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Abstract

With increasing pressure on the third sector to demonstrate the social impact of its activities, social entrepreneurs are faced with the challenge of identifying an accurate method for measuring social return and communicating this positively to a wider audience. This assignment considers the different ways in which social impact can be measured, focusing specifically on two contrasting business performance models. This includes analysis of the respective strengths and weaknesses of the models with reference to the pertinent literature, before concluding with a discussion around opportunities that social enterprises could exploit through these measures to gain a competitive advantage in the marketplace. While impact measurement can be time-consuming, costly and bureaucratic, the competitive advantage it affords to SEs through increased stakeholder engagement, transparent internal processes and greater accountability to the public should be viewed positively as a means of evidencing corporate social responsibility beyond the mission statement, whilst simultaneously satisfying internal and external stakeholder demands. Therefore, development of a more standardised tool to enable effective competitor analysis and comparison within organisations would assist understanding of social impact and how it can be developed in future.

***Bull (2007) suggests that impact measurement is often viewed as a burden rather than a potential source of competitive advantage. Drawing on the relevant academic literature and social business examples, critically compare and contrast at least two business performance measures.***

This assignment considers the different ways in which social impact can be measured, focusing specifically on two contrasting business performance models. This includes analysis of the respective strengths and weaknesses of the models with reference to the pertinent literature, before concluding with a discussion around opportunities that social enterprises could exploit through these measures to gain a competitive advantage in the marketplace.

***Evaluation of Impact Performance Models***

With increasing pressure on the third sector to demonstrate the social impact of its activities, social entrepreneurs are faced with the challenge of identifying an accurate method for measuring social return and communicating this positively to a wider audience (Arvidson et al., 2010; Kickul & Lyons, 2012).

It is estimated that some 150+ metrics are currently being used by social enterprises (SEs) to assess social impact, which is considered key to monitoring performance, attracting funding and recognising social value (Murray et al., 2010; Pathak & Dattani, 2014). Consequently a wealth of resources, including the ‘Tools and Resources for Assessing Social Impact’ (TRASI) US database and the Social Enterprise UK website, are now available to SEs to enable comparison and selection of appropriate measurement tools (Kickul & Lyons, 2012; SEUK, 2016; TRASI, 2016).

A selection of commonly used impact measures is summarised below:

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| **Impact Measure** | **Main Components** | **Authors / Used By** |
| ***Social Return on Investment (SROI)*** | This is an adjusted cost-benefit analysis (CBA) model which monitors the social, economic and environmental benefits of an organisation’s work in order to measure its performance and to estimate the value created in terms of the social and environmental impacts not reflected in financial statements. As such, it mainly focuses on the quantitative impact of social performance. In theory, the larger the market, the greater the SROI and therefore the greater the number of investors it will attract. However, it remains a major challenge for organisations to quantify the link between these benefits, despite the number of non-financial performance metrics now available. This methodology is popular in the UK and US and is constantly evolving: for example, it now also includes elements of cost-effective analysis (CEA) (Blowfield & Murray, 2008; Kickul & Lyons, 2012; Martin & Thompson, 2010; Mook et al., 2015; Murray et al., 2010; REDF, 2016). | Initially developed in the 1990s by the Roberts Enterprise Development Fund (REDF) in the US Used across a wide range of sectors and countries. |
| ***Social Accounting and Audit (SAA)*** | Investigative reporting into the impact of enterprises on the community and environment was pioneered by Social Audit Ltd in the 1970s in response to government social regulation initiatives and promoted by the community sector in the 1980s and NEF in the 1990s before the establishment of the SAN in 2000. SAA aims to help SEs record the social, economic and environmental impact of their activities in order to report on performance and to recommend improvements. There has been an increasing trend towards internal auditing in recent years and this CSR approach is used to encourage managers to act and invest more responsibly. However, it is argued that improved compliance through audits may not necessarily point to sustained improvement, but rather an organisation’s adeptness at passing audits (Crane et al., 2009; Martin & Thompson, 2010; Natale & Ford, 1994; NEF, 2016; SAN, 2016).  | Concept attributed to George Goyder in the 1950s and later promoted by the New Economics Foundation (NEF) and the Social Audit Network (SAN) Used by a variety of UK enterprises. |
| ***Triple Bottom Line (TBL)*** | The TBL principle addresses the issue of sustainability by encouraging organisations to draw up three different bottom lines (‘profit’, ‘people’, ‘planet’) over a period of time in order to account for the full costs of doing business. It is a form of balanced scorecard to provide all stakeholders with financial measures of performance and accountability, to inform product development and to promote CSR. The principle is considered problematic in the sense of who should be responsible for developing the support structure to assist SEs and in the fact that adding up the three separate accounts is not a straightforward process, given that social and environmental accounts cannot be measured in the same terms as profits. More recent research has called for a fourth bottom line, namely political impact, to be introduced in order to sustain change for future generations (Baker, 2011; Blowfield & Murray, 2008; Crane et al., 2009; Kickul & Lyons, 2012; Online Extra, 2009). | Developed in the 1990s by social entrepreneur John Elkington, founder of SustainAbility   |
| ***Balanced Scorecard*** | This performance management methodology assesses the extent to which operational activities are aligned with strategic objectives, looking beyond purely financial performance by considering other perspectives (customer, internal processes, innovation and improvement) to achieve different outcomes. The objective is to broaden an organisation's perception of its current position and to identify ways in which to improve and effectively manage change. This approach integrates often disparate corporate programmes (e.g. process redesign or customer service) and provides staff with tools to improve organisational effectiveness. However, it is dependent on the value of the information behind the process: incomplete data and employee resistance can prove a hindrance. The model was adapted in 2006 by Martin Bull to form ‘Balance’, a social enterprise performance analysis tool (Bull, 2007; Murray et al., 2010; Online Extra, 2008). | Developed in the 1990s by Robert Kaplan and David NortonUsed across a wide range of sectors and countries. |
| ***Blended Value Method*** | Similarly to the triple bottom line approach, this philosophy of social accounting seeks to quantify social impacts and to translate this into monetary value where possible. Entrepreneurs realise that social and environmental value should be looked at in conjunction with financial value and therefore combine social values with financial returns through wealth creation in order to present a clearer picture to potential investors. The underlying principle is that enterprises are expected to achieve economic success while at the same time maximising social benefits. However, a disadvantage for SEs in using this approach is that they will generally not have access to equity-based investments, owing to the fact that investors will not be able to receive a return on investment (Kickul & Lyons, 2012; Martin & Thompson, 2010; Murray et al., 2010; Pathak & Dattani, 2014). | Developed by Jed Emerson in 2000A philosophy to be used by a range of organisations including for-profit companies and social enterprises |
| ***Creating Shared Value (CSV)***  | The principle of shared value involves creating economic value that also generates value for society. It sits at the top of the CSR pyramid in terms of active engagement, providing a different slant on achieving economic success and driving growth and innovation. It recognises that societal needs are a means of shaping markets and by reducing ‘social harms’ a company can also streamline resources, reduce internal costs and increase competitive advantage. However, Elkington (creator of the TBL approach) argues that sustainability should not be replaced entirely by the concept of shared value and must take into account the negative impact of capitalism on the climate, resources and biodiversity if transformation is to work in the long term (Elkington, 2012; Porter & Kramer, 2011; Saatci & Urper, 2013). | Developed by Michael Porter and Mark Kramer in 2006 |
| ***Cost-Benefit Analysis (CBA)*** | This traditional model is used to monetise programme outcomes against costs in order to generate data on net societal benefits. The primary objective is to quantify precisely what is external to the market. CBA therefore gives decision-makers an opportunity to compare and contrast initiatives on their merits (i.e. what is generating the largest net benefit). However, research carried out among managers has indicated that CBA is now considered less influential in terms of its CSR impact than initially believed and adapted CBA models such as SROI are now growing in popularity and use (Blowfield & Murray, 2008; Kickul & Lyons, 2012; Murray et al., 2010; TRASI, 2016). | Developed and widely used by organisations such as public authorities and agencies, mainly for the purposes of assessing transport investment and development projects |

Two of the more widely practised impact methods form the basis for further analysis:

*Social Return on Investment (SROI)*

The SROI framework was initially developed by the Roberts Enterprise Development Fund (REDF) in the 1990s to monitor social benefits and costs relative to company performance (Martin & Thompson, 2010) and was modified by the UK’s New Economics Foundation (NEF) to place greater emphasis on stakeholder engagement (Moody et al., 2015; NEF, 2016).

In the late 1990s the UK government exerted pressure on the third sector to switch its focus to ‘outcomes’ in order to realise its vision of transforming public services, and this, combined with heightened public social awareness, obliged organisations to embrace CSR to demonstrate their social value (Heady, 2010; Saatci & Urper, 2013). This provided greater impetus for and endorsement of impact measurements such as SROI (Arvidson et al., 2010; Mook et al., 2015).

Evaluative and forecast SROI analysis became the favoured methodology of the Cabinet Office and is underpinned by seven principles, namely: engaging stakeholders; understanding what changes; valuing things that matter; only including what is material; not over-claiming; being transparent and verifying the result (Cabinet Office, 2009; Pathak & Dattani, 2014). Although focusing on outcomes which are meaningful to stakeholders, it does not prescribe *how* these should be measured, leaving organisations with the challenge of how best to represent their impact (Moody et al., 2015).

SROI is derived from cost-benefit analysis and uses a top-down quantitative approach to collecting and reviewing ongoing and trackable social performance inputs and outputs and monetising these through financial proxies (e.g. market value), thus generating a benefits-to-cost ratio for social value creation (Arvidson et al., 2010; Martin & Thompson, 2010). Where it differs from CBA is in its holistic approach to performance impact and use of qualitative data to describe value created for stakeholders (Millar & Hall, 2013; Pathak & Dattani, 2014).

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| **The six stages of the SROI process** |



Source: Heady, 2010

SROI methodology, while emerging as a preferred technique in the UK, is constantly evolving and it is widely argued that, before it can be considered a reliable measurement tool, further research is required to evaluate how it works in practice in third sector organisations, particularly in evidencing subjective outcomes such as improved well-being and reduced inequality (Cabinet Office, 2009; Millar & Hall, 2013; Pathak & Dattani, 2014).

*Social Accounting and Audit (SAA)*

With origins in the 1950s, SAA first achieved wider recognition in the community sector during the 1980s as a result of increasing pressure to disclose social performance data, before UK think-tank NEF assumed responsibility for its promotion in the 1990s, most notably with UK fair trade organisation *Anonymised company* plc (Natale & Ford, 1994; NEF, 2016; SAN, 2016).

The launch of the Social Audit Network (SAN) in 2000 further reinforced its use as a qualitative methodology, both by profit-making organisations as a tool to complement financial accounting, and increasingly by the voluntary sector as a framework for testing and a means of engaging shareholders to attract further funding (Gao & Zhang, 2006; Martin & Thompson, 2010; Paton, 2003; SAN, 2016).

As social accounting grew in popularity, SAN introduced its own accounting and audit manual and refined its audit process to provide SEs with a framework to build on existing documentation and reporting as a way to evidence their social, environmental and financial impact, improve future performance and increase accountability to stakeholders (Gao & Zhang, 2006; Martin & Thompson, 2010; SAN, 2016).

SAN’s 4-step audit process:



Source: SAN, 2016

A social audit has the advantage of being widely applicable and flexible for use at various levels, including self-audit, and promoting dialogue with key stakeholders (Martin & Thompson, 2010; Paton, 2003; TRASI, 2016). SAN conducts audits on behalf of UK enterprises such as *Anonymised company* and *Anonymised company* (SAN, 2016). Similarly, NEF acts as a social auditor for *Anonymised company* and other organisations, while continuing to champion social, economic and environmental issues through a variety of channels (NEF, 2016; Paton, 2003).

Both approaches measure the creation of social value, but whereas SROI focuses on change that is expected or happens to different stakeholders because of an activity, social accounting looks at an organisation’s social objectives and does not advocate use of financial proxies or a return ratio (Cabinet Office, 2009). SEs such as *Anonymised company* combine both approaches to provide more meaningful data: logically it is easier to compile an SROI report if social accounts already exist (SAN, 2016).

***Strengths and Weaknesses***

The main benefits and limitations of these impact measures are summarised below:

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| **Model** | **Category** | **Strengths** | **Weaknesses** |
| **SROI** | **Measuring Social Value** | 1. Takes a top-down quantitative CBA approach to measuring the ‘currency’ of social value in order to monetise social and environmental benefits for meaningful comparison against financial impact | 1. Difficult to quantify social value in monetary terms, particularly as this does not adequately take into account intangibles, such as volunteering and improved well-being  |
| **Stakeholder Engagement** | 2. Utilises aspects of qualitative analysis by engaging with stakeholders through an assessment process in order to identify how best to maximise value and allocate resources | 2. Relies on appropriate selection of stakeholders to define impact measures: disparity in stakeholder involvement and use of indicators across organisations makes meaningful comparisons difficult |
| **Tangible Impact Data** | 3. SROI reports provide positive impact data which organisations can utilise to forecast and evaluate social impact to strengthen their position and raise their profile in a competitive marketplace | 3. SROI reports can be interpreted by an audience in different ways and results can be quoted selectively: there is also potential to over-claim, while not providing clear evidence of how/why impacts occur |
| **Internal Systems** | 4. Provides organisations with the impetus to modify and improve on existing internal systems and processes through an accreditation process and therefore target scarce resources more efficiently | 4. Smaller organisations in particular often lack a sophisticated monitoring system or the necessary in-house resources that will provide ongoing evidence of their social impact |
| **Cost** | 5. Acts as a useful tool for organisations to demonstrate their value for money in a competitive environment and helps to make their tenders more appealing to potential investors | 5. The high cost involved in conducting an SROI assessment, both in terms of time and resources, can be a deterrent to some organisations, particularly smaller social enterprises |
|  |
| **SAA** | **Internal Performance** | 1. Uses qualitative techniques, requiring organisations to report on results and therefore encouraging managers and employees to perform more responsibly in their roles (a form of ‘ethics checklist’) | 1. Often a lack of cooperation during the accounting process, both within the organisation and between colleagues, with staff becoming adept over time in knowing how to pass an audit |
| **Stakeholder Engagement** | 2. A bottom-up approach offers organisations an opportunity to develop inclusive stakeholder relationships to enable informed and responsible investment choices to be made in the future | 2. Impossible to obtain an accurate comparison across different organisations for competitor analysis because every organisation will make use of a different set of metrics |
| **Reporting Mechanisms** | 3. The holistic process provides internal benefits including developing internal capacities and reporting mechanisms, while fostering a greater understanding of impact and performance | 3. Often difficult to obtain meaningful information from all groups of stakeholders (‘questionnaire fatigue’) in order to help improve understanding of what needs to be measured |
| **External Image** | 4. Provides external benefits including greater transparency and accountability to stakeholders and creates a more positive external image to increase competitive advantage | 4. Organisations tend only to publicise those aspects that paint them in a positive light. There is a danger that external stakeholders will exert too much influence and conflicts of interest will arise |
| **Implement-ation Mechanisms** | 5. Uses a standardised and verifiable reporting system, which makes it easier to measure against in future and which is also relatively flexible to adapt and implement at different levels | 5. The audit and reporting process can be time-consuming, bureaucratic as well as expensive in terms of time and resources used in preparing and publishing social accounts |

SROI’s use of an input-to-outcome ratio is considered a key benefit, given that it is a tangible, monetised means of describing social value added and can improve competitive advantage (Arvidson et al., 2010). Mook et al. (2015) identify a further strength in its promotion of engagement with stakeholders: assessing social impact from stakeholders’ perspectives can improve understanding of expectations while helping organisations to familiarise themselves with pertinent socio-economic issues (Cabinet Office, 2009). Internally, the SROI process can assist employees and board members in clarifying their mission statement and strategy, leading to improvements in data quality, systems and policies and providing greater legitimacy, while externally, improved communication enhances their profile in the marketplace to attract funders (Millar & Hall, 2013; Mook et al., 2015).

Advantages of the SAA approach include use of a standardised reporting mechanism, which provides organisations with greater accountability, encouraging managers to perform more responsibly because of the requirement to report on their results (Paton, 2003). A social audit is effectively an ethics checklist enabling organisations to reflect current ‘hot topics’ to satisfy pressure groups and reinforce social value (Natale & Ford, 1994). Additionally, it promotes dialogue with shareholders and builds trust and cooperation whilst providing tangible information with which to make responsible investment choices (Crane et al., 2009; Gao & Zhang, 2006). Indeed, *Anonymised company* reports that its own social audits have generated internal benefits including greater understanding of impact and performance, more efficient systems and services, greater transparency, quicker identification of issues (workload, stress etc.) and improved benchmarking, while encouraging better links with stakeholders and an improved external image (SAN, 2016).

Research suggests that the major flaw in the SROI framework lies in quantifying the link between financial, social and environmental performances to enable a meaningful sustainability strategy to be implemented (Arvidson et al., 2010). Given that economic indicators are more readily identifiable and easier to report upon, the tendency is to focus on these as a better measure of data quality (Arvidson et al., 2010; Blowfield & Murray, 2008).

Reliance on the subjective selection of proxies (e.g. based on cost of government services) and in calculating deadweight (impact that would have happened without the activity), as well as selection of an appropriate timeframe for evaluation, makes accurate cross-organisational comparisons difficult and may lead to benefits being overestimated (Mook et al., 2015; Pathak & Dattani, 2014; TRASI, 2016), notwithstanding the fact that SROI fails to effectively take into account quality of life and other intangibles, such as the opportunity cost of volunteering (Arvidson et al., 2010, Millar & Hall, 2013).

Identifying appropriate indicators can be problematic, because organisations face conflicts of interest between different stakeholders, often resulting in decisions being biased towards specific preferences to the exclusion of other stakeholders (Gao & Zhang, 2006; Mook et al., 2015). Moody et al. (2015) further argue that high-quality social impact data is difficult to collect and present to stakeholders, leaving investors unable to track the value of investments.

While allowing organisations to demonstrate their ‘value for money’ - for example *Anonymised company*, which has identified £80m savings over 10 years by using SROI financial proxies (Cabinet Office, 2016) - the often inhibitive cost of producing SROI reports in terms of time and resources for training, data collection, analysis and communication can be a deterrent (Moody et al., 2015; Mook et al., 2015).

Similarly, criticisms of SAA taken from SAN case studies point to lack of cooperation between colleagues, problems in obtaining information from stakeholders (‘questionnaire fatigue’), lack of understanding by stakeholders, geographical issues making it difficult to coordinate activities and concerns about external stakeholders having their own agenda (Natale & Ford, 1994; NEF, 2016; SAN, 2016). The fact that stakeholders are competing for scarce resources makes it debatable whether those most in need are those being catered for (Baker, 2011; Paton, 2003).

Critics also maintain that, while implementing social audit standards is a way to underpin organisational commitments, it will have little effect on how organisations behave if there are no mechanisms in place to force real reform (Crane et al., 2009; NEF, 2016). Crane et al. (2009) further argue that because social impact cannot be easily quantified through audits, organisations have little impetus to fully comply (‘selective control’), particularly as audits only consider a single point in time. As some social disclosures are voluntary in nature, organisations can also be selective in their reporting and how they choose to measure impact (Natale & Ford, 1994).

*Anonymised company* identifies disadvantages in preparing and publishing social accounts, considering the data collation, report compilation and audit process to be time-consuming and expensive, coupled with problems in embedding processes to capture ongoing data (NEF, 2016; SAN, 2016). Whereas larger enterprises such as *Anonymised company* have better time and money resources to implement social accounting, smaller enterprises are unlikely to waste resources to measure impact unless it is of demonstrable value (Millar & Hall, 2013).

The diversity within SEs makes standardised performance tools an inexact fit (Millar & Hall, 2013) and the challenge to provide accurate, non-biased impact data is impeded by the cost of implementation, capability issues and unavailability of key information (Pathak & Dattani, 2014).

***Potential Market Opportunities***

Bull (2007) posits that SEs are unlikely to thrive naturally and require structures and processes to help them grow, yet despite this there is a relatively low uptake in quality standards and social accounting techniques. Although often hampered by limited resources, enterprises must understand the importance of social value creation and continuously innovate to maintain competitive advantage (Lautermann, 2013; Martin & Thompson, 2010).

Many SEs have no standardised impact measurement method in place (Haski-Leventhal & Mehra, 2016), therefore to gain leverage in the marketplace they should maximise the value of impact statements by learning best practice from other organisations and incorporating elements of tried-and-tested impact models into their processes. As part of a long-term strategy, this could help engender a greater sense of ownership and acceptance among employees (Haski-Leventhal & Mehra, 2016).

SEs should firstly identify which local priorities to address and communicate these in their social value policy. The 6-stage SROI process could be used as guidance, for example its recommendation that enterprises establish links with key stakeholders and identify their requirements (Heady, 2010). All SEs should be actively engaging with stakeholders (local councils, government agencies, community groups) and can emulate larger corporations, such as *Anonymised company*, which engages in dialogue with customers, external stakeholders and industry bodies to develop its sustainability framework, covering issues including lower carbon emissions, human rights, community volunteering, diversity and inclusion and ethical business behaviours (Jaguar Land Rover, 2016). Although their ideologies and organisational structures differ, SEs can draw on this experience to create a workable framework to increase transparency and legitimacy. For example, *Anonymised company* has embraced the SROI approach: it is currently undergoing a review to create an impact map and will be able to use SROI ratios to provide leverage for future funding and increased stakeholder engagement (SAN, 2016).

Many SEs, including *Anonymised company*, produce annual impact reports, primarily using qualitative data based on questionnaires and learning outcomes (The Outward Bound Trust, 2016), but lack the in-depth quantitative and qualitative analysis that social accounting or SROI ratios provide. By following the example of *Anonymised company*, which already calculates social value ratios in its social accounts and impact reports (City West Housing Trust, 2016), it could produce more tangible data to help attract further partnership and funding opportunities from local stakeholders. Larger organisations such as *Anonymised company* produce long-term strategy frameworks to balance the needs of customers, the environment and shareholders by consulting with regulators and involving stakeholders in decision-making (United Utilities, 2016). By adopting a similar approach, SEs would improve their accountability and generate better growth forecasts.

A qualitative social audit approach (cf. steps 1-4 SAN model) can likewise help SEs to increase their legitimacy by determining objectives, compiling an accounting plan and undertaking a social audit in order to produce a standardised set of annual social accounts (SAN, 2016). One SE that has successfully adopted this approach is *Anonymised company*, which publishes independently audited social accounts, resulting in optimisation of its triple bottom line through accurate and transparent monitoring, reporting and appraisal mechanisms to provide impact data alongside financial accounts to achieve a competitive advantage over similar SEs (SAN, 2016).

Social impact models can help SEs to forge partnerships to promote their services and engage in capacity building to branch out to other locations or become affiliated with other organisations (Kickul & Lyons, 2012). By networking and using social media in particular SEs have an inexpensive means to enhance their profile, build relationships and advertise social impact results (Martin & Thompson, 2010).

Further avenues to exploit include the 2013 Social Value Act, in making local councils take notice of the impact of public sector contracts (green agenda etc.), with the creation of hubs such as the *Anonymised company*, which collaborates on regional issues, delivering sustainable environmental solutions, assisting job creation and reducing dependency on grants (Cabinet Office, 2016). In conjunction with SEUK the Act provides commercial masterclasses to help tender for public contracts and an Inspiring Impact hub to assist SEs in measuring impact more effectively (Cabinet Office, 2016).

SEs could improve their credibility by applying for the internationally recognised Social Enterprise Mark. One criterion for accreditation is demonstrating that social and environmental objectives are being achieved; another benefit of implementing a recognised SROI/SAA process (Social Enterprise Mark, 2016). Similarly, NESTA offer an Impact Investment Fund, which enterprises could tap into if they were able to demonstrate their commitment to sustainability (NESTA, 2016). Accolades including the SE100 index awards bring further recognition to enterprises and can help attract funding: for example, *Anonymised company* was shortlisted for the SE100 Impact Champion award (SAN, 2016).

A selection of SEs is highlighted below, with an evaluation of market opportunities to be exploited through use of SAA/SROI:

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| **Social Enterprise** | **Current Impact Approach** | **Market Opportunities** |
| *Anonymised company* | * Enterprise Strategy & Delivery Plan 2013 – 2016 and annual delivery plan updates
* Bi-annual social accounts to monitor activity
* Annual Green Statement
* Related strategies, such as Green Strategy, Asset Management Strategy, Value for Money Strategy
* Customer satisfaction questionnaires
* Supports enterprise initiatives (financial inclusion), such as local Ancoats charity Mustard Tree in providing recycled and upcycled furniture from house clearances and providing direct customer referrals
 | * Social value ratio already reported in social accounts can be used as leverage to further develop business models to support sustainability
* Further exploitation of government reform (Big Society, Welfare Reform Act, National Skills Strategy etc.) to grow business, e.g. take advantage of proposed increase in apprenticeships
* Use bottom-up SAA techniques to enhance engagement with key stakeholders to ensure understanding of contribution, e.g. through links with MediaCityUK to increase enterprise and employment opportunities
* Likewise, greater partner and community engagement to successfully compete for training and employment opportunities
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| *Anonymised company* | * Annual social impact report
* Documented performance management and monitoring procedures (ISO9001 QMS)
* Measurement techniques include self-evaluation, SROI review
* Freelances working in community to provide link between industry and the community
 | * Currently undergoing an SROI 6-month review to plot the direction of change on an impact map (‘theory of change’ business plan): the SROI ratios will provide leverage to obtain future funding and increase stakeholder engagement
* Important to maintain ISO 9001 quality accreditation in addition to SROI in order to increase accountability and legitimacy and to provide independent audit of internal processes to ensure transparency
* Longer term objective to develop operational models based on SAA reports that can be delivered nationally in future to expand network
* Develop links with new stakeholders (e.g. mainstream venues) to showcase services and increase external presence
* Increase work with freelances and improve service delivery and quality to attract further funding
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| *Anonymised company* | * Annual social impact report (qualitative approach) – focus on outcomes
* Impact and evaluation information on website
* Measurements techniques include questionnaires, analysis of learning outcomes, research based on Code of Practice, case studies
 | * Current qualitative data could be improved by combining with quantitative SROI ratios to indicate social value and report on impact, rather than over-reliance on use of statements from volunteers/tutors and basic environmental data (e.g. x trees planted, x litter bags filled)
* Exploit SROI techniques to increase stakeholder engagement, e.g. to expand on apprentice development programme partnerships with BAE systems and Volkswagen to generate more meaningful impact metrics based on these stakeholders’ own data
* Further strengthen and expand on partnerships with schools by introducing a more accountable and transparent organisational structure, for example through use of social audit, to increase legitimacy and transparency
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| *Anonymised company* | * Social value statement
* Social values information on website
* Measurements techniques include questionnaires and user feedback
 | * Greater use could be made of quantitative SROI ratios to report on impact – currently over-reliant on use of questionnaires and feedback to inform impact
* Resources could be allocated to implementing an SAA approach (building on Care Quality Commission regulation/Clinical Governance framework) to improve credibility and accountability
* Potential to further exploit stakeholder relationships with NHS, University of Salford and other strategic partners, as well as developing community projects within Salford and attracting funding to grow the enterprise
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| *Anonymised company* | * Annual report outlining social impact and financial data
* Social value report (SAN case study)
* Measurement techniques include outcome monitoring, combination of SAA and SROI techniques
* SE100 Index recognition
* Partnerships with Salford City Council, University of Salford, Social Value Foundation etc.
* Member of SEUK, Centre for Local Economic Strategies, Investors in People among others
 | * Further utilisation of the SAA framework to improve performance by actively engaging with staff and volunteers as well as other stakeholders (e.g. measuring environmental impact through University of Salford)
* Maintain and increase involvement in SROI processes with Local Involvement Network etc. to produce quantitative data that will more effectively measure impact
* Increase engagement with community to exploit and benefit from the additional value and resources these could provide
* Involve local people in governance within SAA process to improve credibility and accountability
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While Bull (2007) argues that impact measurement can be time-consuming, costly and bureaucratic, the competitive advantage it affords to SEs through increased stakeholder engagement, transparent internal processes and greater accountability to the public should be viewed positively as a means of evidencing corporate social responsibility beyond the mission statement, whilst simultaneously satisfying internal and external stakeholder demands. However, development of a more standardised tool to enable effective competitor analysis and comparison within organisations would assist understanding of social impact and how it can be developed in future (Haski-Leventhal & Mehra, 2016).

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