

Social Return on Investment – Measuring Impact



Social Return on Investment (SRoI) is a framework that helps organisations measure and account for much broader concepts of value. SRoI is a tool for measuring the total value generated for every rupee invested in development sector interventions.

Why SRoI is important?

The SRoI framework helps measure change in ways that are relevant to the people or organisations that experience or contribute to it. It tells the story of how change is being created by measuring social, environmental and economic outcomes, and uses monetary values to represent them. This story enables organisations to calculate a cost-benefit ratio.

SRoI helps manage and communicate the social value a project creates in the form of a measurable number that can be understood by all relevant stakeholders. The SRoI measurement also helps to increase the social value or impact the project creates.

Types of SRoI

Evaluative SRoI

Conducted retrospectively and based on actual outcomes that have already taken place. Evaluative SRoI is useful post implementation of projects.

Forecasted SRoI

Predicts how much social value will be created if the activities meet their intended outcomes. Forecasted SRoI is useful during the project planning stage.

Principles of SRoI

There are seven principles that form the basis of SRoI. These principles are as mentioned below:

- Involve stakeholders
- Understand the impact of projects
- Value the things that matter
- Only include what is material
- Do not over-claim
- Be transparent
- Verify the result.

SRoI analysis involves six stages

Establishing scope and identifying key stakeholders

It is important to have clear boundaries about what your SRoI analysis will cover, who will be involved in the process and how.

Mapping outcomes

Through engaging with your stakeholders, you will develop an impact map, or theory of change, which shows the relationship between inputs, outputs and outcomes.

Evidencing outcomes and giving them a value

This stage involves finding data to show whether outcomes have happened and then valuing them.

Establishing impact

Having collected evidence on outcomes and monetised them, those aspects of change that would have eventually happened or are a result of other factors are eliminated from consideration.

Calculating the SRoI

This stage involves adding up all the benefits, subtracting any negatives and comparing the result to the investment. This is also where the sensitivity of the results can be tested.

Reporting, using and embedding results

This vital last step involves sharing findings with stakeholders and responding to them, embedding good outcomes, processes and verification of the report.

How SRol can help improve services

- Providing guidance for strategic discussions and help you to assess and increase the social value a CSR activity creates or the potential to create a social value.
- Helping you in targeting appropriate resources to manage unexpected positive and negative outcomes.
- Demonstrating the importance of working with other organisations and people contributing to creating change.
- Identifying the overlapping areas between an organisation's goals and the expectations of its stakeholders, thus help with improved SRol.
- Facilitating formal dialogue with stakeholders that enables them to make services accountable and involve them in service design more meaningfully.

How SRol can help your organisation enhance sustainability

- Improving your brand image
- Strengthening your case for more financial grants
- Making your proposition to pursue CSR projects more attractive
- Redefining CSR investment strategy
- Estimating future impacts and evaluating impacts of existing or past projects
- Build stronger relationships with community stakeholders and project providers.

Why KPMG

KPMG has been associated with the SRol Network now Social Value International.

KPMG has conducted many SRol studies in India and has an experienced team.

KPMG has been helping leading companies in India to design, execute and monitor end-to-end strategies in corporate social responsibility, including SRol.

The programme would be delivered by KPMG professionals from developmental, sustainability

and CSR practices to provide a broad and wide ranging view on CSR.

KPMG has worked extensively with multiple industry stakeholders, including government agencies, ministries, think-tanks, multilateral and domestic development agencies.

We can leverage the expertise of our global network of member firms to identify leading global practices in corporate social responsibility and SRol.

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