

# Is Money All That Matters?

## Achieving a Social Return on Investment

**By: Steven Dean - Fortis Consulting and Pippa Cebis - Brightwater Care Group**

In a world where it's money that matters - measuring the social return on our investment can help to account for value more broadly and holistically.

From a sociologist's perspective, the SROI methodology helps organisations and individuals to understand; manage; measure and communicate their social value - changing the way we measure the impact of what we do. From an economist's viewpoint this innovative form of cost-benefit analysis extends into previously uncharted territory, helping us to measure a type of value traditionally very difficult to quantify.

In this article Pippa Cebis (Brightwater Care Group) and Steven Dean (Fortis Consulting) examine this increasingly popular yet controversial approach from two equally varied viewpoints, ultimately agreeing on one thing: SROI makes sound business sense.

### What gets measured – gets done

It's also true to say what gets 'valued' - gets done and what doesn't get valued – doesn't. Yet for most organisations, monetary terms remain the most common – and in many cases the only – value that is measured and accounted for. This narrow perception of value can have significant effect:

- De-valuing social impact: Monetary value is considered more important than other types of value.
- Less sound decision-making: Monetary factors are not the only information we need to measure our total impact.
- Misleading reporting: It can be difficult for organisations providing services that are hard to measure in monetary terms, to report on the broad impact of their business.

Arguing that 'value' reaches far more broadly than pure economics, SROI methodology measures the creation of cumulative economic, environmental and social value.

### Case Study: Brightwater Care Group

As a leading provider of aged and disability care services in Western Australia for over 100 years, Brightwater uses SROI methodology to more accurately and holistically report on the outcomes of its activities.

*“SROI is a valuable mechanism to Brightwater because it moves us beyond traditional accounting methods” says Pippa Cebis - Business Innovation Manager, Brightwater Care Group. “Rather than equating the value we create with a simple dollar amount, the SROI framework allows us to measure and account for a much broader concept of value, measuring change in a way that is relevant to the people or organisations that we connect with. Traditional financial analysis is highly useful where benefits and costs can readily be quantified. SROI assists where the benefits and costs of actions are less tangible and more difficult to quantify.”*

*“Brightwater's early adoption of SROI methodology has had a profound impact on our organisation” Pippa continues. “SROI now facilitates our meaningful engagement with stakeholders, helping us to determine if we are meeting their actual needs and expectations – or just what we think their needs and expectations are. It also allows us to be absolutely clear and objective about the benefits of a particular program when we submit tenders for grants or to funding bodies, and in reporting back to them on the success of the program funding.”*

*“Most powerfully” Pippa concludes, “SROI allows us to tell an engaging story of how positive change was created, how it was measured and how we can prove that it was beneficial – something not traditionally possible through pure accounting methods.”*

## **Widely Applicable**

Whilst this methodology is clearly important to aged care providers like Brightwater and more broadly the community and NFP sectors, SROI is a potentially useful tool to all organisations enabling them to value and report on the outcomes of their activities. SROI may allow organisations to:

- **Quantify** the likely economic and social benefits and costs of future activities, thus making more informed choices.
- **Improve** the business case for funding desired activities (presenting a case for internal funding, or applying for funds via tenders and submissions).
- **Better measure** outcomes to identify and achieve good performance.
- More accurately and fully report on the **social and community** aspects of operations and activities. This is particularly important in striving to be good corporate citizens, providing a ‘social licence to operate’ and meeting legislated obligations.
- Achieve a sound **appraisal** of their operations, benefits and costs of actions and achieve optimum economic and social performance.

*“Although non-financial reporting will always be subject to interpretation, it remains an important step-change for organisations to move from only reporting on their costs and benefits strictly in monetary terms” says Steve Dean – Consultant, Fortis Consulting. “Inevitably, such narrow analysis will always be - to some degree - inaccurate.”*

Or in the words of philosopher, Walter Benjamin: *“All human knowledge takes the form of interpretation”*.

## **Talk to us...**

We’d love to hear how your organisation measures the impact of what it does, more broadly and holistically than simply in economic terms. Has your organisation always valued social return? If not - how has your organisation benefited from this shift in thinking? To join the discussion, please post your thoughts and comments to: [news@fortisconsulting.com.au](mailto:news@fortisconsulting.com.au); contact us at: Tel: +61 8 9467 2490; or visit: [www.fortisconsulting.com.au](http://www.fortisconsulting.com.au).