



Earth Educators Inc.

Explore. Learn. Act

Social Return On Investment (SROI)

A hands on workshop

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Introduction to Social Return on Investment

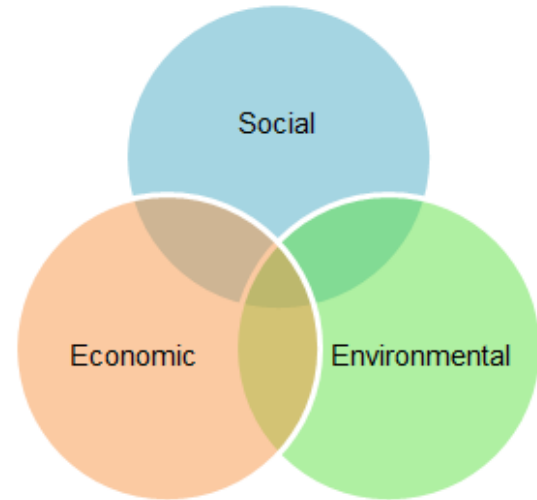
- Topic introduction and ice breaker
- Basic comparison of Financial ROI and SROI
- Why do we need SROI- Purpose
- Who can use SROI?
- Current SROI standards
- Principles of SROI
- Challenges
- Next steps
- Q&A

What is Financial ROI?

$$\frac{\text{Gain from investment} - \text{Cost of investment}}{\text{Cost of investment}}$$

What is Social ROI?

- SROI places a monetary value on outcomes, so that they can be added up and compared with the investment made.
- Thus, it helps to measure and account for the value you create with your work.



Types of SROI

- SROI is stakeholder centric and takes financial values on impacts which may not have market value.
- Difference between
 - Evaluative SROI
 - Forecast SROI

What is the purpose of SROI?

- Understand value created by your work
- Identify outcomes to maximize positive change
- Manage any negative outcomes arising from your work
- Meaningful engagement with stakeholders for useful & better quality information
- Work promotion by presenting a story of change
- Attract new clients, bring in new funding or finance

Voting time....

Would you be more likely to:

- A. Donate to a program that creates social value
- B. Donate to a cause that creates a \$20 social value for every \$1 it receives

Opportunities of SROI

- **Aligns and integrates** performance and financial management systems
- Aids **communication**
- Induces **transparency**
- Permits **sensitivity analysis**
- **Accountability**
- Optimises cost & time effectiveness

Who can use SROI?

- **Individual:** To understand the value of your work
- **Organization:** To understand and manage your work
- **Investor/Funder:** How your investments create social value and how these contribute to your organization's goals

SROI standards

- **SROI Network: Guide to SROI 2009**
- **ISO 26000: Social Responsibility guidelines**
- **Other reporting guidelines**

Principles of SROI

- Involve stakeholders
- Understand what changes
- Create impact map
- Materiality
- Deadweight
- Do not over-claim
- Be transparent
- Verify the result

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Challenges of SROI

- Price might not completely represent all the value
- Benefits that cannot be monetized
- Focusing only on monetization
- Needs considerable capacity
- Comparison

Next steps

This is a very basic presentation.

Contact us if you are interested in a SROI deep dive or need coaching to get started

EE SROI Workshops are:

- Hands on
- Practical
- Applicable
- Clear Language
- Designed to familiarize participants with investor vocabulary
- Uses practical examples, processes and checklists needed to implement SROI

Contact us if you have questions
Thank you!

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