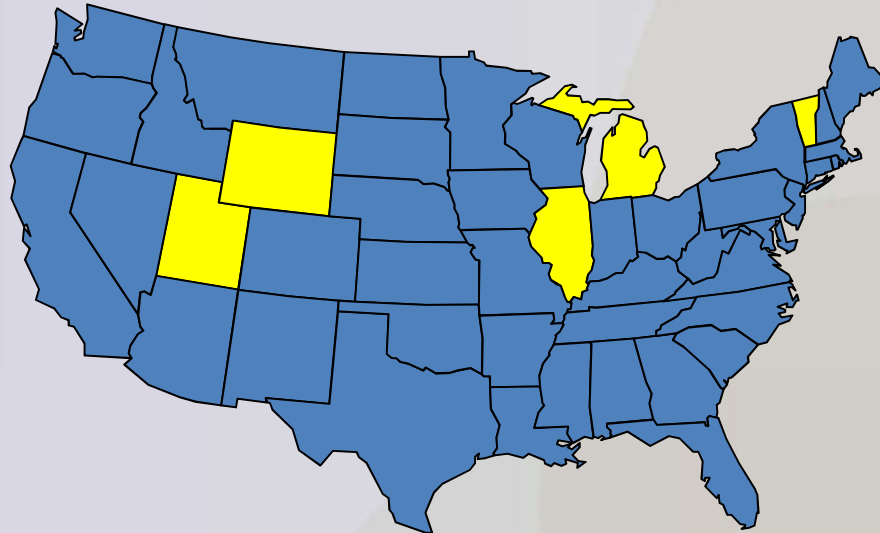
**Social Enterprise
ASSOCIATES**

B Corporations: B for “Beneficial”

- B Corporations: a new kind of company which uses business to solve social and environmental problems
- To qualify, meet high performance and legal standards regarding social/environmental work
- Why B Corporations are important?
 - Distinguish “good companies” from “good marketers”
 - While many companies claim to be green or socially responsible, B Corps stand out as having real substance behind their claims
 - Helpful for employees, consumers, suppliers, investors who want to support companies making positive impact on society

L3C Low-profit company

Geography



States recognizing L3Cs

**New legal structure, still spreading.
No national recognition, yet.**

What & Why

- New legal entity combines LLC financial stuff, NGO social benefits
- Purpose / Benefits
 - Commitment to social objectives
 - Accessing wider range of \$
 - foundation Program-Related Investment (PRI)

Social Performance Assessment (SPA)

Two broad levels of performance

1. Social metrics

1. Inputs
2. Outputs
3. Outcomes
4. Impacts

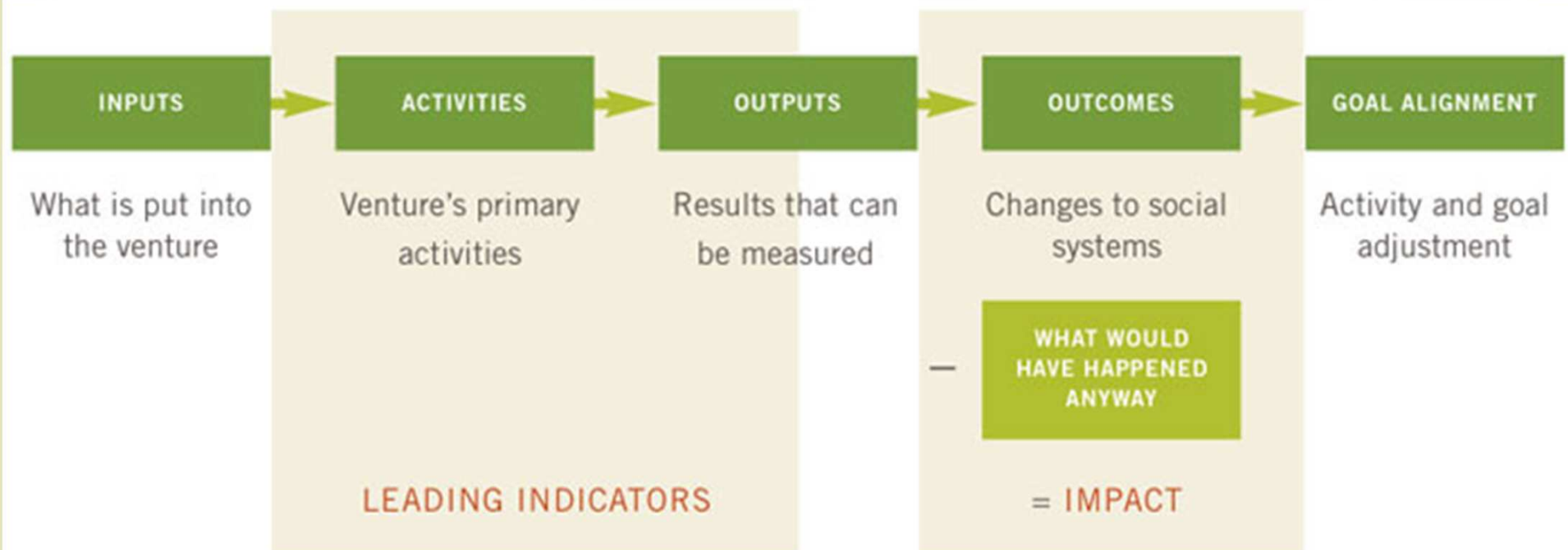
2. Internal processes: Operational processes within the MFI that transform inputs into outputs, outcomes, and impacts

Switch to Al Gore's Creation

- Pulse
- IRIS/GIIN
- E-Valuator

Social Return on Investment

Impact Value Chain



Social Return on Investment (SROI)

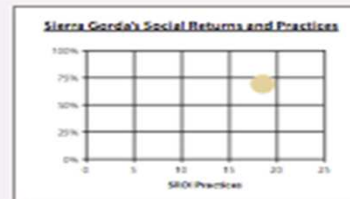
- Non-financial value created by an organization relative to the investment required – measuring our impact
- Goals
 - Assess actual value created
 - Inform management decisions
 - Align investment with value
- Answer questions such as:
 - Where is the best place to spend the next dollar?
 - What resources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

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

A screenshot of a dashboard showing a table with multiple columns and rows. The columns are color-coded: purple, yellow, and green. The rows contain various data points, likely representing key leading indicators.

Measure

Data collection and analysis spreadsheets

A screenshot of a spreadsheet showing a list of files on the left and a table of data on the right. The files listed are:

- 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

The table on the right has columns for various metrics and rows for different categories. A curved arrow points from the file list to the table.

SROI Lite Calculator

- What is it?
 - Planning and evaluative tool based in Excel
 - Helps identify which projects to pursue and then helps evaluate results as compared to plan
 - **Goal:** Help NHPS make strategic decisions with respect to budget and impact/reach of children
- What does it measure?
 - Investment – both time and dollars
 - Impact and Reach
 - Internal Capability and Alignment
 - Attributes of Potential Partner and Relationship

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 staff time (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

CATEGORY SCORES & WEIGHTINGS	SUB-SCORE (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

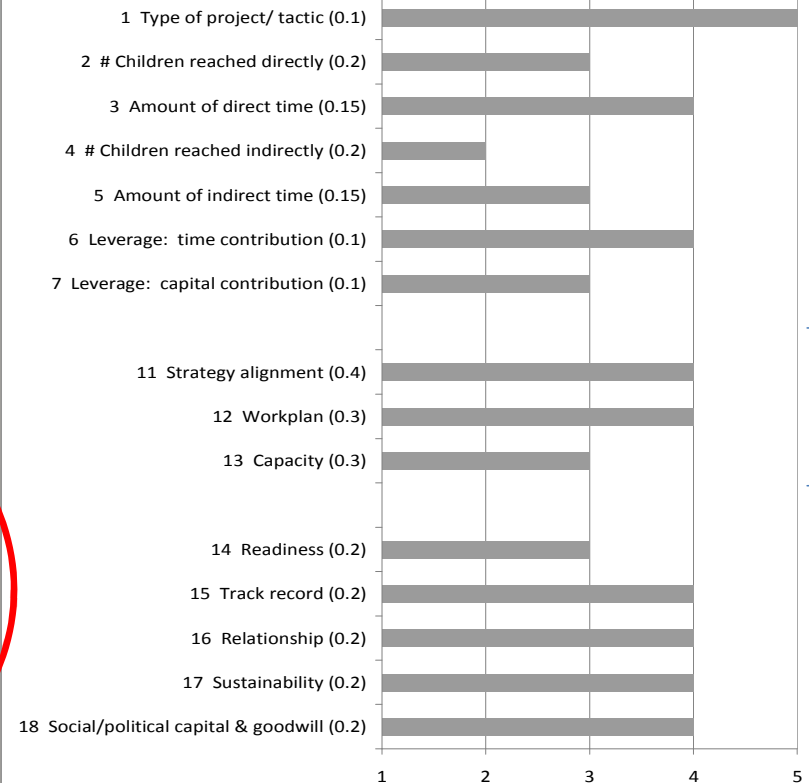
INVESTMENT

= total staff time * value of time (see assumptions) by category of staff

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 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...

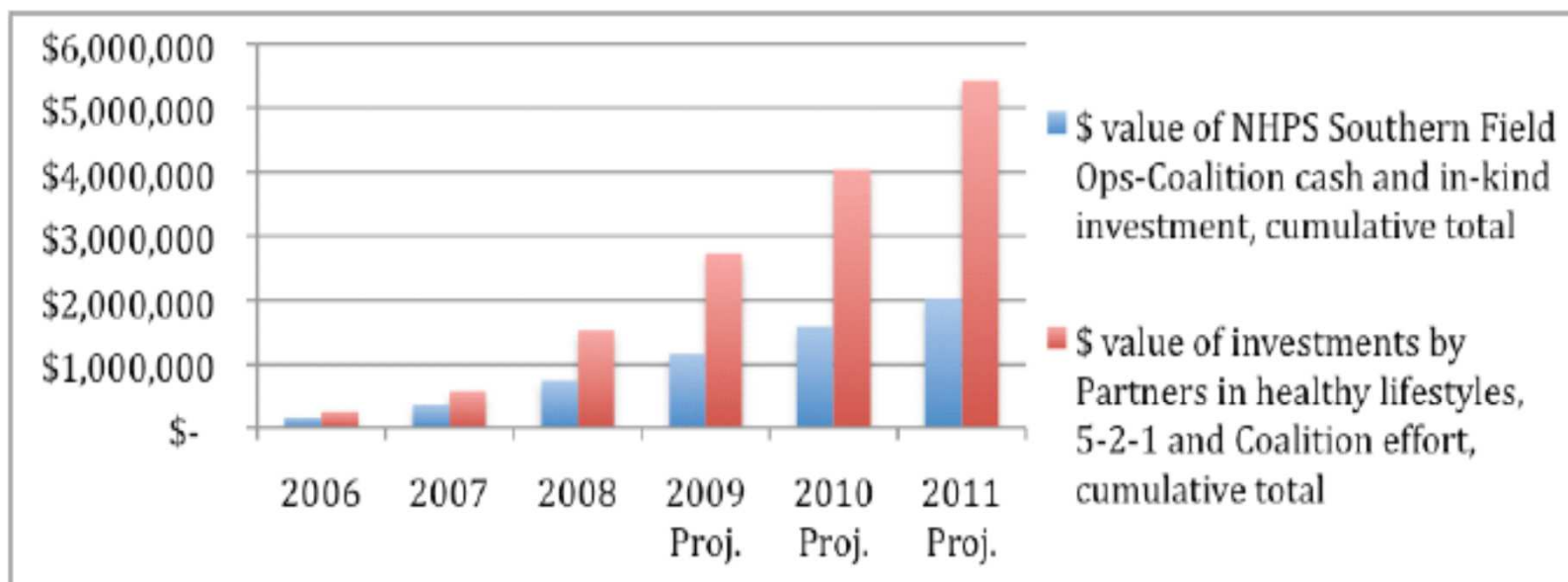
Risks in project/tactic and what at risk if NHPS DOES NOT participate

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...

ASSOCIATES

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

More Resources Devoted to Obesity Prevention Based on Nemours Investment: Nemours 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 “10 Steps”

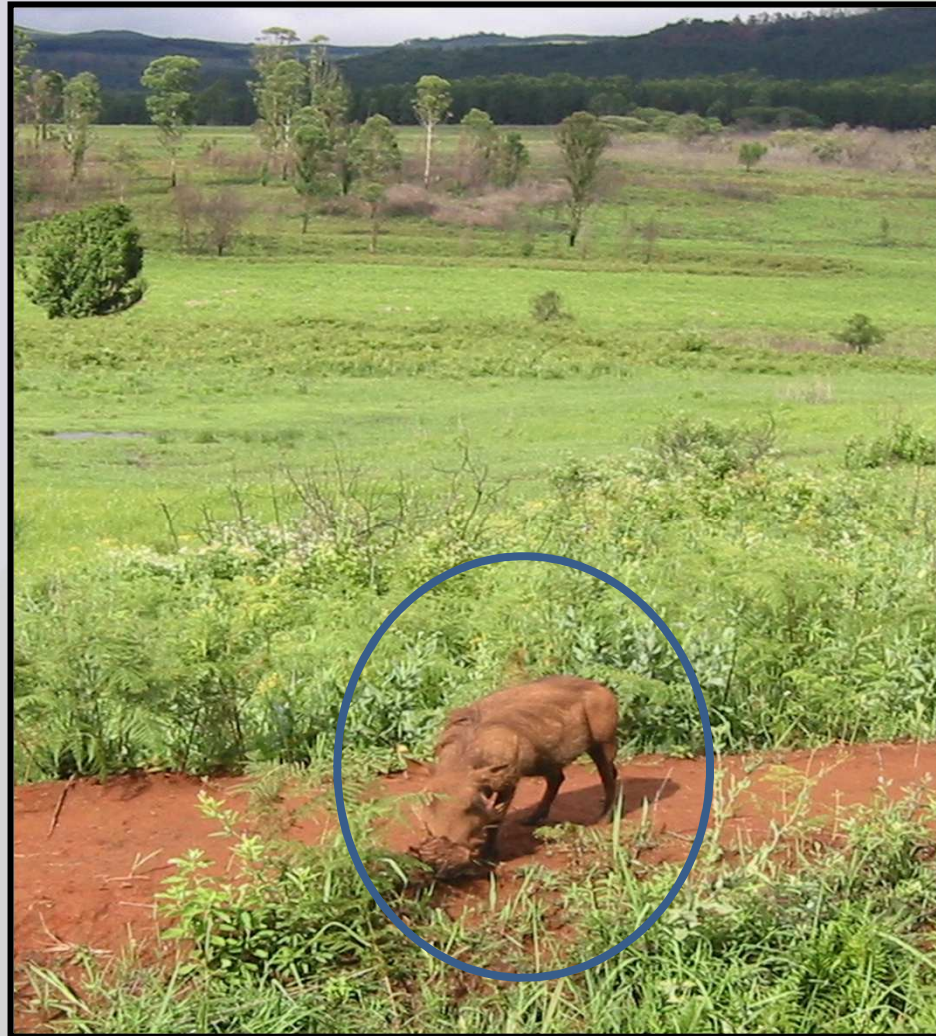
1. Define Scope/Subject of Analysis
2. Define Theory of Change
3. Identify Stakeholders
4. Calculate Costs
5. Break Out Activities
6. Specify Outputs
7. Determine Outcomes and Subtract “Deadweight” and Attribution to Others => Impact
8. Determine Indicators
9. Value Indicators (in dialog with Stakeholders)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

.....analyze, manage and repeat!

Additional Resources

- Intellectap
- Global Social Venture Competition (GSVC)
- William James Foundation
- BiD Network
- Next Billion

Development Work...aint always pretty



But, it can be breathtaking



Thank you!

**Questions?
Answers?**

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**Social Enterprise
ASSOCIATES**