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

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**
- ShoreBank
- CalPERS
- Calvert Foundation

**Corporations**
- McKinsey & Company
- Nike
- World Economic Forum

**Nonprofits and Foundations**
- Global Social Venture Competition
- The Rockefeller Foundation

**Academic Institutions**
- State University of New York
- Stanford University

**Government**
- State of the South Carolina
- State of the State of New Jersey
- City of Portland, Oregon

...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)

Technology: Cost-Savings

Demand: Leadership

...Not an exhaustive list...
# Tangibility Spectrum

<table>
<thead>
<tr>
<th>EASY</th>
<th>TYPE I</th>
<th>HARD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sales revenue</td>
<td>Life</td>
</tr>
<tr>
<td></td>
<td>Capital assets</td>
<td>Freedom</td>
</tr>
<tr>
<td></td>
<td>Investment returns</td>
<td>Dignity</td>
</tr>
<tr>
<td></td>
<td>Dividends</td>
<td>Happiness</td>
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<tr>
<td></td>
<td>Etc.</td>
<td>Etc.</td>
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</table>

<table>
<thead>
<tr>
<th>TYPE II</th>
<th>TYPE III</th>
<th>TYPE IV</th>
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<tbody>
<tr>
<td>Goodwill</td>
<td>Health</td>
<td>Life</td>
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<tr>
<td>Insurance</td>
<td>Safety</td>
<td>Freedom</td>
</tr>
<tr>
<td>Depreciation</td>
<td>Biodiversity</td>
<td>Dignity</td>
</tr>
<tr>
<td>Liability</td>
<td>Clean air</td>
<td>Happiness</td>
</tr>
<tr>
<td>Projected revenues</td>
<td>Safe water</td>
<td>Happiness</td>
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<tr>
<td>Emission credits</td>
<td>Education results</td>
<td>Etc.</td>
</tr>
<tr>
<td>Income changes</td>
<td>Political stability</td>
<td>Cultural Advancement</td>
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<tr>
<td>Education access</td>
<td>Etc.</td>
<td>Etc.</td>
</tr>
<tr>
<td>Earnings potential</td>
<td></td>
<td></td>
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<tr>
<td>Technology benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Etc.</td>
<td></td>
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</tr>
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</table>

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Valuation of Impact

Across the full spectrum

monetized value

quantified value

qualitative value

financial value

narrative value
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

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www.svtgroup.net
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
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!
Impact Value Chain

- **INPUTS**: What is put into the venture
- **ACTIVITIES**: Venture’s primary activities
- **OUTPUTS**: Results that can be measured
- **OUTCOMES**: Changes to social systems
  - WHAT WOULD HAVE HAPPENED ANYWAY
  - = IMPACT
- **GOAL ALIGNMENT**: Activity and goal adjustment

**LEADING INDICATORS**
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

**Measure**
Data collection and analysis spreadsheets

[Images and charts related to each section]
Project Components

1. SROI Lite Calculator
2. Childcare Policy SROI Analysis
3. SROI 360 Degree – Sussex County
<table>
<thead>
<tr>
<th>II. INVESTMENT</th>
<th>III. IMPACT AND REACH</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Duration</strong></td>
<td><strong>1. Type of project/tactic</strong></td>
</tr>
<tr>
<td>How long is project/tactic?</td>
<td>How well established is this type of project or tactic?</td>
</tr>
<tr>
<td>Length of engagement in weeks (max=52 weeks or rest calendar year)</td>
<td>Level of research-based validity for this type of project or tactic</td>
</tr>
<tr>
<td><strong>B. Senior staff #</strong></td>
<td><strong>2. # Children reached directly</strong></td>
</tr>
<tr>
<td>How many senior staff involved?</td>
<td>How many children are reached directly?</td>
</tr>
<tr>
<td>Number of senior staff involved</td>
<td>Estimated number of kids reached in targeted population annually</td>
</tr>
<tr>
<td><strong>C. Senior staff time</strong></td>
<td><strong>3. Amount of direct time</strong></td>
</tr>
<tr>
<td>How much time spent by senior staff on project/tactic?</td>
<td>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?</td>
</tr>
<tr>
<td>Average weekly time spent by each senior staff (0 to 40 hours)</td>
<td>Please estimate the amount of program time (in hours) each recipient will receive with this project/tactic over time period (up to 1 year).</td>
</tr>
<tr>
<td><strong>D. Intermediate/entry level staff #</strong></td>
<td><strong>4.</strong></td>
</tr>
<tr>
<td>How many intermediate/entry level staff involved?</td>
<td></td>
</tr>
<tr>
<td>Number of intermediate/entry level staff involved</td>
<td></td>
</tr>
<tr>
<td><strong>E. Intermediate/entry level staff time</strong></td>
<td></td>
</tr>
<tr>
<td>How much time spent by intermediate/entry level staff on project/tactic?</td>
<td></td>
</tr>
<tr>
<td>Avg weekly time spent by each intermediate/entry level staff (0 to 40 hours)</td>
<td></td>
</tr>
<tr>
<td><strong>F. Administrative staff/interns #</strong></td>
<td></td>
</tr>
<tr>
<td>How many administrative staff/interns involved?</td>
<td></td>
</tr>
<tr>
<td>Number of administrative staff/interns involved</td>
<td></td>
</tr>
<tr>
<td><strong>G. Administrative staff/interns time</strong></td>
<td></td>
</tr>
<tr>
<td>How much time spent by administrative staff/interns on project/tactic?</td>
<td></td>
</tr>
<tr>
<td>Avg weekly time spent by each administrative staff/interns (0 to 40 hours)</td>
<td></td>
</tr>
<tr>
<td><strong>H. Non-staff expenses</strong></td>
<td></td>
</tr>
<tr>
<td>What are annual non-staff expenses of project?</td>
<td></td>
</tr>
<tr>
<td>Total NHPS annual budget for project less staff time (includes in-kind, publications, materials, contracts, sponsorship, swag, etc)</td>
<td></td>
</tr>
<tr>
<td>$</td>
<td></td>
</tr>
<tr>
<td><strong>I. Previous investment</strong></td>
<td></td>
</tr>
<tr>
<td>How much has NHPS invested to date in this project/tactic?</td>
<td></td>
</tr>
<tr>
<td>Amount invested by NHPS to date, non-staff (if known)</td>
<td></td>
</tr>
<tr>
<td>$</td>
<td></td>
</tr>
<tr>
<td><strong>Emerging trends/practices</strong></td>
<td></td>
</tr>
<tr>
<td><strong>10 mins to 1 hour of programming</strong></td>
<td></td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>SUB-SCORE</th>
<th>(1-10)</th>
<th>TOTAL SCORE</th>
<th>CONTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPACT &amp; REACH</td>
<td>6.1</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>INTERNAL CAPABILITY &amp; ALIGNMENT</td>
<td>7.1</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>ATTRIBUTES OF POTENTIAL PARTNER &amp; RELATIONSHIP</td>
<td>7.3</td>
<td>25%</td>
<td></td>
</tr>
</tbody>
</table>

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?

INVESTMENT

\[\text{TOTAL INVESTMENT} (\$) = \text{total staff time} \times \text{value of time (see assumptions)} \text{ by category of staff}\]

- 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
- Cost per child: $16.94
- Cost per child influencer: $5,930.00

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

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

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

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>NHPS child care team expenditure per year</td>
<td>$ 318,220</td>
</tr>
<tr>
<td>Health costs per kid obese/overweight/at-risk</td>
<td>$ 2,749</td>
</tr>
<tr>
<td># Children who would need to be removed from at risk/overweight/obese category each year, to reach breakeven</td>
<td>116</td>
</tr>
</tbody>
</table>

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

RESULTS SUMMARY

<table>
<thead>
<tr>
<th>5-2-1 Component</th>
<th>2008 Efficiency Metric</th>
<th>2008 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>$ invested by NHPS-Coalition in 2008</td>
<td>$391,970</td>
</tr>
<tr>
<td></td>
<td>$ invested by Coalition partners in 2008</td>
<td>$949,090</td>
</tr>
<tr>
<td></td>
<td>Ratio of partner to NHPS/Coalition Investment</td>
<td>2.42</td>
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<tr>
<td>Partner</td>
<td>Estimated number of high impact partners who are active</td>
<td>16</td>
</tr>
<tr>
<td>Engagement</td>
<td>Total $ invested by NHPS per high impact partner who is active</td>
<td>$24,490</td>
</tr>
<tr>
<td></td>
<td>Number of active partners per $1000 invested</td>
<td>0.04</td>
</tr>
<tr>
<td>Awareness:</td>
<td>Estimated number of all participants who can provide correct 5-2-1 definition</td>
<td>784</td>
</tr>
<tr>
<td>Children</td>
<td>Total $ invested per participant who can provide correct 5-2-1 definition</td>
<td>$1,511</td>
</tr>
<tr>
<td></td>
<td>Number of participants who can provide correct 5-2-1 definition per $1000 invested</td>
<td>0.03</td>
</tr>
<tr>
<td>5</td>
<td>Estimated number of participants reaching recommended daily fruit/vegetable consumption</td>
<td>233</td>
</tr>
<tr>
<td></td>
<td>Total $ invested per participant reaching recommended daily fruit/vegetable consumption</td>
<td>$870</td>
</tr>
<tr>
<td></td>
<td>Number of participants reaching recommended daily fruit/vegetable consumption per $1000 invested</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Estimated number of participants limiting screen time to 2 or fewer hours per day</td>
<td>1301</td>
</tr>
<tr>
<td></td>
<td>Total $ invested per participant limiting screen time to 2 or fewer hours per day</td>
<td>$1,003</td>
</tr>
<tr>
<td></td>
<td>Number of participants limiting screen time to 2 or fewer hours per day per $1000 Invested</td>
<td>0.04</td>
</tr>
<tr>
<td>1</td>
<td>Estimated number of participants attaining 1 hour or more per day of physical activity</td>
<td>1,979</td>
</tr>
<tr>
<td></td>
<td>Total $ invested per participant attaining 1 hour or more per day of physical activity</td>
<td>$370</td>
</tr>
<tr>
<td></td>
<td>Number of participants attaining 1 hour or more per day of physical activity per $1000 Invested</td>
<td>2.64</td>
</tr>
<tr>
<td>Almost None</td>
<td>Estimated number of participants eating equal to or less than recommended daily sugary snack consumption</td>
<td>218</td>
</tr>
<tr>
<td></td>
<td>Total $ invested per participant eating equal to or less than recommended daily sugary snack consumption per $1000 Invested</td>
<td>4.60</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>INPUTS</th>
<th>ACTIVITIES</th>
<th>OUTPUTS</th>
<th>OUTCOMES</th>
<th>BASE CASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is put into the venture</td>
<td>Venture’s primary activities</td>
<td>Results that can be measured</td>
<td>Changes to social systems</td>
<td>What would have happened anyway</td>
</tr>
</tbody>
</table>

---

[Image of Case Study Diagram]
Proving the Theory

**Inputs**
- $ (Funds)
- Time
- Know-how
- Capital assets

**Activities**
- Venture’s primary activities

**Outputs**
- Results that can be measured

**Outcomes**
- Changes to social systems

**Goal Alignment**
- Activity and goal adjustment

**Leading Indicators**
- # 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

**Impact**
- 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

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