SOCIAL INNOVATION EVALUATION TOOLBOX

impact
social innovation
economic foundation
empowering people

IMPRINT

Authors

Javier Castro Spila
Peter Cressey
Steven Dhondt
Anna Kaderabkova
Álvaro Luna
Saeed Moghadam Saman
Judith Terstriep
Hardy van de Ven
Wouter van der Torre
Rita Ziauberyte

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CONTENT

0

INTRODUCTION

This is a toolbox for the Ex-Ante Impact Assessment of social innovations, based upon SIMPACT's framework. It proposes a series of convenient and useful tools to apply in an ex-ante assessment of social innovation.

What is an ex-ante assessment?

Ex-ante means to provide a preview of possible impacts of an investment in or management of a social innovation. In the end, **impact** can only be understood from the perspectives of outcomes, i.e. long term societal changes. **Assessment** refers to measuring impact in a systematic manner.

Who is it for?

This framework aims to be a practical guide to both assessor and assesses by structuring the development and decision process, thereby providing **«grip» to policymakers, social investors and social innovators** within the complex process of assessing the impact of a social innovation within SIMPACT's policy areas unemployment, immigration and demographic change

When to use it?

Ex-ante impact assessment for social innovation is a tool for decision making in situations where one has different stakeholders. Because the field of social innovations is still in its development phase, the tooling is not yet fully developed. The impact assessment will necessarily be different in process and outcome, when looking at the different stakeholders involved in different social innovations.

The need for a mixed-methods approach

One **key assumption** in the conceptual framework is that a mixed-methods approach is necessary to account for the complex nature of social innovations. This implies to take into account quantifiable (tangible/monetized) and qualitative (intangible/non-monetized) outputs and outcomes. The proposed tools in this toolbox were selected to cover this mixed-methods approach.

Structure of the Toolbox

A chain of convenient and useful tools corresponding to the steps in the ex-ante impact assessment process are proposed in order to provide a **systematic** impact assessment framework for social innovations. By suggesting different tools we aim to highlight how the mixed-method approach can be used to enrich and complement the capabilities of the various tools within our framework. Figure 1 depicts the five-step model of the ex-ante impact assessment of social innovation which was developed in D7.1 of SIMPACT.

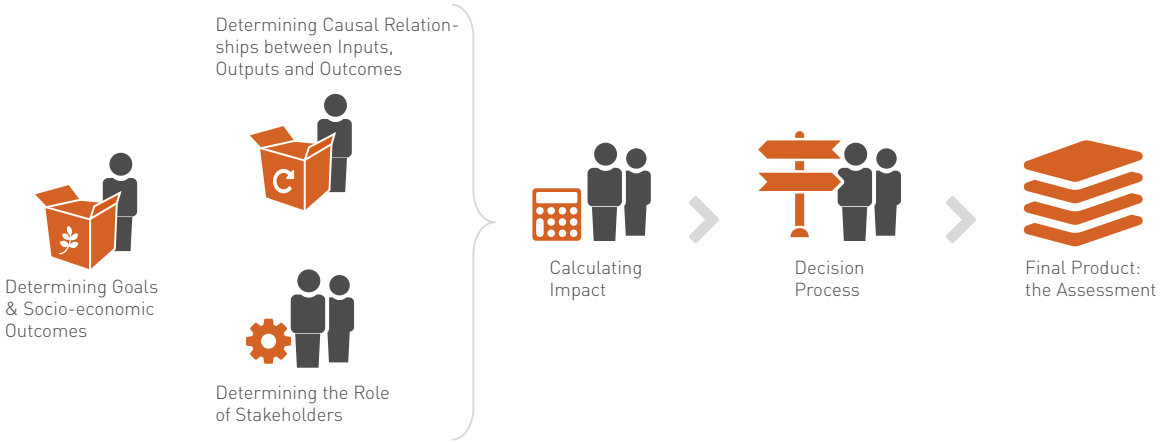


Figure 1 Five steps for ex-ante impact assessment of social innovation (Dhondt et al., 2016)

We will discuss possible social impact measurement instruments that, through a **mixed approach** of different tools, can cover various dimensions of social impact assessment that are of interest to a range of stakeholders – policymakers, social investors and social innovators. These instruments also allow for different ways of approaching measurement in terms of micro (individual-social entrepreneur/social innovator), **meso** (organisation/corporation), or **macro** (society/scalability of the social innovation for policy implementation) levels. It is however accepted that most of them belong to the micro-meso levels.

Social innovation are context dependent

As social innovations are highly context depended, it is encouraged that the tools are used in the ways that best suit a case at hand. Mixed-method approach enables to take the best and most fitting parts from different tools while avoiding the less beneficial tasks and steps. Possible tools for performing a social impact assessment are not limited to those proposed in this toolbox and customization is needed to provide a tailor-made ex-ante assessment of social innovation.

A selection of tools

We have selected those instruments that provide a practical illustration of which activities can be employed in the different steps of impact assessment. Some of these tools are full impact assessment instruments, which we used to highlight a specific step or methodology useful for SIMPACT's framework. The following figure shows which parts of these instruments will be clarified most in this toolbox (Figure 2). Since SIMPACT's Framework can be perceived as a singular tool as well, therefore it appears first on the tools list with its main aspects and features shortly described in one page.

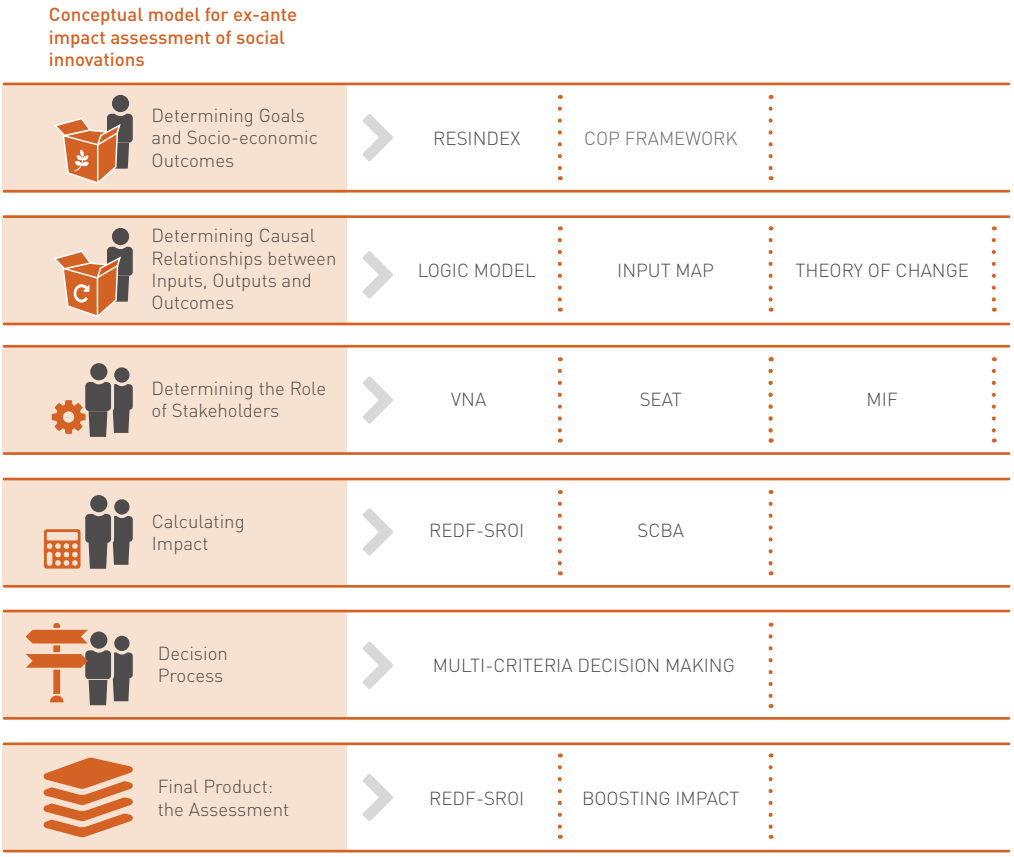
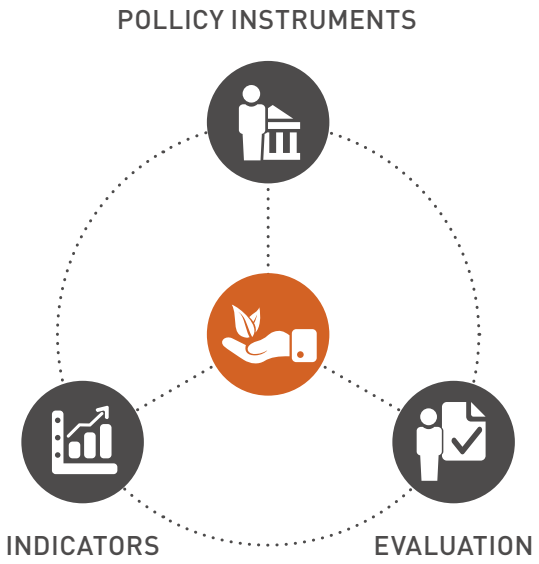


Figure 2 Proposed tools to use in the conceptual framework

TOOL 1

SIMPACT FRAMEWORK



Dhondt et al., 2016

Description & Instructions

This toolbox proposes a se¬ries of convenient and useful tools to apply in an **ex-ante** assessment of social innovation. The framework has the aim of providing a «grip» **to policymakers, social investors** and **social innovators** within this complex process. The conceptual framework consists of the following five steps:

1. Determining goals and socio-economic outcomes;
2. Determining causal relationships between inputs, outputs and outcomes;
3. Determining the role of stakeholders;
4. Calculating impact;
5. Decision process.

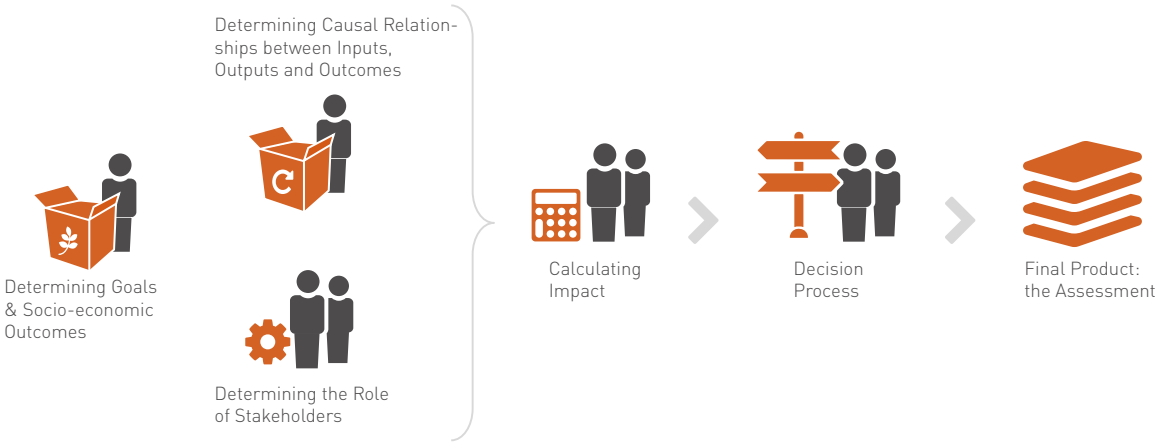


Figure 1 Five steps for ex-ante impact assessment of social innovation (Dhondt et al., 2016)

As it is shown in Figure 1, the process of an ex-ante impact assessment of social innovations starts with determining the socio-economic outcomes pursued by the innovation initiative, and ends with the delivery of an assessment report. Our key assumption of the need for a mixed-methods approach comes most apparent in steps 2-4. In steps 2 and 3 the role of stakeholders is determined and how they affect the exchanges between stakeholders. In step 4, calculating impact', the extent of the values created will be measured. Following our key assumption, it is expected that the final decision process also be informed clearly by the results of mixed-method approach in evaluations. In other words, the mixed-method approach will help the decision maker to include both quantitative and qualitative assessment results in the decision making, assuring that both tangible/monetizable and intangible/non-monetizable values created by the social innovation will be taken into account in a comprehensive assessment. The selected tools for each step may differ upon the context, and the time and expertise available.

The framework meant for social innovators, social investors and policymakers, yet their role can differ per step. In the table below shows in which steps input is necessary.

	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Social innovator	+	+	+	+	+
Social investor	+			+	+
Policy maker	+		+	+	+

Tool Template

1. From whose perspective is the analysis going to be done?
   I am a ..... (policy maker, entrepreneur, social investor, etc.)
2. What is the analysis level?
   I am interested in ..... analysis level (micro, meso, macro).
3. What are the suitable tools for each of the ex-ante impact analysis steps?
   I will use the following tools: .....
   Take into account the needed perspective and analysis level. See the table below (Figure B) and add your tools, if needed or wanted.

Conceptual model for ex-ante impact assessment of social innovations

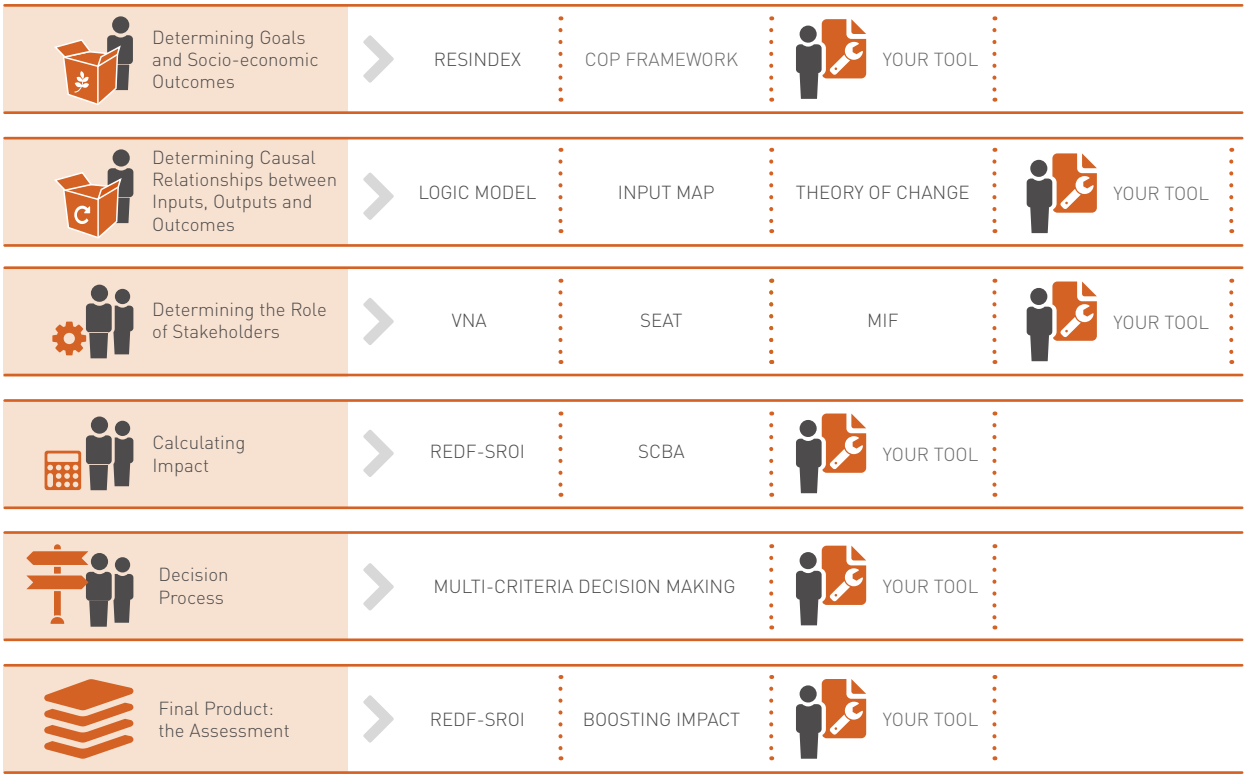


Figure 2. Proposed tools to use in the conceptual framework

TOOL 2

RESINDEX

SINNERGIAK Social Innovation, 2013

Tool Description & Instructions

The RESINDEX approach to the measurement of social innovation is based on the use of **potential** and **realised** absorptive **organisational capacities** when developing social innovations. It therefore conceives the measurement of social innovation from a **meso-perspective** (organisational level), offering a system of indicators which measures these capacities in four kinds of organisations: companies, non-profit organisations (NPO), universities and technological centres (Castro-Spila & Unceta, 2015; Unceta et al., 2016). The analysis of how these potential capacities can turn into realised capacities, throws some insight to the process of individual and collective learning inside organisations aimed at addressing unfulfilled social demands and challenges in an innovative way. These potential capacities differ between organizations. Some organizations have acquired and assimilated more potential capacities than others, to apply both internal and external knowledge to the social innovation process. In this sense, **social innovators** and social entrepreneurs can use this tool to understand and improve what aspects of their organization or the social innovation need to be tackled to increase the potential impact of their social innovations.

The absorptive capacity perspective is useful to identify different types of capacities at an organisational level and provides a comprehensive framework of the constructive process where organisations start from the identification of a social problem (context, causes and effects), assimilating knowledge and learning about the issue at hand, and moving to the identification, design and exploitation of its possible solutions.

From an **ex-ante approach**, the interest would be focused on the **potential capacities** of an organisation to develop a social innovation; that is, the competencies of acquisition and assimilation of knowledge (exploration capacities). Whereas the **realised capacities** of an organisation would consider those competencies which are the product of a combination of resources to innovate, implement and diffuse combined knowledge about a social problem.

The four types of realized capacities are derived from five kind of potential capacities. As a result, RESINDEX focuses on the measurement of five kinds of potential capacities that are key for the organization to develop social innovations:

1. knowledge capacities;
2. learning capacities;
3. development capacities;
4. socialisation capacities;
5. linking capacities (networking).

RESINDEX can help **policymakers or social investors** to decide among multiple social innovations which could be supported, based on the potential capacities of the organization to acquire, assimilate, interpret and apply expert knowledge to create or improve social innovations.

For more information see
http://www.sinnergiak.org/index.php/resindex-regional-social-innovation-index/?lang=en.

TOOL 3

COP – COMPONENTS, OBJECTIVES & PRINCIPLES

Tool Description & Instructions

The COP framework of SIMPACT (Components, Objectives, Principles) **helps to identify** three types of objectives for social innovations: economic **objectives**, social objectives, and political objectives. It is useful to make this distinction because a social innovation needs to find the right balance between delivering economic and social value, while political objectives can be important additional objectives for certain social innovations. It should be mentioned, however, that in practice, all or any pair of these three objectives can well be intertwined when a social intervention is being considered. This tool is best suited at the beginning of an impact measurement to clearly and explicitly formulate the goals and objectives of a social innovation. Due to its flexibility, COP framework of SIMPACT can be used by **social innovators, investors and policy makers**.

In Table A, an example matrix is shown with the three thematic social policy areas of SIMPACT being allocated with the three objectives for social innovations which have been envisaged within SIMPACT's COP framework.

	POLITICAL OBJECTIVES	ECONOMIC OBJECTIVES	SOCIAL OBJECTIVES
Unemployment	Unburdening public budget, inclusion	Unburdening public budget*, economic growth	Participation, empowerment, social cohesion
Immigration	Inclusion	Unburdening public budget	Social cohesion
Demographic change	Welfare maximization	Unburdening public budget	Empowerment

* Within SIMPACT's COP framework, this objective is primarily categorized as a political objective. However, we consider it also an economic objective for the public sector to unburden its public budget through taking exclusion-preventive measures in order to optimize its resource allocation.

Table A. SI objectives for at-risk-of-exclusion groups according to SIMPACT's COP framework.

Objectives like inclusion and empowerment can also in the longer run transform to or contribute to achievement of economic objectives. This explains partly why a mixed-method approach benefits in the case of assessment of social innovations, as some of the societal (non-monetizable) achievements in the short run can transform into economic achievements in the long run, and hence, they shall ideally be included in the impact assessment. For instance, the output of a social innovation in the field of immigration can be higher language skills for the target group, which can transform (in the long-run) to higher rate of employment among the target group, counted as an outcome for that social innovation.

Tool Template

Social innovation objectives according to SIMPACT's COP framework.

	POLITICAL OBJECTIVES	ECONOMIC OBJECTIVES	SOCIAL OBJECTIVES
Topic 1:_____	1. 2. 3. ...	1. 2. 3. ...	1. 2. 3. ...
Topic 2:_____	1. 2. 3. ...	1. 2. 3. ...	1. 2. 3. ...
Topic 3:_____	1. 2. 3. ...	1. 2. 3. ...	1. 2. 3. ...

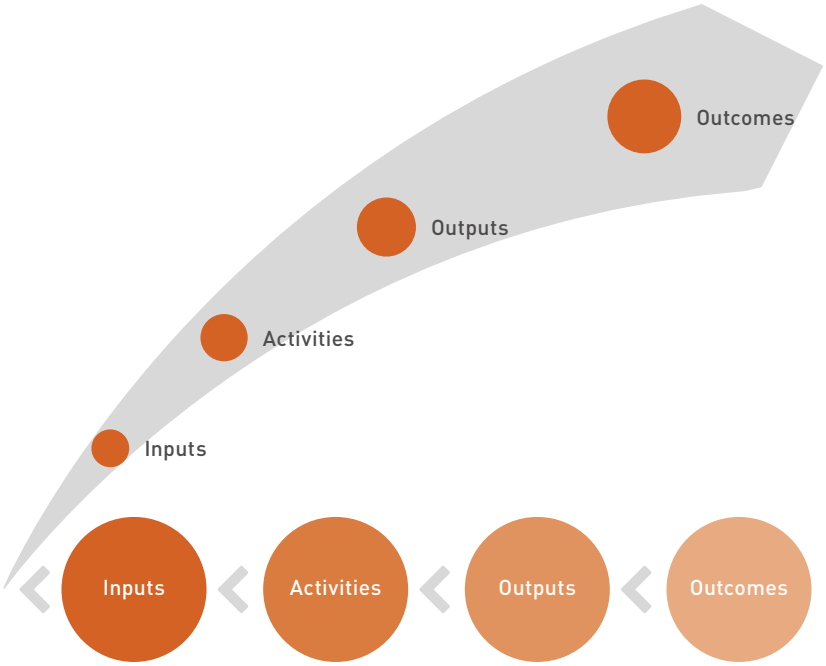
NB: Political, economic and social objectives might overlap.

Notes for possible transformation of objectives in the long-term.

ORIGINAL OBJECTIVES, TRANSFORMED OBJECTIVES, ANTICIPATED TERM
1. 2. 3. ...

TOOL 4

LOGIC MODEL & THEORY OF CHANGE



Description & Instructions

The Logic Model and Theory of Change are tools to help to clarify causal relationships and can be used on the micro-, meso- and macro-level. Both tools are most useful for **social innovators** and can be used to inform **social investors and policy makers**.

Logic Model (also called Logical Framework) is one of the best known and at the same time a simple tool for **the purpose of identification of causal relationships**. The purpose of a Logic Model is to check the relationships between inputs, activities, outputs and outcomes. Logic Model thereby helps to ensure that the planned activities will achieve the outcomes desired. Hence, Logic Model is well suited to follow the step 1 in SIMPACT Framework, where the desired goals and outcomes are defined. In fact, the objectives identified in the step 1 can inform the outcomes in the Logic model, or be directly chosen as the intended outcomes for the Logic model.

Logic Model

Logic Model is sometimes called Theory of Change. However, constructing a Theory of Change is done backwards, i.e. beginning with defining the outcomes and going towards the inputs. Using Theory of Change for evaluation purposes **helps in clearly defining purposes, strategies and results**. Information that can be used to improve the design of the intervention and the evaluation protocol. In addition, mapping the pathways of change helps the social innovation to take credit for the theoretically predicted outcomes.

The Theory of Change is usually constructed using a participatory approach (i.e. together with stakeholders). The results should consist of outcomes and pathways, indicators and a narrative containing a summary of the overall logic, highlight major assumptions and a compelling presentation how and why the initiative should work. Outcomes are to be presented as a change, e.g., **to improve general wellbeing**. Indicators are formulated to make the outcomes measurable, e.g., **to improve wellbeing of people in social welfare in region Y by 10%**. In the narrative, the pathway of change is elaborated on, conveying important elements of the theory and providing a holistic view on the theory as a whole. The level of detail of the Theory of Change may depend on the aim of the exercise; general in order to communicate the major mechanisms or detailed, if the aim is to provide in-depth insights in the theory.

For more information see http://www.theoryofchange.org/.

Tool Template

TOOL 5

INPUT MAP (PART OF SCANDIA MODEL)

Nilson & Wadeskog, 2008

Tool Description & Instructions

Skandia Model is a general tool to evaluate the effectiveness of preventive measures. One of the elements in this model is the Input Map, which can be used **for any social innovation**. Implementation of the Skandia Model starts with the identification of actions needed for addressing the needs of vulnerable target groups by drawing the aforementioned Input Map. This Map helps to better identify the whole network of social entities surrounding the target individual. Each social entity in fact will be affected by any change in the exclusion situation of the target individual due to their type of interrelationships with him/her. This is due to the fact that the Input Map clarifies all sorts of adverse consequences from exclusion of the target individual (see Figure A for an example). By drawing the Input Map, interrelations, activities and resources become clear which may help to **derive outputs from outcomes** (e.g., to measure the negative effects of drug abuse by numbers on shoplifting) or **to identify activities to reach the intended outcomes** (e.g., to diminish the negative effects of drug abuse by getting drug abusers into regular employment).

Therefore, the Input Map of the Skandia Model will help tremendously **to identify the activities and their respective necessary resources** of a social innovation. Table B shows an excerpt of the Input List that results from the Input Map (Figure A). (Note that only three of the five main areas of intervention depicted in the Figure

A have been included in the table.) The colours of the rows help to find the relevant areas in the picture. The rows show the activities which are a sub-category of the necessary measures (i.e. blue boxes in the Figure A). The second column specifies in the input chain where precisely this action belongs. The two columns then show the actor and the unit responsible. Then comes the name of the intervention (here called activity) and its timing should be evaluated and quantified. The last column tells whether the action in question constitutes a real or a financial cost (1 = Real, 0 = Financial).
The concept of real costs account for real resource allocations according to costs of various options. These include:

- **Real intervention costs**: costs of different social interventions in areas such as health, justice, social services and school, that is caused by a person's living in exclusion.
- **Production loss**: costs as a result of people not participating in the labour market.

Financial expenses are in fact transfers, i.e. purchasing power transfer from one person to another. These include:

- **Maintenance support costs**: costs to replace wages for people outside the labour market (e.g., livelihood support).
- **Wage subsidy**: costs to compensate for lower productivity of vulnerable groups.

Based on the components of the Input List, it is clear that the use of Input Map will also be **helpful in identifying the potentially involved stakeholders** in the social initiative (social innovation). The inputs identification at the beginning of the assessment will help in estimation of the required resources to take the preventive actions.

For more information see http://www.ideerforlivet.se/.

Tool Template

E.g., in case of drug abusers, the interventions might address such aspects of their life as:

- inability to take care of their own children;
- eviction from their homes;
- getting arrested for a burglary;
- getting admitted for detoxification.

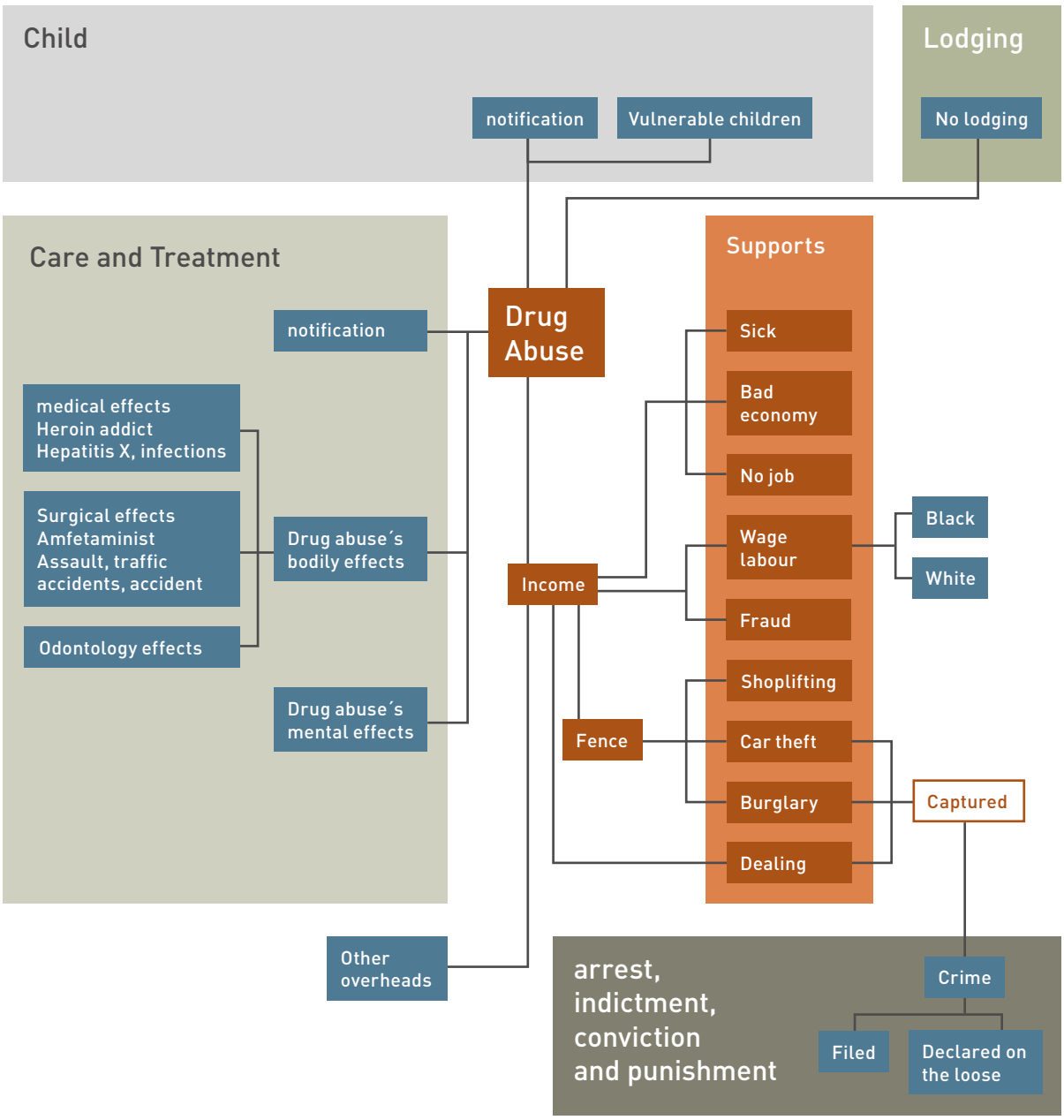
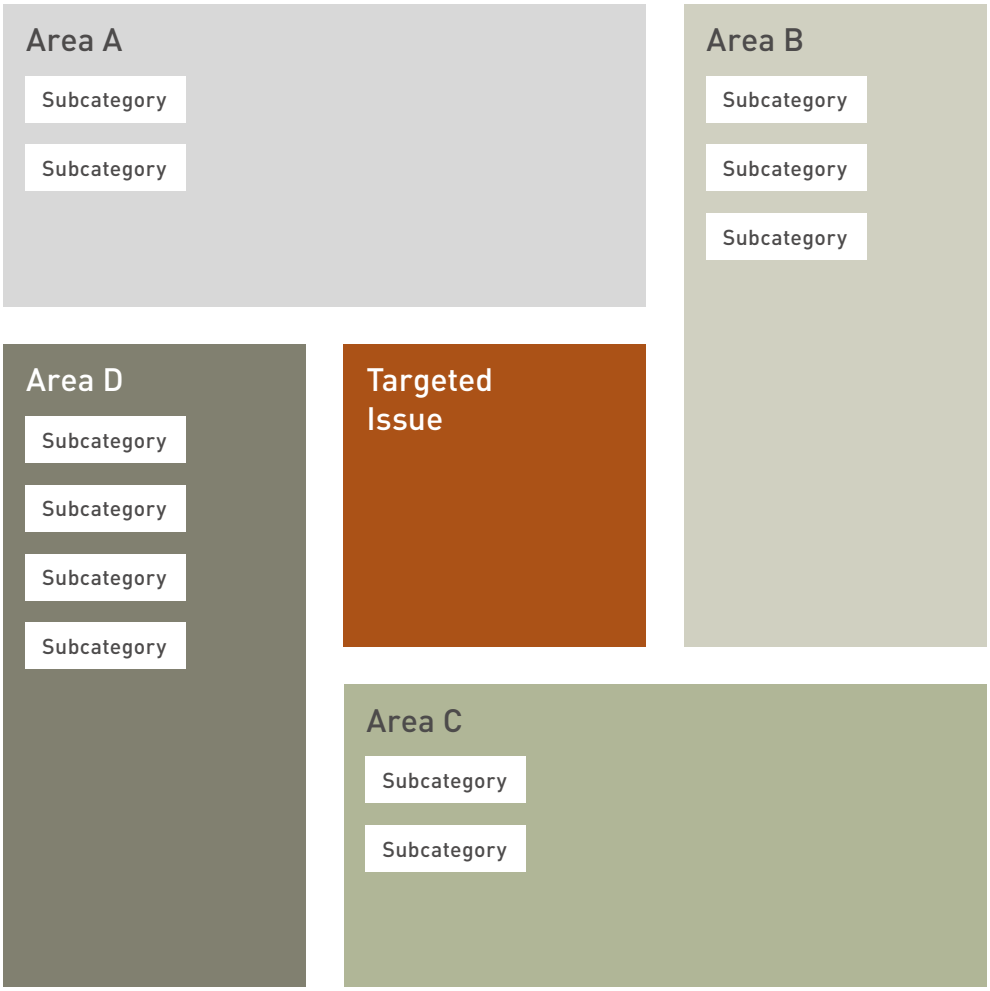


Figure A. Input Map example for drug abuser (Source: Nilsson & Wadeskog, 2015)

NO.	CHAIN	ACTOR	UNIT	ACTIVITY (INTERVENTION)	TYPE	REAL
1	Livelihood support	Employment agency	Employment agency	Investigation	Occasionally	1
...	...	...	...	...	...	...
18	Livelihood support	Miscellaneous	Employer	Monthly salary	Month	1
19	Livelihood support	Miscellaneous	public revenues	Income tax	Month	0
...	...	...	...	...	...	...
51	Penalty	Judiciary	Probation	Probation	Days	1
52	Crime	Judiciary	Police	Theft/shoplifting	Occasionally	1
...	...	...	...	...	...	...
69	Treatment	Municipality	Social Services	Outpatient	Days	1
70	Somatic care	County council	Emergency care	Medical care days	A day	1

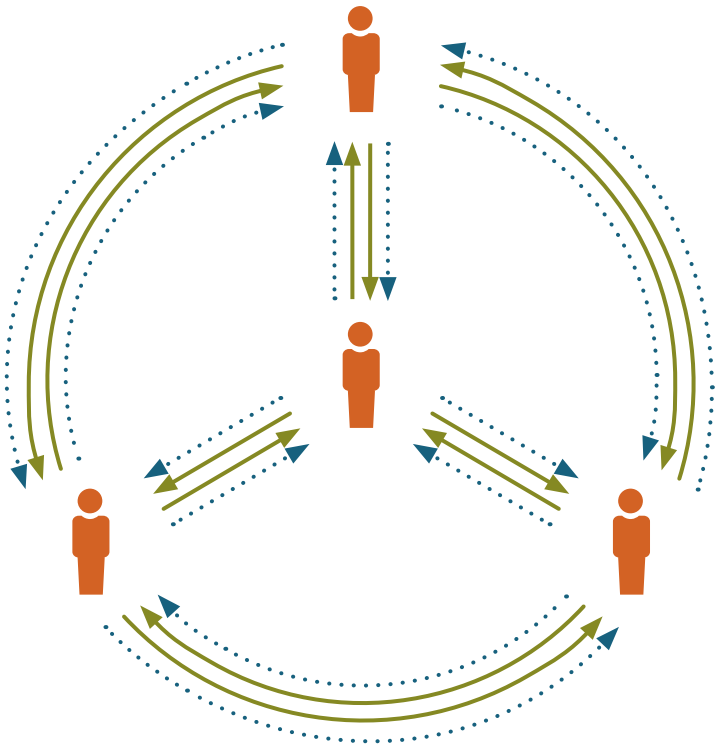
Table B. Input List example (partial) (Source: Nilsson and Wadeskog, 2013)



NO.	CHAIN	ACTOR	UNIT	ACTIVITY (INTERVENTION)	TYPE	REAL
1						
2						
...						

TOOL 6

VALUE NETWORK ANALYSIS



Roles are the actual contributing roles that participants play. Roles are typically more specific than job titles or departments. Examples: Problem Solver, Designer, Patient, Student.

Tangible deliverables are formal, structured, contractual or mandated.
Examples: fees, services, invoices

Intangible deliverables are informal, unstructured, or ad hoc. They help things work smoothly and build relationships.
Examples: Feedback, advice, referats.

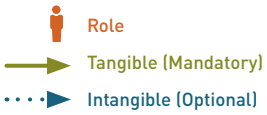


Figure of the ValueNet Map depicts a generic value network mapping scheme, in which interacting roles, and tangible and intangible deliverables exchanged among the participating roles are shown. (Source: nonprofitquarterly.org) Verna Allee, 1993

Description & Instructions

Value Network Analysis (VNA) was developed by Verna Allee for **stakeholder analysis**. VNA is a suitable tool for demonstrating and analysing (qualitatively) the role of stakeholders in terms of values they exchange with other stakeholders in the social innovation network (see Figure 1). VNA is most useful for **social innovators**, and can be beneficial for **policy makers and social investors**. It can be applied to the **micro-, meso- and macro-level**. Not only provides VNA a tool for analysing roles and **tangible** value creation, but it also allows the impact assessment process to be enriched by inclusion of the **intangible** value creations and exchanges - which are a common characteristic within social innovations - in the evaluation. An optimal evaluation benefits from a comprehensive and integrated visualization of all kinds of relationships which can arise among the involved actors and stakeholders.

VNA of the social innovation helps to understand **the trajectory and logic of impact creation** in the social innovation network.

VNA is a tool to follow the trajectory of transmission of some intangible value types into tangible ones, which then will (possibly) feed the calculations. The other way around, identified stakeholders may help in further clarifying activities.

Three types of analysis are proposed for conducting a complete VNA. These include **exchange analysis, value creation analysis,** and **impact analysis**.

Exchange analysis is concerned with investigation of the general pattern of the exchanges in the network, sufficient reciprocity, existence of weak or inefficient links.

Value creation analysis is the assessment of the value increases that an output from each party triggers for the other parties and how that value-triggering party itself benefits from it. To improve this aspect in the value network of a social innovation, the evaluator shall look for opportunities to **add or convert** values across the network of stakeholders. For a social innovation partner, this can for instance help to identify opportunities through which it can improve the impact of the SI by dedicating more volunteering capacities, or create intangible values which are more easily or more effectively transformable to tangible values (e.g., providing more in-demand skills). Figure A shows a schematic form visualizing the value creation analysis.

Impact analysis in VNA asks if an involved party can create value from the received inputs. For a social innovation partner, this can imply, for instance, that it shall seek ways to best exploit the inputs it is receiving from other partners in the network, thereby improving the efficiency of the innovation network. Figure B shows a schematic form visualizing the impact analysis.

For more information see «Value network analysis and value conversion of tangible and intangible assets» by Verna Allee.

Tool Template

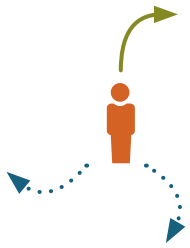


Figure A. Schematic value outputs from a hypothetical role in a value network

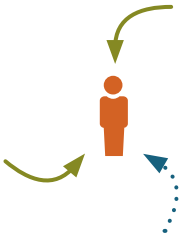
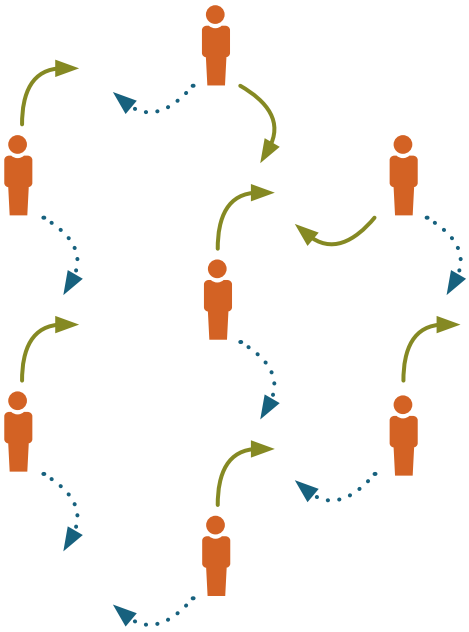


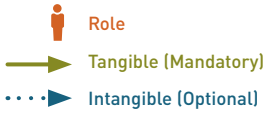
Figure B. Schematic impact analysis showing value inputs for a hypothetical role in a value network



The given questions in the box at the right can serve also as *risk analysis* for the social innovation, where in the ex-ante impact assessment one aims to mitigate the risks as part of the endeavour to boost the impact.

Allee (ibid) suggests questions like the following as helping to conduct the analysis:

- Is there a coherent logic and flow to the way value moves through the system?
- Does the system have healthy exchange of both tangibles and intangibles, or is one type of exchange more dominant? If so, why might that be?
- Is there an overall pattern of reciprocity? For example, is one of the participants extending several intangibles without receiving a fair return?
- Are there missing or «dead» links, weak and ineffective links, value «dead ends,» or participant bottlenecks?
- Ils the whole system being optimized, or are some participants benefiting at the expense of others?
- How each input generates a response or activity?
- How each input increases or decreases tangible values?
- How each input increases or decreases intangible values?



TOOL 7

SOCIO-ECONOMIC ASSESSMENT TOOLBOX

Anglo American, 2003

Tool Description & Instructions

The socio-economic assessment toolbox (SEAT) was first designed by the Anglo American mining company in 2003 to measure and manage the local impact of site level operations, with a focus on the social responsibility of their company (social, cultural, environmental, etc.). This toolbox has been implemented by Anglo American 80 times in different countries over a three year period. The potential users of the tool involve **local stakeholders, home** and **host country governments and NGOs**. The tool provides input and output information (outcomes and impact) through internal and external data collection based on a series of surveys which focus on: the profiling of local areas through demographics, social and wellbeing indicators, and their socio-political context; stakeholder communication and needs (relations, channels of engagement); and evaluation of potential risks (financial, occupational, environmental, social/community based, etc.).

The framework is **free** and **publicly available** and requires **4-6 months** to be implemented in its full version (use of all the tools and surveys). The involvement of third party support (social innovator, the organisation, stakeholders) is necessary to complete the full collection of surveys on stakeholder communication and relations, economic impact, context description, and socio-economic benefits. Although the toolbox is focused on the measurement of regular businesses social responsibility and impact, it offers some input on a series of

qualitative approaches to measurement affecting the following areas:

1. Partner aims and objectives for social development and impact mitigation;
2. Planning and development of partnership action, mutual aims and objectives;
3. Partnership and stakeholder communication: roles, financial requirements, timetable implementation, mapping and monitoring activities, reporting to stakeholders, etc.;
4. Determine social investments: social inclusion through job creation, poverty reduction, educational provision, etc.

Even though SEAT is designed as a **full impact assessment method**, a selection of tools and surveys in this toolbox can be helpful for the **stakeholders' evaluation**, e. g., Stakeholder Engagement Plan. This tool provides suggestions about levels of stakeholder engagement (see Table A on the next page), their mapping and categorisation, as well as ways of how to communicate and inform them during the impact assessment process. The level of stakeholder engagement depends on the importance of their roles regarding in the implementation of the social innovation.

Connected to the measurement of the role of the stakeholders, the use of SEAT is a helpful source to understand the importance of the stakeholders in the socio-economic impact of their business. **Policy makers, public organisations, social investors**, the civil society, and other actors have developed an interest on how socially oriented businesses engage with stakeholders, how they communicate with them, what the potential of future business activities is, and what can be measured of their real socio-economic impact and outcomes.

For more information and the full description of SEAT see
http://www.angloamerican.com/sustainability/communities.

Tool Template

TYPE	OBJECTIVE	DIRECTION
Inform	To provide balanced and objective information to improve understanding of the issues, alternatives and/or solutions	ONE WAY
Consult	To obtain feedback from stakeholders on issues, alternatives and/or decisions	TWO WAY
Involve	To work directly with stakeholders throughout the process to ensure that issues and concerns are consistently understood and considered	
Collaborate	To partner with stakeholders in each aspect of a decisionmaking process	
Empower	To place final decisionmaking in the hands of the stakeholders	

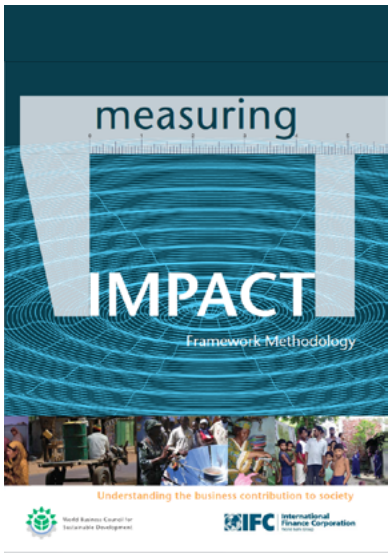
Table A. Levels of stakeholder involvement

STAKEHOLDER	TYPE	OBJECTIVE	MEANS OF COMMUNICATION	DIRECTION
1. 2. 3. ...	Inform	To provide balanced and objective information to improve understanding of the issues, alternatives and/or solutions	1. 2. 3. ...	ONE WAY
1. 2. 3. ...	Consult	To obtain feedback from stakeholders on issues, alternatives and/or decisions	1. 2. 3. ...	TWO WAY
1. 2. 3. ...	Involve	To work directly with stakeholders throughout the process to ensure that issues and concerns are consistently understood and considered	1. 2. 3. ...	
1. 2. 3. ...	Collaborate	To partner with stakeholders in each aspect of a decisionmaking process	1. 2. 3. ...	
1. 2. 3. ...	Empower	To place final decision-making in the hands of the stakeholders	1. 2. 3. ...	

Table B. Levels of stakeholder involvement – your social innovation

TOOL 8

MEASUREMENT IMPACT FRAMEWORK



WBCSD, 2008

Tool Description & Instructions

The Measurement Impact Framework (MIF) was developed by the World Business Council on Sustainable Development (WBCSD) from 2006 on, and, as described by this Council, it was developed to **«help companies understand their contribution to development and use this understanding to inform on their operational and long-term investment decisions and have more improved conversations with stakeholders»** (WBCSD, 2008: 7). This framework allows **businesses and corporations** to define the scope of their assessments, identify socio-economic business indicators for impact measurement, assess their results, and set their priorities in the governance and management process of their companies, especially the relations and communication with stakeholders. It focuses on metrics considering: input, activity and output; outcomes and impact; and flexibility to be adapted for other purposes. This tool is usually oriented towards a **meso** (corporation), **macro** (society) approach to social and economic impact measurement.

The Measuring Impact Framework (IFC, 2008) is quite conscious of the complications of engaging stakeholders during the selection of social impact goals and estimating possible uncertainty, risks and solutions. In the MIF four-step methodology (see Figure A) the stakeholder engagement is at the core. For each step, the methodology describes the possible role of stakeholders. The general approach proposed in the MIF is that the

assessors should first define their own goals, then the direct and indirect impacts, the level of engagement of stakeholders and finally, only at the end of the process, the management response to the assessment. Only when assessors have goals and measures firmly grounded at the beginning, a discussion with stakeholders can be fruitful. Clear goals and measures are needed to guide the stakeholder discussion, thereby preventing discussion drifting towards dominant stakeholders. Stakeholders have the role to help the assessors with their own viewpoints and not so much be at the core of the assessment itself. MIF provides suggestions about recommended and alternative actions that could be taken, e.g., «Guidance on stakeholder engagement for identifying development priorities».

MIF is developed as a **full impact assessment tool**. Even though this method was developed mostly for the impact assessment of profit-oriented companies, specific parts can be well applied to **social innovation projects and non-profit organisations**.

For more information see
http://www.ifc.org/wps/wcm/connect/7ddc9a80488552c3ac8cfe6a6515bb18/Measuring%2BImpact%2BFramework%2BMethodology.pdf?MOD=AJPERES&CACHEID=7ddc9a80488552c3ac8cfe6a6515bb18

Tool Template

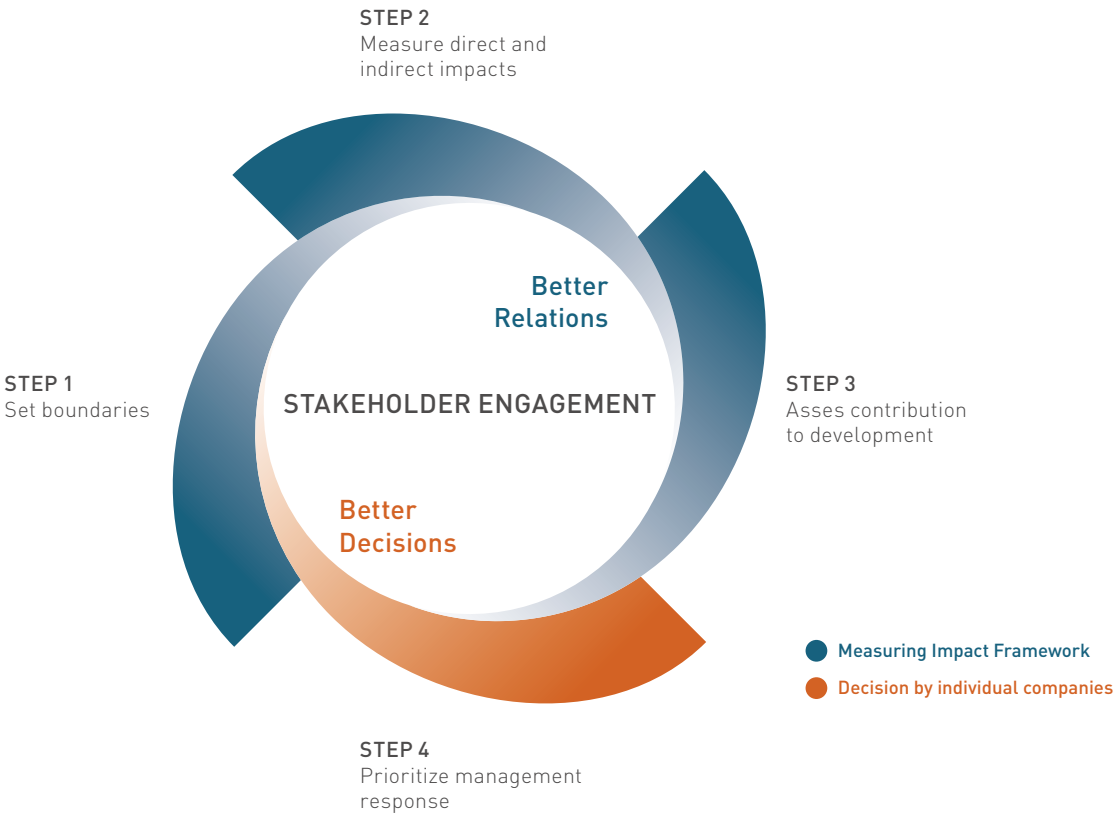


Figure A. Four-step methodology (Source: WBCSD, 2008)

Short descriptions of the four steps in the methodology (WBCSD, 2008:7-8):

1. Set Boundaries (defining business objectives): identify objectives for assessment, define the geographic area where it will be applied, development of information on the context, selection of business activities to be assessed.
   Notes for your SI: .....
   .....
   .....

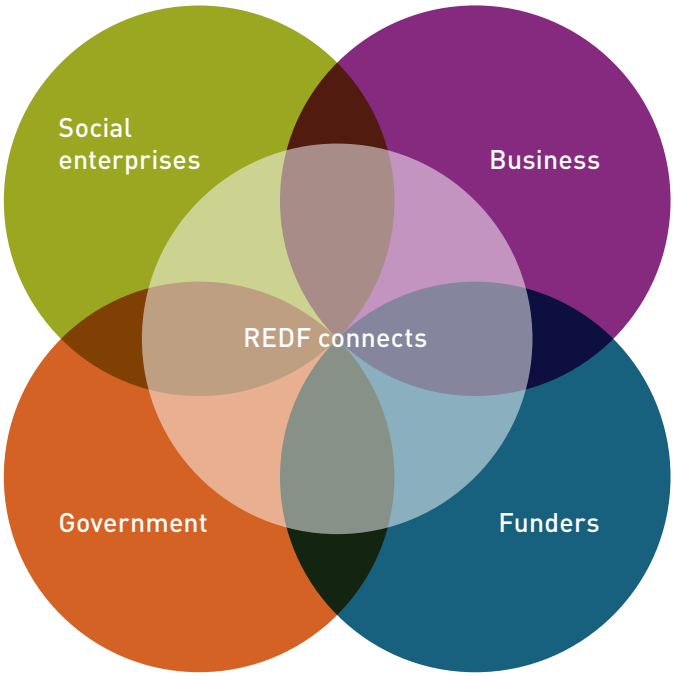
2. Measure direct and indirect impacts: identification of sources of impact for each business activity, relevant indicators for direct and indirect impact, and measurement of these indicators.
   Notes for your SI: .....
   .....
   .....

3. Assess business contribution to development: determining different levels of stakeholder engagement and prioritization of issues with stakeholders, building hypothesis, and testing hypothesis.
   Notes for your SI: .....
   .....
   .....

4. Prioritize management response: identify priority areas of action, management of responses and recommendations, adopt decisions on long term basis, development of indicators and monitoring progress.
   Notes for your SI: .....
   .....
   .....

TOOL 9

THE REDF APPROACH TO SOCIAL RETURN ON INVESTMENT



REDF, 1999

Tool Description & Instructions

REDF (formerly the Roberts Enterprise Development Fund) is a capacity building entity created in the late 1990s focused on **high engagement funding measures** to support social organisations and social entrepreneurs scale their activities, achieve financial sustainability, and help measure their activities in terms of social impact. High engagement funding measures are large mid-long term investments to support social organizations, and social entrepreneurs, guaranteeing their financial sustainability during an agreed period of time. In this context, REDF developed a social impact assessment approach based on the Social Return on Investment (SROI) project to evaluate capital grant requests by social enterprises and organisations that meet the REDF portfolio criteria. SROI is an adjusted form of SCBA and better suited for the use on **micro-level**, i.e. project-level. This process of evaluation is divided into three stages that include: True Cost Accounting Analysis (TCAA) focused on how individual organisations track their expenses in relation to their current state of accounting; the Capital Structure Issues and Analysis for Social Purpose Enterprise; and their Social Outcome Analysis and SROI portfolio analysis (aggregated data of qualitative impacts including economic value and social impact).

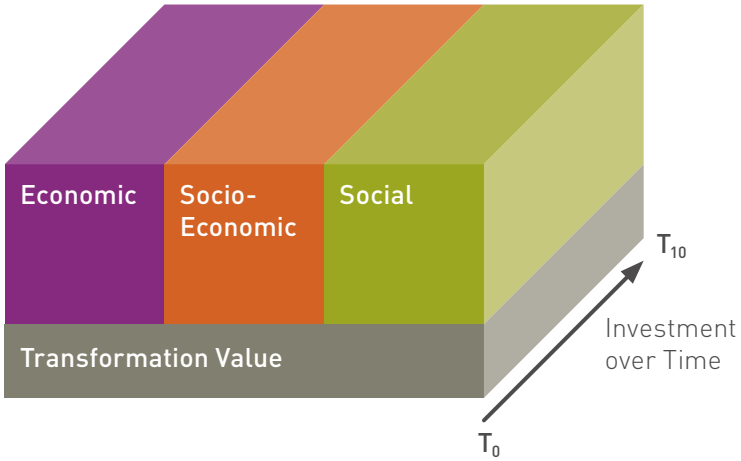


Figure A. Three types of Value REDF portfolio (Source: REDF, 1999).

For social enterprises focused on social purpose, value creation is achieved through a continued process that moves from purely economic value, to socio-economic value, to social value (See Figure A). These three ways of generating value are measured through a planned investment time frame.

The REDF approach to Social Return on Investment could also **benefit the scalability of a social innovation**. Scalability and scoping is a process, rather than a final objective for the social enterprise or the social innovator. This process is strongly determined by their programme model, the type of business, and the opportunities provided by funders and customers. The probability of determining scoping from a SIA approach is therefore more linked to a clear design of the intentions and objectives addressed in the Business Plan of social entrepreneurs/social innovators and the sustainability of their initial and future costs.

Even though SROI is not designed for SIA, it does articulate a processed story and journey of the social value creation of **social enterprises** or **social innovators**. It does not, however, capture through solid data a direct connection between social investment opportunities and their social impact. Nevertheless, it can be considered as a valuable and tested instrument for ex-ante socio-economic impact assessment.

For more information see http://redf.org/learn-category/sroi/.

For the calculation tool please see
http://www.redf.org/wordpress/wp-content/uploads/2013/10/REDF-SROI-Excel-Model-Tool-1999.xls

Tool Template

The Roberts enterprise development Fund Social return on Investment (SROI) System

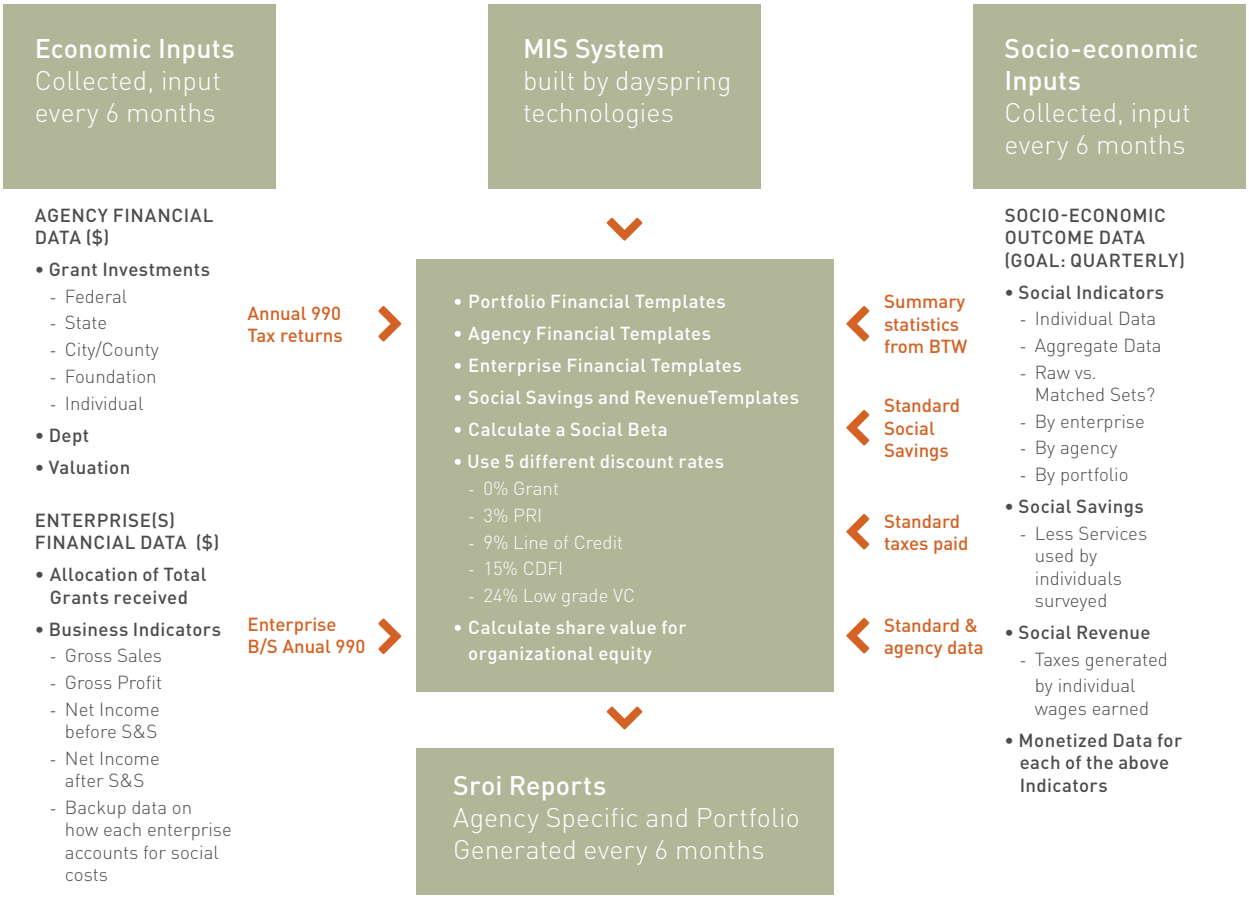


Figure B. REDF approach to Social Return on Investment (Source: REDF, 1999)

The SROI approach developed by REDF suggests social impact assessment and measurement through six different steps (see Figure B):

1. Examination of a specific social service over a certain period of time and the amount of investment required to support it;
2. Analysis of the capital structure of the non-profit;
3. Identification of cost-savings derived from the social service activity both, internal (inside public policies) and external value generated inside society;
4. Monetization of cost-savings and different benefits derived from the activity;
5. Discount these savings going back to the beginning of the invested timeframe (five to ten years);
6. Present socio economic value (blended enterprise value and social purpose value) during the invested time-frame.

Possible scaling categories

The REDF understands scaling capacity through three different categories:

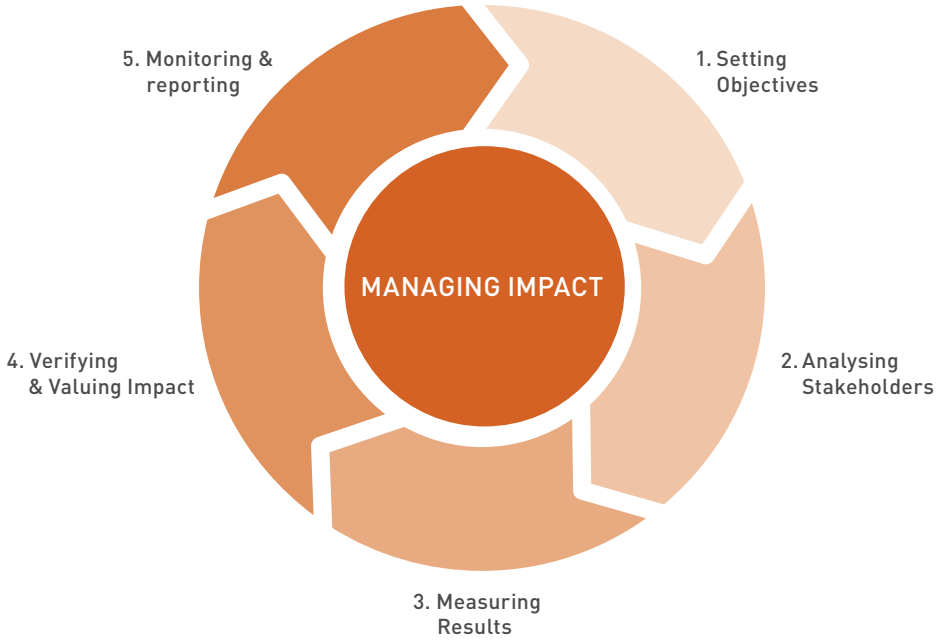
1. Expanding business and programme operations, through the creation of new businesses, or strengthening work supports.
   Ideas for my SI: .....
   .....
   .....

2. Replicating to new sites through the creation of new communities or partner operations that are adapted or replicated in new contexts (achieving financial sustainability, creation of new and meaningful jobs for excluded social groups, building a stable customer base or finding new partnerships).
   Ideas for my SI: .....
   .....
   .....

3. Transferring knowledge through a series of shared principles and lessons that can help the community adapt a certain approach to their local context. From this perspective, the organisations' potential and real capacities to learn and acquire experience through their actions are crucial for the knowledge transfer of their innovation.
   Ideas for my SI: .....
   .....
   .....

TOOL 10

THE VENTURE PHILANTHROPY APPROACH



Source: European Venture Philanthropy Association 2015 (EVPA)

Tool Description & Instructions

The Venture Philanthropy approach (VPA) emerged in 1997 in a Harvard Business School paper, and has developed into an important methodology with the aim of **measuring effectiveness, defining success for non-profit organisations, and further scaling of their activities**. This approach combines venture capital and grants through the analysis of different dimensions which include: the organizations engagement; its building capacity; tailored financing; non-financial support; involvement of networks; multi-year support, and performance measurement. In this approach the value of the organizations' potential learning capacities, the engagement of stakeholders, or the social purpose of the addressed problem have great importance. This approach to the measurement of impact is mainly useful **for Venture Philanthropy Organizations** (VPOs), **Social purpose organizations** (SPOs) and **Social Investors** (SI).

The VPA pays much attention towards the issue of stakeholders' role. In this context, as venture philanthropy organisations, social investors have also focused on the importance of the variety, characteristics and

involvement of the different stakeholders through the development of activities and different initiatives of social organisations, non-profits, and social innovators. Stakeholders are involved in different stages (inputs, process, impacts, outcomes) of socially oriented projects and innovations, being their mapping and evaluation crucial for the social impact assessment of their activities.

Evaluation and social impact assessment methods have to include all relevant stakeholders, being selective and capable of classifying their main interests in the assessment process, building on the different contexts that have to be considered during the whole development of their aims and outcomes. Stakeholders would include all those involved in the process of gaining social impact, from researchers, to public organisations, social investors, and the general public.

Three important steps in stakeholder analysis are:

1. **Stakeholder identification** which includes stakeholder mapping, stakeholder selection, and understanding stakeholder general expectations through the classification of different types of stakeholders exposed in Table A. The role of stakeholders may depend on the classification. A direct contributor will also most likely have a more prominent role, whereas indirect contributor may only be consulted;
2. **Stakeholder selection** in relation to the scope of impact measurement and eventual reporting. This could be donors, investors, consultants, staff, volunteers, etc.;
3. Identifying **stakeholder expectations**.

Following the 3 aforementioned steps that are suggested by the VPA would give a good start for the further stakeholder analysis. However, VPA is not only a tool for stakeholder analyses, it **can be applied in many impact analysis steps**. About other applications more information can be found following the link given below:

http://evpa.eu.com/knowledge-centre/publications/measuring-and-managing-impact-a-practical-guide

Tool Template

	DIRECT	INDIRECT
Contributor	Direct contributor, e.g., Staff at SPO	Indirect contributor, e.g., family of ex-offender
Beneficiary	Direct (positive) beneficiary, e.g., ex-offender who is the focus of SPO	Indirect (negative) beneficiary, e.g., those people who do not receive job offers due to the exoffender being employed

STAKEHOLDER	DIRECT	INDIRECT
Contributor	1. 2. 3. ...	1. 2. 3. ...
Beneficiary	1. 2. 3. ...	1. 2. 3. ...

SELECTED STAKEHOLDERS
1. 2. 3. ...

STAKEHOLDER EXPECTATIONS
1. 2. 3. ...

TOOL 11

SKANDIA MODEL

Nilson & Wadeskog, 2008

Tool Description & Instructions

Skandia Model has been developed by researchers cooperating with a Swedish insurance company «Skandia», hence the model inherited its name. Skandia Model is a suitable tool for impact measurement, and is suited best to deal with the assessment of objectives achievement in the **field of unemployment**, or more precisely, **unburdening public budget**. This is because while calculating the impact, Skandia Model measures how well-designed social investments pay-off by avoiding higher costs borne by the welfare system in absence of such successful social investments.

Social cost-benefit analysis (SCBA) models, such as Skandia Model is, are some of the most relevant methods for socio-economic impact assessment where long-term perspective is necessary. Skandia Model has recently provided a practical tool for **social investors** to evaluate the benefits achievable from preventive social measures concerning individuals at risk of exclusion. One of the fundamental assumptions in the Skandia Model is that once the process of marginalization has started, the longer we wait to break the progression of social exclusion, the deeper it becomes, the greater the socioeconomic effects will be, and the more difficult it will be to correct it. Hence, the Skandia Model favors early interventions in the life of marginalized groups in order to avoid high costs associated with life-time exclusion of those groups in the society. This approach is in line with the goal

to boost the impact of social innovations, because earlier interventions indeed have higher impact on the life of vulnerable groups.

Skandia Model emphasizes on the role of collaboration. This characteristic of Skandia Model is also relevant to the case of social innovations, because they are normally a result of multi-stakeholder partnerships where the collaboration lets the various types of deficits in resources, knowledge and management be covered and compensated for through a synergistic collaboration and «hyper-efficiency».

For the assessment of social innovations a time perspective that spans several years is needed. This is due to the fact that many social innovations deliver outputs which transform into desired outcomes over medium to long-term perspective. This aspect is also covered adequately by Skandia Model – and SCBA models in general – as it takes a life-time perspective in calculating the costs and benefits related to the assessed social investment.

In general, as Skandia Model is mostly **public investors oriented** SCBA tool to evaluate preventive measures, many features that it holds makes it suitable for ex-ante social impact assessments. Even though this tool is made as a full-cycle measure, parts of this measure can serve as independent tools in other frameworks (see for example the Input Map in this toolbox).

For more information see http://www.ideerforlivet.se/.