Measuring SROI, Social Return on Investment. The role of social media in engaging and developing a community around projects and events

Villages on Move – seminar 3 Portugal, September 19-22, 2019 Instituto Politechnico de Leiria – ESECS





MBA – The Aarhus School of Business Economics

UCL University College – Lecturer since 2015

BA top-up programme in Innovation and Entrepreneurship, the AP programme in Service, Hospitality and Tourism Management, and the AP programme in Commerce Management.

IPLEXUS Aps: Owner/Partner (Marketing and communication, corporate identity, marketing development and public communications. Online marketing)

FREDERICIA TEATER: Marketing Coordinator and Project Manager OPENING/AAKJÆRS/MEDIEGRUPPEN REKLAME: Project Manager A/S GEORG JENSEN DAMASKVÆVERIET: Sales and Export Manager RØNVIG Instruments A/S: Export Manager A/S PHØNIX Contractors: Strategic Planning Manager RUNOX A/S: Sales and Export Manager





 If you should create VOMB-criteria for the quality of an idea or an event, what would be your proposal?



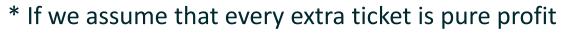


Return on Investment (ROI)

Return on Investment or ROI (financial key ratio or kpi):

Profit/Total assets (Earnings/investment)

- Percentage: A company has a profit € 600.000/Total assets
 € 10.000.000. ROI = 6% (compare with other investments like shares, bonds or just "money in the bank")
- Ratio: A theatre spends € 500 on an advertising campaign and sells € 1.000* additional tickets. ROI = 1.000 / 500 = 2 (or 200%)







Social Return on Investment (SROI)

Return on Investment -> Total value creation/investment

Let's **imagine** that we during and after VOMB could assess the monetary value of

- Saved health expenses
- More working years
- Less absence from work due to illness
- all the extra fun etc.





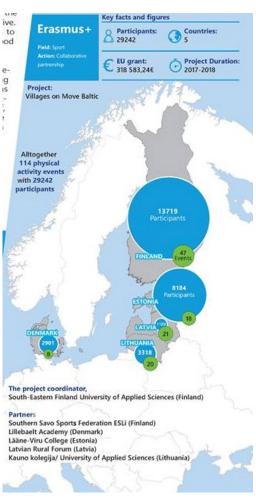
to a total value creation of € 1.000.000. Let's say the total project cost including the EU-grant was € 400.000

Total value creation/investment:

1.000.000/400.000

- **Percentage**: SROI = 150%
- **Ratio**: SROI = 1,5

(1.000.000-400.000)/400.000





Why is measuring SROI relevant?



- To plan future programs with integrated KPIs (key performance indicators)
- To assess existing programs
- To compare various focus areas
- To compare programs and their values benchmarking social investment strategies
- As a mechanism to better engage stakeholders

2 personal hypothesis'es:

- Intensified competition between project applications and for grants from local, regional and national authorities
- Does digitalization of information in a decision proces benefit quantitative rather than qualitative aspects?





Back to the traditional business perspective

- Business models are less and less purely profit-oriented
- More and more profitability is no longer at the expense of sustainability or social value creation.
- Corporate Social Responsibility and a green profile is no longer just an appendix to the "real" business model
- Today all three P's, Profit, People and Planet are fully integrated in the most succesful and durable business models









Measuring Social Return on Investment

So – when business goes social and sustainable – why not encourage social entrepreneurship or "non profits"

to develop – or at least improve measurability – going as far as possible in also

- quantatively assessing the value creation
- rather than just qualitatively describing it





YMCA – "GENBRUGT" – a new chain of recycling stores (UCL University College case in Innovation & Entrepreneurship) YMCA a very classical non profit organisation. In Denmark WMCA Social Work:

- runs several institutions helping people with many different challenges. To a large extent based on public financing but also funded through different charities
- also recycling has been part of their concept with traditional big, slow range of products – in a not too upbeat shop environment

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YMCA Social Work Denmark

just opened the second store in a new chain with a totally different concept.

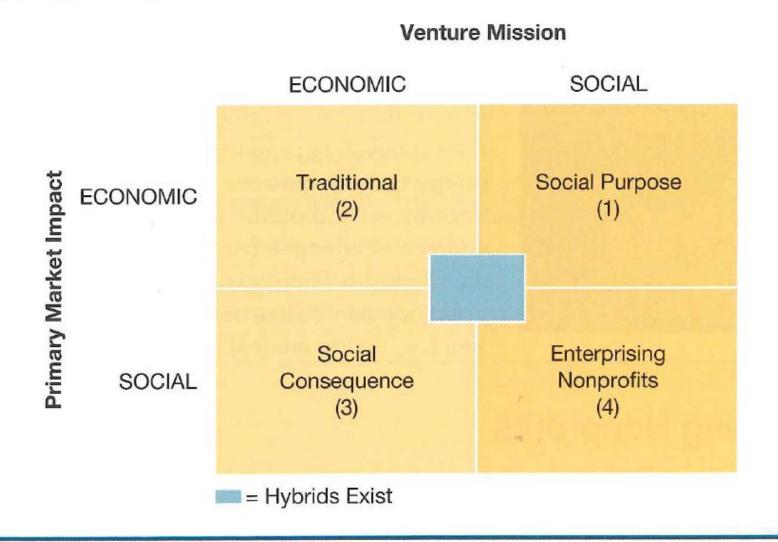
- Centrally placed locations
- 10 major cities planned
- smaller aesthetically appealing store design
- fast moving product range

and YES – going for a profit!!! Obviously to benefit – and contribute to the funding of all their other social activities.



FIGURE 4.2

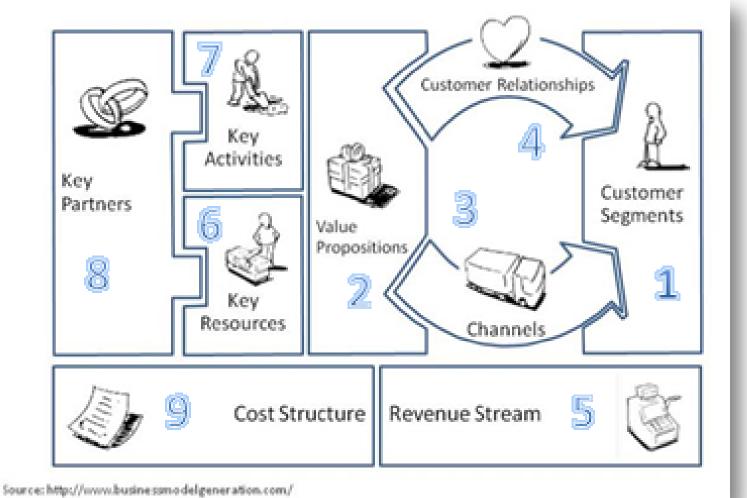
Typology of Ventures



University College

Source: Neck, H. M., Brush, C., & Allen, E. (2009) The landscape of social entrepreneurship. Business Horizons, 52, 13–19.

Business Model Canvas (Ostervalder & Pigneur)



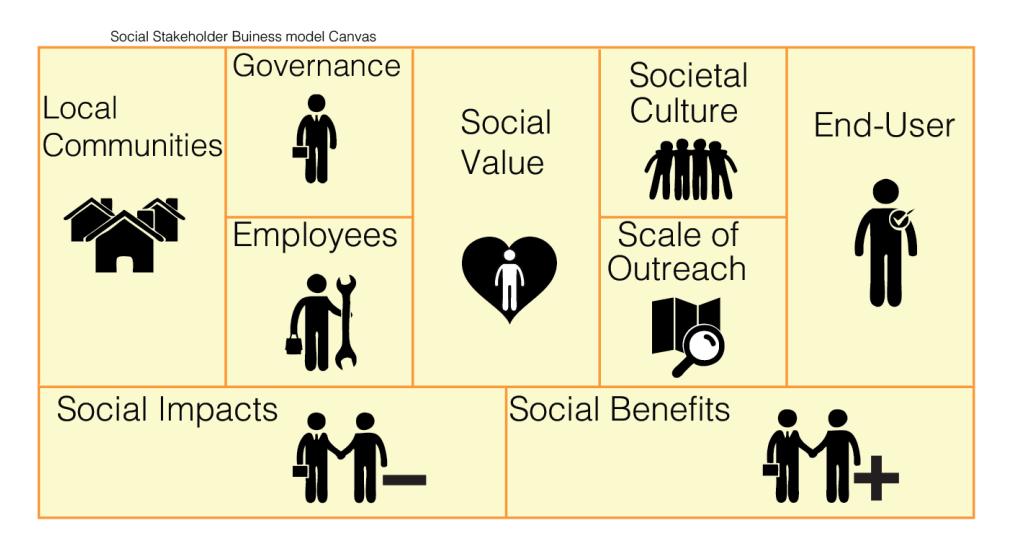
The right side of business model canvas emphasizes value while the left side is predominantly cost driven.

Financial considerations (costs, revenues) are on the bottom and

value is at the centre with connections to partners and customers.

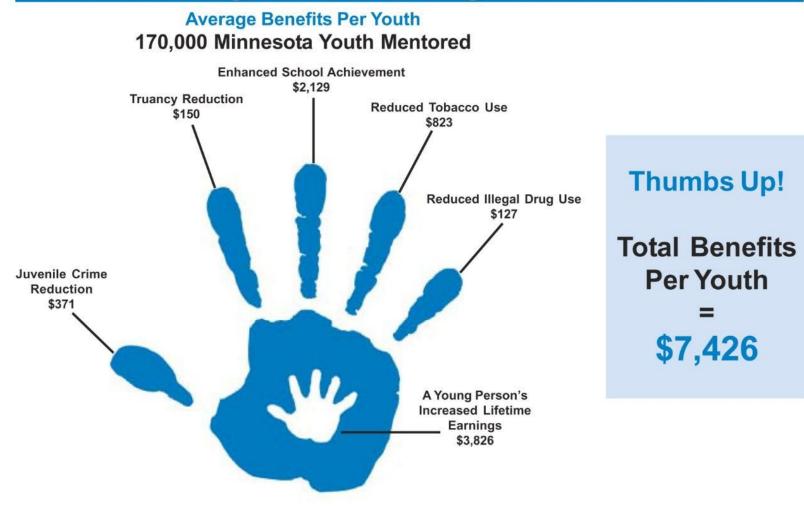


Social Business Model Canvas





Give Mentoring A Hand...A Strong Return On Investment



Based on conservative assumptions and outcomes and valuations, a representative program returns benefits of \$2.72 for every dollar of resources used (dollars spent plus volunteer time). A program returns \$1.87 of public benefits (public cost savings and increased tax revenues) for every dollar spent on the program. *Reference Anton, Paul A., Wilder Research, Prof. Judy Temple, University of Minnesota (2007) Social Return on Investment in Youth Mentoring Programs.



Digging deeper

- Guide to Social Accounting and Audit by the Social Audit Network
- http://www.socialauditnetwork.org.uk/
- Social Impact Analysis by Social Impact Analysis Association http://www.siaassociation.org/
- Social Return On Investment (SROI) by the UK SROI Network http://www.thesroinetwork.org/
- Measuring and Improving Social Impacts: A Guide for Nonprofits, Companies, and Impact Investors by Marc J. Epstein (Author), Kristi Yuthas (Author) http://goo.gl/CKMuUZ
- B Corp (B Impact Assessment) by B Corporation http://www.bcorporation.net
- Demonstrating Value (DV) by Vancity Community Foundation www.demonstratingvalue.org
- Global Impact Investing Rating System(GIIRS) by B Lab www.giirs.org
- Impact Reporting & Investment Standards (IRIS) by Global Impact Investing Network (GIIN)
- www.iris.thegiin.org
- Sustainable Livelihoods (SL) by UK DFID www.eldis.org



2) The role of social media in engaging and developing a community around projects and events

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EliteVejle Facebookpage

- engaging the local community

Kickoff meeting for talentambassadors

HOW?

- Posts and content
 - From stars and medal candidates to youngest talent
 - Successes AND failures
 - Deep and wide
 - Tournaments and big events, but also every day hard work and training – "behind the athletes"
- #hashtags
- Instagram and photos
- What you can do as an ambassador



Open engaging discussion/dialogue

- Content? do you already see content/posts, just waiting to get shared?
- Do you see yourself as ambassadors towards other talents and sports clubs?
- Do you believe the other talents in EliteVejle will join our efforts?
- How can we help you?
- Do you see problems/challenges ahead?



ELITEVEJLE FACEBOOKPAGE

Objectives

Increase visibility of and interest for each individual talent as well as the activities in EliteVejle

- Among all citizens in the municipality of Vejle
- Among each other
 – talents, clubs, municipality employees
 etc.
- Among sponsors
- Among media

Inspire all citizens as well as other athletes



ELITEVEJLE FACEBOOKPAGE

A community

A framework of meeting and following each other, where both

- Quite a few citizens
- The talents
- The sponsors
- The media

Gradually will join, follow, involve and engage more and more and become "part of" also more and more giving likes, comments and shares



Advertising posts (paid reach)

Organic reach??? Typically only 10% +/- of fans/followers!

EliteVejle decided to spend part of their marketing budget advertising relevant posts.

And created additional budget by allowing sponsors – if they were willing to pay the advertising cost – that they could be "the official sender" of thes posts with a short statement and a URL/website address in the bottom of the text.





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