

Integrated Value Assessment 2018

Take aways of the event on May 31st in Bern

Since 2014, the Swiss Post, geelhaarconsulting and engageability have been organizing a yearly event on Integrated Value Assessments. This year's event focused on getting an overview of the wealth of impact assessment tools and approaches addressing the Sustainable Development Goals (SDGs), hearing from Business School Lausanne, the World Economic Forum and the World Business Council for Sustainable Development sharing best practices and discussing ways on how to progress in this area. The development in this space as well as the continued interest from companies and other organizations is encouraging and confirms the importance that decisions are based on financial, environmental and social values alike.



PART I: Tapping into the wealth of impact assessment tools and approaches addressing the SDGs

The SDGs and their role in enabling business to become a force for good ***- Dr. Katrin Muff PhD, Thought Leader, Business School Lausanne (BSL)***

To set the scene, Dr. Katrin Muff provided an overview of existing tools and approaches supporting companies in contributing to the achievement of the SDGs and measuring progress and impact. According to the '*Better Business, Better World*' Report released by the Business and Sustainable Development Commission pursuing the SDGs could create trillions in new market opportunities. To tap into this potential and identify new innovative business models that contribute to tackling today's challenges, BSL in collaboration with engageability developed *SDGXCHANGE* a tested and proven approach custom-built from leading edge tools. With *SDGXCHANGE* organizations of all sizes have a strategy-tool at hand to create the most effective innovation process possible, addressing the challenges we are facing (*see gapframe.org*) and accelerating the transition to true business sustainability. It enables companies to reflect and focus on long-term solutions creating a net-positive impact for all. To select emerging prototypes or new outside-in innovation, the net positive impact needs to be assessed and quantified. This is challenging, but according to Katrin "It is better to get it approximately right, rather than exactly wrong." For more information, see www.sdgx.org, www.gapframe.org or contact: katrin.muff@bsl-lausanne.ch.

Overview of existing impact assessment tools & outlook of the Impact Assessment Project ***- Antonio Carrillo (LafargeHolcim), Silvia Cazzetta, Alain Fournier – DAS students of BSL***

To measure the impact of new planned initiatives in the context of the SDGs, three students from the Diploma of Advance Studies (DAS) at BSL have the task to develop a self-standing tool that can be included into *SDGXCHANGE* or used independently. As a starting point, the project team assessed 15 relevant tools from a pool of more than 180 know impact assessment tools. The initial analysis showed that none of these tools, clearly addresses the SDGs or the outside-in perspective.

Based on these results, the project team plans to develop a stand-alone tool with the following features:

- A smart and user-friendly tool (e.g. app)
- Inspired by best practices of existing frameworks and tools
- Assessing the net positive impact of initiatives, prototypes and innovations, in the context of the SDGs

To stay tuned about the development and launch of the tool, contact: info@engageability.ch.
For an overview of the tools participants are using or are interested in, see Annex.

Sustainable and Impact Investing Initiatives

- Katherine Brown, Head of Sustainable and Impact Investing at World Economic Forum

Katherine Brown provided an insight into the *Sustainable and Impact Investing project* of the World Economic Forum. It aims at building industry coherence and collaboration to accelerate the evolution from the short-term investment mindset to one that focuses on long-term investments and sustainable impact. One of the workstreams focuses on “Measuring Progress towards Collective Action: A multi-stakeholder process to accelerate coherence and consolidation among impact measurement and management practice at the SDG-level.” At the end of the presentation, Brown recommended to the audience to stay attentive when it comes to the SDGs. In her view, “the SDGs are a good framework, but also the easiest to fake”.



PART II: Launching the Social and Human Capital Coalition

- Matthew Watkins, Associate at WBCSD

On April 17th this year, WBCSD launched the *Social and Human Capital Coalition* (SHCC), a global multi-stakeholder collaboration that brings together leading initiatives and organizations to help companies recognize, measure and value the importance of people and communities. The protocol has been developed as a response to the need that companies are increasingly calling for a harmonized approach to measure and value their interactions with people and society. Yet, they struggle to identify fit-for-purpose approaches to integrate social measurement, management and valuation within their organizations. To join the Coalition see www.social-human-capital.org or contact WBCSD.



PART III: Moving from theory to practice

Following the input presentations and a refreshing ice cream break, participants joined the ‘fish-bowl-discussion’, aiming at moving from theory to practice. To get started the story tellers Anne Wolf (Swiss Post), Jürg Meier (Kühne & Nagel Management) and Felix Mundwiler (Credit Suisse) provided short inputs to the following topics and discussed them with the participants.

Kühne & Nagel Management started measuring the impact of one relevant issue: lost work days. They realised that it affects not only the missing person, but also the replacement who needs to be mobilized and trained respectively.

During the handover, specific customer related information may get lost, holding the risk of damaging products (e.g. perishable food is transported at the wrong temperature) and impacting business relationships. In view of this impact, Kühne & Nagel measures and monetizes lost working days and discusses them with top management.

Credit Suisse started digitalizing impact measuring of Corporate Volunteering, facing questions such as how much value equals one hour of volunteering. Setting up the system took four years, but now it helps to quantify the impact of Corporate Volunteering.

The examples show that a step by step approach, focusing on a specific issue, can kick-start the process and, once approved, it can be scaled to other areas.

Following these input statements, the discussions focused on three areas:

How to get started?

- Don't reinvent the wheel → Take advantage of existing tools and methods. There are already many open-source guidelines (EVPA, SROI, WBCSD, etc.) on how to get started.
- Set objectives and boundaries
 - Measure what matters most (materiality)
 - Start simple, e.g. with small projects and scale afterwards
 - Start with the right magnitude - if not, nobody will take it seriously
- Consider what is already in place (e.g. available data, frameworks, risk assessment and decision-making tools, etc.)
- Evaluate how much time/resources are available and needed
- Get help from an expert, consultant or trainer - especially at the beginning to set up a system

How to get buy-in internally?

- Have a clear business case, e.g. what is the cost associated with lost work days
- Use the term "process" instead of "project", to better characterize the nature of the assessment & explain trade-offs as well as how to manage them
- Share concrete examples as well as facts & figures that support the business case
- Explain what peers or competitors are doing
- Use pragmatic approach, e.g. via "easy app"

Why to monetise non-financial values and set up digital systems?

- Monetized data helps translating social and ecological value into appropriate language within company. Before being able to monetize data, organizations have to gather data from partners, which is still a challenge according to the conference participants
- A digital system must be simple
- While it might take some time to develop it, it will save a lot of time in the long run

Furthermore, participants discussed the outside-in perspective of products and services, e.g. Publi-Bike of Swiss Post, as well as how to react in critical situations.

PART IV: Final round & closing

Before closing the 4th Integrated Value Assessment conference, participants were asked to share their final thoughts and to prioritize them (highlighted in bold).

Final thoughts and reflections	
<p>SDGs</p> <ul style="list-style-type: none"> • Where do private and public-sector meet / overlap / use synergies in reaching the SDGs? • Do we need the SDGs to become more sustainable? Can they help us and leverage sustainability issues? • Market potential of SDGs: examples needed! • As there is still no way to properly measure the SDGs, are they really going to be the future? • How to achieve upscaling SDG-efforts from company-level to global-level? • What are pros & cons of using the SDGs as conversation starter? <p>Outside-in perspective</p> <ul style="list-style-type: none"> • Who is the point of contact within a company for an 'outside-in' perspective/project? How to frame the 'business case'? <p>Future collaboration</p> <ul style="list-style-type: none"> • How can we use a group like this to start cross-sector collaboration? 	<p>Measurement / Standards / Tools</p> <ul style="list-style-type: none"> • Is there <u>ONE</u> IVA standard coming up? • What frameworks can be used to measure qualitative impacts on society? • Management by objectives (tools) vs. attitude (behaviour) • How to choose a pilot project when you are starting on your journey? • How can we have a standardized framework as a company with activities on a global scale (where requirements / measurements differ locally?) • Whose value? • Digitalization of impact assessment → what tools are in use? Where lies the divider between reporting and true value assessment? <p>Lessons learnt</p> <ul style="list-style-type: none"> • Valuation is valuable • Collaborative approach is key → profit vs. non-profit • Internal reflexion: What value do we create? Inside-out or/and outside-in? <p>Other</p> <ul style="list-style-type: none"> • Culture eats strategy for breakfast!

Anne Wolf from the Swiss Post concluded that the IVA partners and participants have made a journey since the first event in 2014. Yet, it is still complicated. In this respect, it is important to come together and share experiences, common difficulties and lessons learnt. The anticipated tool or app currently being developed by the BSL DAS students could be a first step towards a pragmatic and hands-on tool making integrated value assessment approachable. The yearly events as well as the community of practice 'What gets measured gets done' launched early in 2017 are good platforms to continue these discussions.

Outlook

- Presentation and discussion of preliminary results of the smart and easy to use net impact assessment tool during the Swiss Green Economy Symposium on September 4, 2018
- Launch of the tool towards the end of 2018
- Community of practice 'What gets measured gets done' focusing on one of the priority topics addressed in the final session (e.g. SDGs) end of 2018 or early 2019
- Next IVA event May/ June 2019

For questions, please contact info@engageability.ch.

ANNEX: Overview of tools applied by participants or of interest to them

