



CORPORATE SUSTAINABILITY AND RESPONSIBILITY (CSR)

COURSE TITLE

SOCIAL RETURN ON INVESTMENT (SROI) AND IMPACT ASSESSMENT IN NGOS

Overview

We provide a two-day step-by-step introduction to Social Return on Investment (SROI) and can arrange accreditation for practitioners

Standard Approved Course Contents originally sponsored by the Scottish Government

- ❖ PRIMARY PURPOSE
- ❖ SUMMARY
- ❖ POTENTIAL BENEFITS
- ❖ CHALLENGES USING THE SYSTEM
- ❖ WHO CAN USE THE TOOL?
- ❖ WHAT RESOURCES ARE NEEDED?
- ❖ DEVELOPMENT, OWNERSHIP AND SUPPORT
- ❖ THIRD SECTOR EXAMPLES
- ❖ FURTHER SOURCES OF INFORMATION

Primary purpose

Social Return on Investment (SROI) is an outcomes-based measurement system that helps organisations to understand and quantify the social, environmental and economic value they are creating.

Developed from traditional cost-benefit analysis and social accounting, SROI is a participative approach that is able to capture in monetised form the value of a wide range of outcomes, whether these already have a financial value or not. An SROI analysis produces a narrative of how an organisation creates and destroys value in the course of making change in the world, and a ratio that states how much social value (in N) is created for every N1 of investment.

Summary



SROI is informed by a set of principles that are designed to ensure that process is robust, transparent, and informed by stakeholders. The principles inform a six-step methodology:

1. Establishing scope and identifying key stakeholders. Clear boundaries about what the SROI will cover, and who they will be involved are determined in this first step.
2. Mapping outcomes. Through engaging with stakeholders, an impact map, or theory of change, which shows the relationship between inputs, outputs and outcomes is developed.
3. Evidencing outcomes and giving them a value. This step first involves finding data to show whether outcomes have happened. Then outcomes are monetised – this means putting a financial value on the outcomes, including those that don't have a price attached to them.
4. Establishing impact. Having collected evidence on outcomes and monetised them, those aspects of change that would not have happened anyway (deadweight) or are not as a result of other factors (attribution) are isolated.
5. Calculating the SROI. This step involves adding up all the benefits, subtracting any negatives and comparing them to the investment.
6. Reporting, using and embedding. Easily forgotten, this vital last step involves sharing findings and recommendations with stakeholders, and embedding good outcomes processes within your organisation.

The length of time and resources it takes to carry out an SROI varies significantly depending on the scope of the analysis and the extent to which outcomes data is already available.

Organisations can undertake SROIs in-house if they have capacity, or alternatively engage IN CSR Consultants.

There are two types of SROIs. Evaluative SROIs are conducted retrospectively and based on actual outcomes that have taken place over a given evaluation period. These are most useful where a project is already up and running and there is good outcomes data available. Forecasted SROIs predict how much social value will be created if activities meet their intended or most likely objectives. Forecasted SROIs are used when a project is still in the planning stages to assess its likely impact or in instances where there is a lack of outcomes data. A forecasted SROI can be followed with an evaluative SROI to verify the accuracy of the predictions.

Potential benefits

SROI offers the following potential benefits:

- It can help organisations understand what social value an activity creates in a robust and rigorous way and so manage its activities and relationships to maximise that value.
- The process opens up a dialogue with stakeholders, helping to assess the degree to which activities are meeting their needs and expectations.



- SROI puts social impact into the language of ‘return on investment / value for money’, which is widely understood by investors, funders and lenders. There is increasing interest in SROI as a way to demonstrate or measure the social value of investment, beyond the standard financial measurement.
- Where it is not being used already, SROI may be helpful in showing potential customers (for example, NGOs, public bodies or other large purchasers) that they can develop new ways to define what they want out of contracts, by taking account of social and environmental impacts.
- SROI can also be used in strategic management. The monetised indicators can help management analyse what might happen if they change their strategy, as well as allow them to evaluate the suitability of that strategy to generating social returns, or whether there may be better means of using their resources.

Who can use SROI?

SROI can be used by a range of public and third sector organisations of varying sizes. A number of funding schemes, civil society organisations and non-governmental organisations have started stipulating the use of SROI as the measurement approach.

Our Expertise

About International Network for Corporate Social Responsibility (IN CSR)

International Network for Corporate Social Responsibility (IN CSR) is an international team of Sustainability / Corporate Sustainability and Responsibility (CSR) Consultants working to promote best practices in Sub Saharan Africa.

Registered as a Non-Governmental Organization in Nigeria (No 99264), we have a network of Sustainability/CSR experts who are industry leaders in all areas including research, training, and auditing. We provide businesses, civil society organisations and governmental agencies with globally certified social responsibility training and advisory services aimed at positioning your organization for increased bottom-line, measured impact assessment and better oversight. INCSR is a certified partner of the Professional Evaluation and Certification Board (PECB) of Canada and member of the International Committee of Management Consultants, Switzerland.

About our President

Eustace Onuegbu is a certified Management Consultant by the International Council of Management Consulting Institutes (ICMCI) Switzerland, a Professional Evaluation and Certification Board (PECB) certified ISO 26000 Social Responsibility Lead Implementer, Auditor and Trainer, and a Distinguished Fellow of the Institute of Management Consultants (IMC), Nigeria. He is presently serving as the President of International Network for Corporate Social Responsibility (INCSR).



Eustace is the initiator and host of the International Conferences on Business and Human Rights and has worked with leading organisations such as Zenith Bank PLC, Chellarams PLC, Centre for International Governance and Innovation (CIGI) Canada; Central Bank of Nigeria, Voices4Change/UKAID, University of Lagos Nigeria; The Federal House of Representatives, Abuja; Oil and Gas Free Zones Authority among others on Sustainable Development, Corporate Sustainability and Responsibility, and Corporate Governance. Eustace has also made several representations to international organizations including the United Nations, African Union, ECOWAS, and The Senate of Federal Republic of Nigeria on a wide range of environmental and social impact issues.

Eustace is a leading CSR expert and an avid advocate of instituting global best practices in the conduct of Corporate Sustainability and Responsibility (CSR) in Africa. He holds a degree in Marketing from Abia State University in Nigeria, another in International Business and Management from Amsterdam School of Business, The Netherlands and a post graduate degree in International Human Rights Law from Birmingham City University in the United Kingdom.

For further information, please contact our admin office

*Centre for Sustainable Business
International Network for Corporate Social Responsibility (IN-CSR)
INCSR Secretariat
105 Kunle Akinosi Street
Off Oshodi - Apapa Expressway
Lagos, Nigeria
+234 (0) 81 086 104 73; 81 718 614 82
training@incsr.org*