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Summary and take-aways from the introductory session on Impact Assessment According to SROI

Location	Clé de Berne, Schauplatzgasse 39, 3011 Bern
Date	20 of March 2014
Time	4:30 pm to 7 pm

On March 20 2014, engageability and geelhaarconsulting in collaboration with the Swiss Post organized an introductory session on *Impact Assessment According to SROI*. More than thirty representatives from business, government, foundations and NGOs followed the invitation.

The event aimed at providing an introduction to the Social Return on Investment (SROI) approach as well as an overview of other methodologies to measure the socio-economic impact of projects and organizations. Following an introductory presentation by Jeremy Nicholls, CEO of the SROI network, on the SROI framework and the latest developments on social impact measurement, the guest panelists Andreas Kirchschläger, CEO of the elea Foundation and Filippo Veglio, Director WBCSD's Social Impact WBCSD, shared their experiences and perspectives on assessing social impact. The session facilitated a platform for lively discussion of open and critical questions from the participants attending.

Take-aways and key messages

- There is no perfect methodology to measure social impact, it always entails simplifications and limitations, but each organization has to find the right tool for its context.
- Independently from the methodology used to measure social impact, the SROI principles to assess social value should be applied as a guiding framework to capture the non-financial value being created by an organization or project.
- Stakeholders must be involved in the assessment of social return; the value of change created must be understood through the point of view of stakeholders, thus closing the accountability gap.
- The important question to be asking regarding social impact is if more could have been done with the resources available. The objective is to seek to maximize value.
- There is a need for standardization of general principles regarding impact assessment to achieve consistency.

Short summary of the presentations

The introductory session was kicked off with a presentation from Jeremy Nicholls, CEO of the SROI Network, for whom, there are not so many ways of deciding which outcomes to measure in order to capture all the non-financial value being created. Consistency is the key and there is a need for standardized principles. The SROI applies a set of seven principles in a framework to assess social impact (Involve stakeholders; Understand change; Only include what is material; Do not over claim; Value what matters; Be transparent; Verify the result).

It also uses a mapping value tool, which places stakeholders at the center in order to identify outcomes, evaluates these through benchmarking and finally allows for valuation of choices. In the ongoing discussion for principles standardization, the SROI Network is contributing to standardizing judgments through sharing practice and assurance. Companies currently applying the SROI approach are for example Danone and SAB Miller.

In reply to questions from the audience, Jeremy touched upon the fact that the most important question to ask about value creation is if more could have been done with the resources available. It is essential to understand the value of change generated from the point of view of stakeholders so as to close the accountability gap and maximize value.

Jeremy concluded the discussion with the thought that allocating a monetary value to social impact allows for having a common yardstick to choose between different outcomes and better distribute resources.

Andreas Kirchschläger, CEO of the elea Foundation, presented elea's own measuring tool, the Impact Measurement Methodology (eIMM), which the Foundation developed to suit its needs to evaluate success in terms of social impact. For elea, the eIMM represents a fair and true methodology to justify capital allocation, at the same time it enables to set social impact targets as well as to understand and control the investment process, despite of the simplifications and limitations impact measuring methodologies may entail. The eIMM is also a tool used to communicate impact internally and to external investors – elea reports yearly on social impact parallel to financial reporting. Additionally, it is a very useful tool in the discussions with project partners, as an argument to support investment decisions. The design principles behind this methodology concern comparability, consistency, plausible theory of change and simplicity in practical use. As Andreas mentioned, this is however an ongoing process of decision-making regarding the allocation of financial resources, time, input, knowledge, and ideas. It is a tool that works well for a single-focused organization such as elea, but it would be a challenge to apply it to organizations that work in non-comparable different fields. For those, Andreas recognizes the usefulness of the principles in the SROI framework for measuring social impact.

Filippo Veglio, Director of WBCSD's Social Impact, was the last panelist to take the word and talked about WBCSD's guide on measuring social impact published by the organization in 2013. The guide helps companies navigate the complex landscape of impact measurement, sets the business case for measuring socio-economic impact and profiles a selection of ten publicly available tools. The Measuring Impact Framework, WBCSD's own tool, consists of a four-step methodology: Set boundaries; Measure direct and indirect impacts; Assess social contribution; and Prioritize management response. Despite the availability of many tools to measure impact, Filippo referred to the challenges still ahead, such as with defining scope and materiality, defining influence or examining potential negative impacts, such as answer the 'so what' question around what 1000 jobs really mean in a community. As food for thought, Filippo concluded his presentation indicating that it will be important to integrate social and environmental impact measurement into business performance management and reporting and to drive more effective collaboration between all stakeholders.

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