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**SOCIAL VALUE**  
INTERNATIONAL

# SROI and B Impact Assessment for Work Integration Social Enterprises

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# Investigating the Impacts of Work Integration Social Enterprises



**Fullness Auto Service Centre**



**Fullness Hair Salon**

# Study Themes and Objectives

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- **Build social impact case studies of two Hong Kong home-grown social enterprises using two internationally recognized methodologies**
- **Analyze the potential complementarities between the BIA the SROI methodologies for the social enterprise sector and its funders**
- **Offer recommendations on how the BIA and SROI methodologies can be adapted for use in the Hong Kong context**

# B Impact Assessment

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**Certified**



**Corporation™**  
bcorporation.net

- BIA is developed by B Lab to promote socially responsible businesses worldwide through the certification of B-Corp
- Establishing a baseline by completing an assessment on the official online platform
- 2 sets of questions (i) The Operational Impacts (covering Governance, Workers, Community, and Environment), and (ii) The Impact Business Models
- Maximum total score is 200 points



# Investigating the Impacts of Work Integration Social Enterprises

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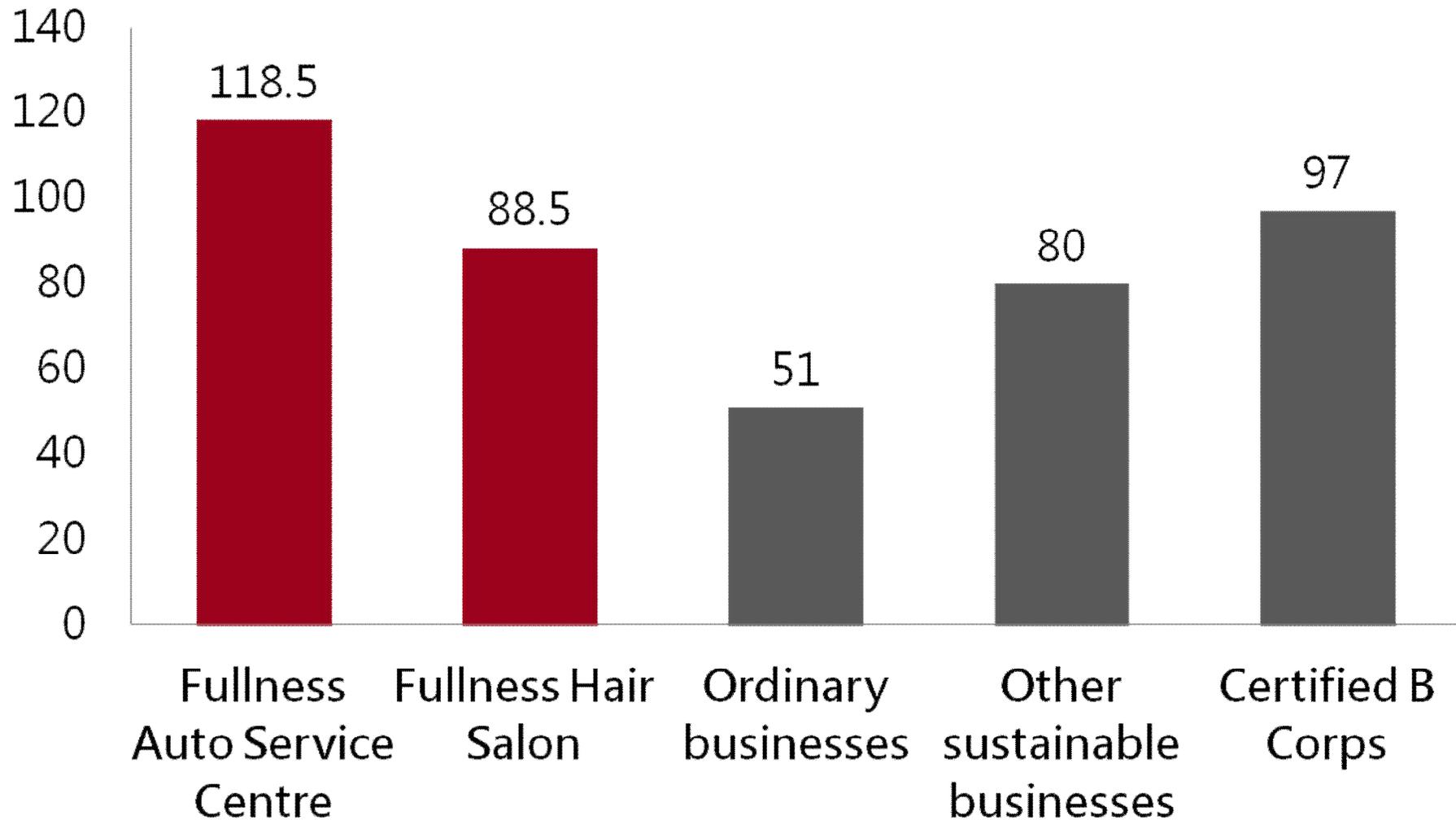
The B Impact Report of FASC and FHS for the 2013/14 financial year:

The respective BIA scores of FASC and FHS for 2013/14 are:

	<b>FASC</b>	<b>FHS</b>
Governance	17.6	16.5
Workers	23.5	18.6
Community	74.2	50.2
Environment	3.3	3.2
<b>B Impact Score</b>	<b>118.5 pts</b>	<b>88.5pts</b>

# Fullness Social Enterprises: Results of B Impact Assessment

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# B Impact Assessment: Fullness Auto Service

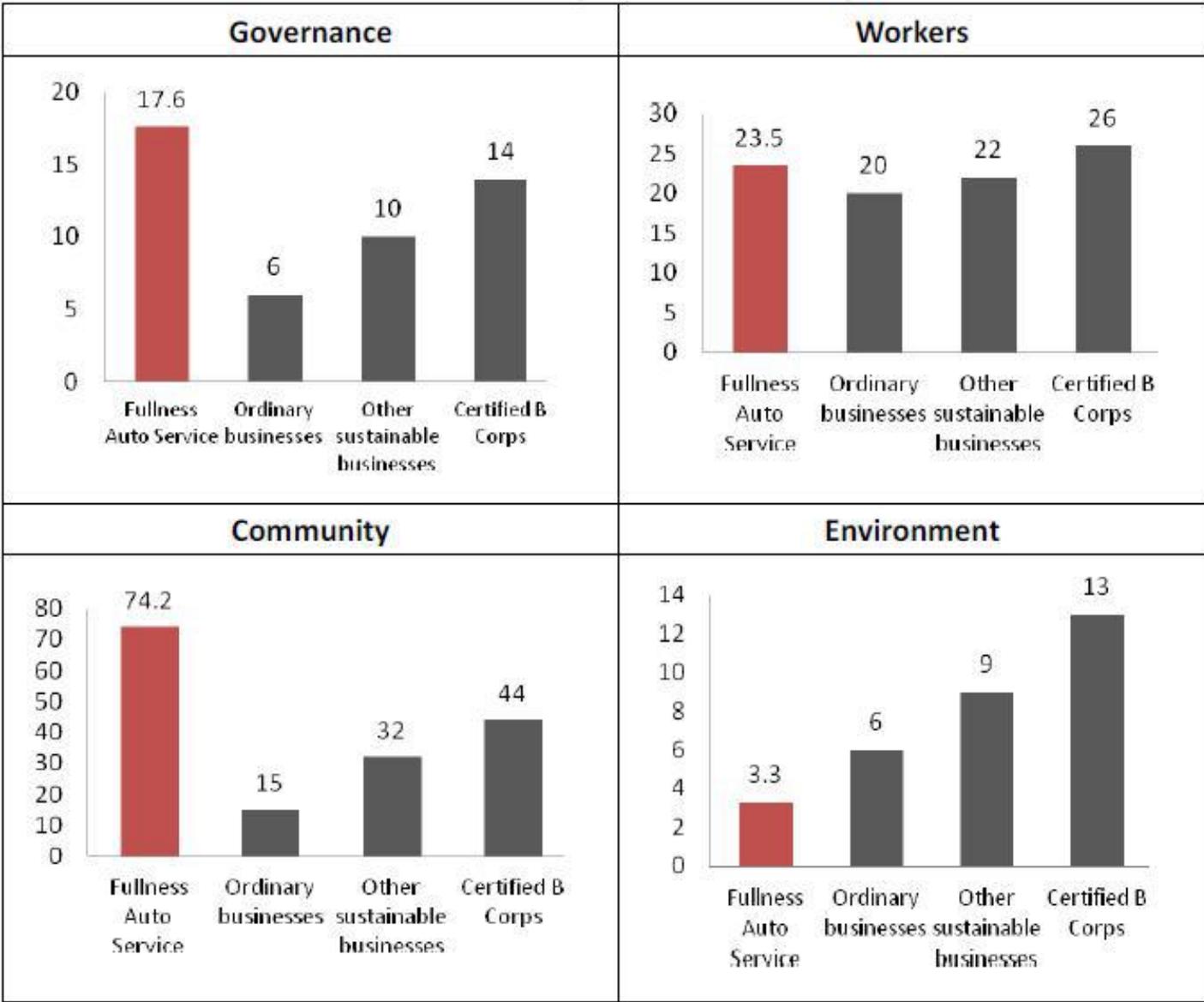


Exhibit 2.3 Comparison between FASC and other businesses across the four impact areas

# B Impact Assessment: Fullness Hair Salon

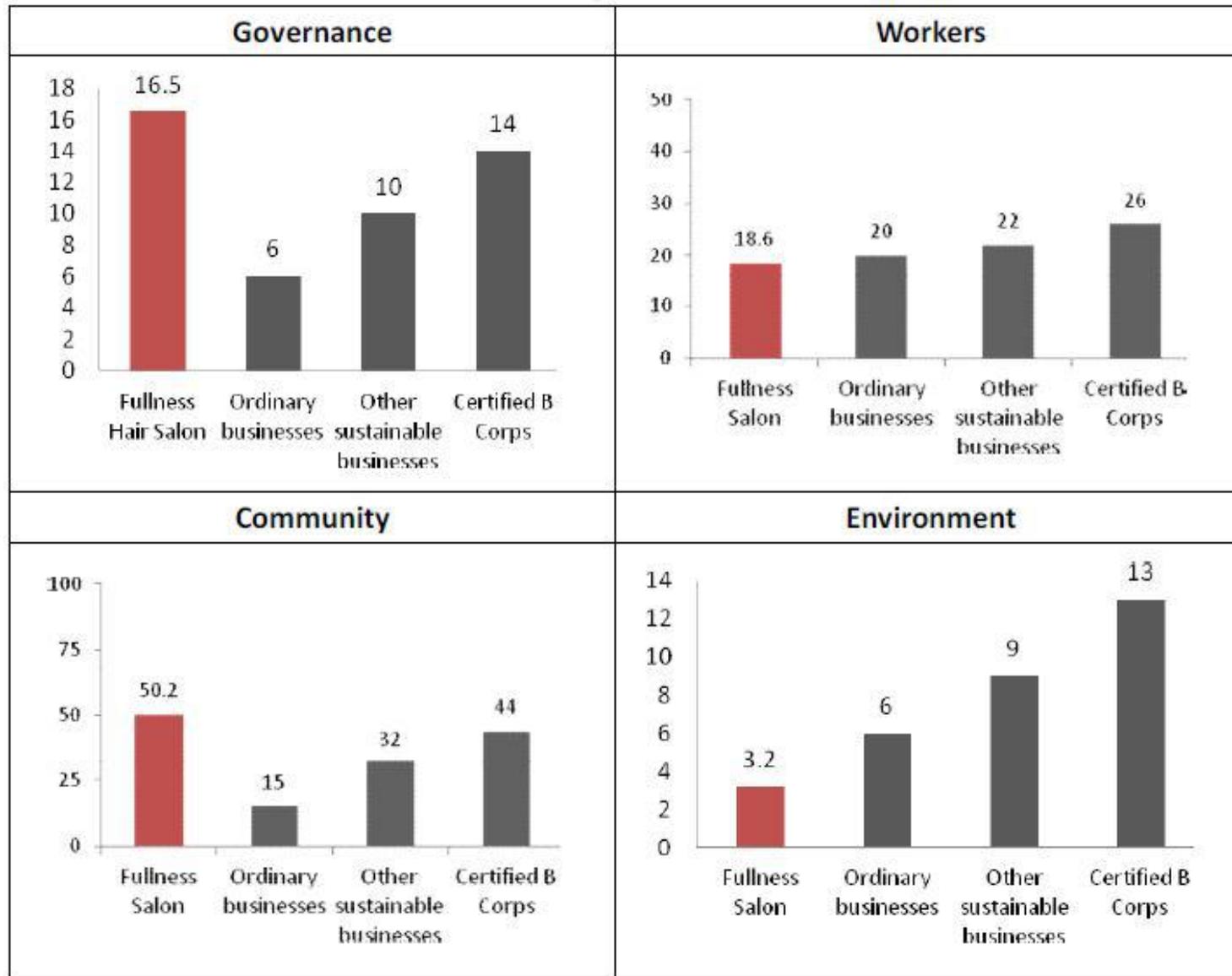
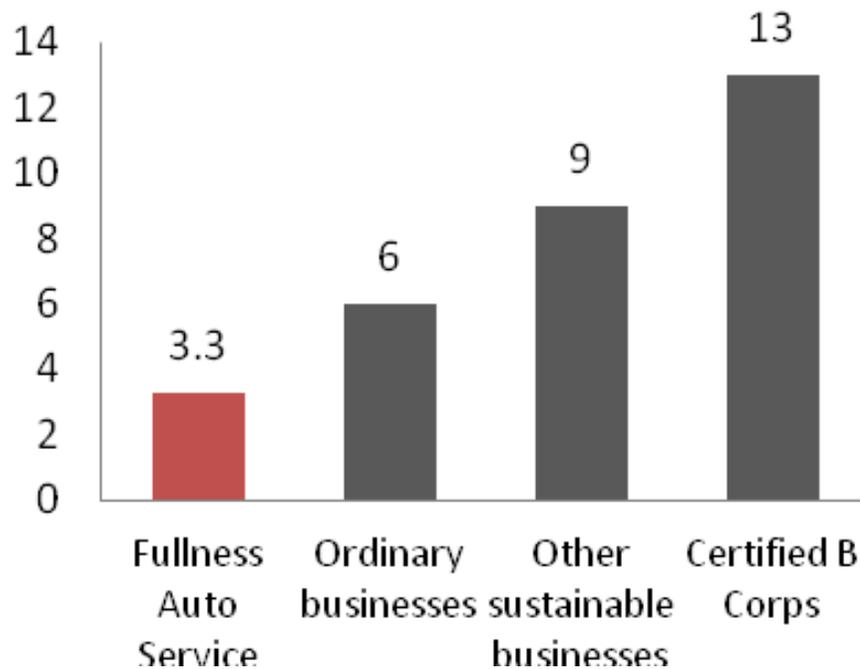


Exhibit 2.6 Comparison between FHS and other businesses across the four impact areas

# Making Improvement (Environment as an example)

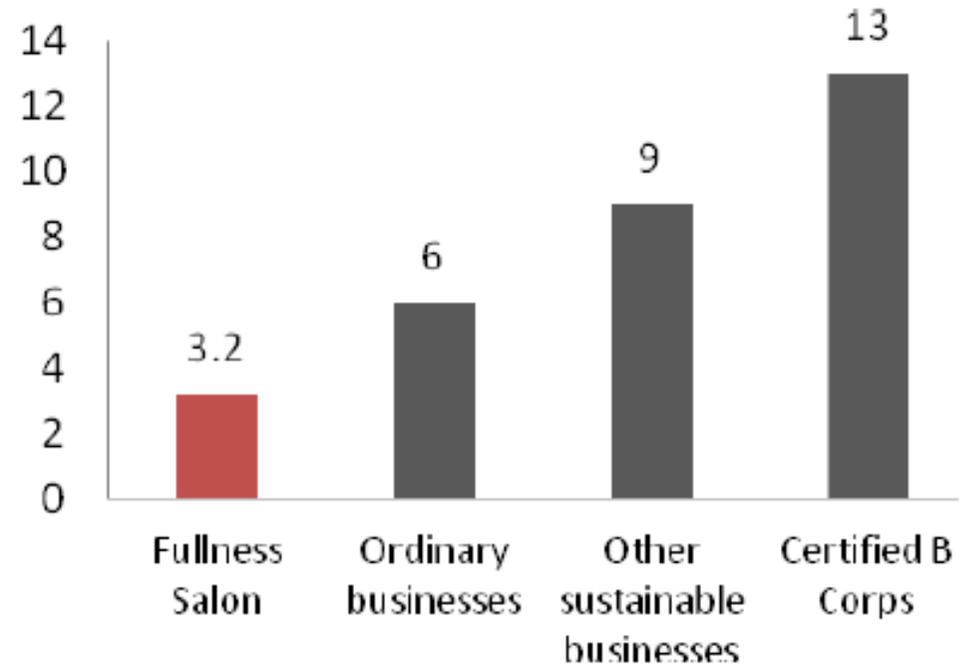
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### Fullness Auto Service Centre



To improve: to monitor, record and/or report its usage of energy and water, to use recycled paper content, or soy-based inks for printing and to use energy-efficient equipment etc.

### Fullness Hair Salon



To improve: putting in place "easy" environmental practices, such as starting a recovery and recycling program, and lowering its chemical and energy inputs

# Social Return On Investment

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- Social Return on Investment (SROI) is an approach based on stakeholders and uses financial value of the important impacts identified by stakeholders to identify what is important to them.
- The six stages
  1. Establishing scope and identifying stakeholders
  2. Mapping outcomes
  3. Evidencing outcomes and giving them a value
  4. Establishing impact
  5. Calculating the SROI
  6. Reporting, using and embedding

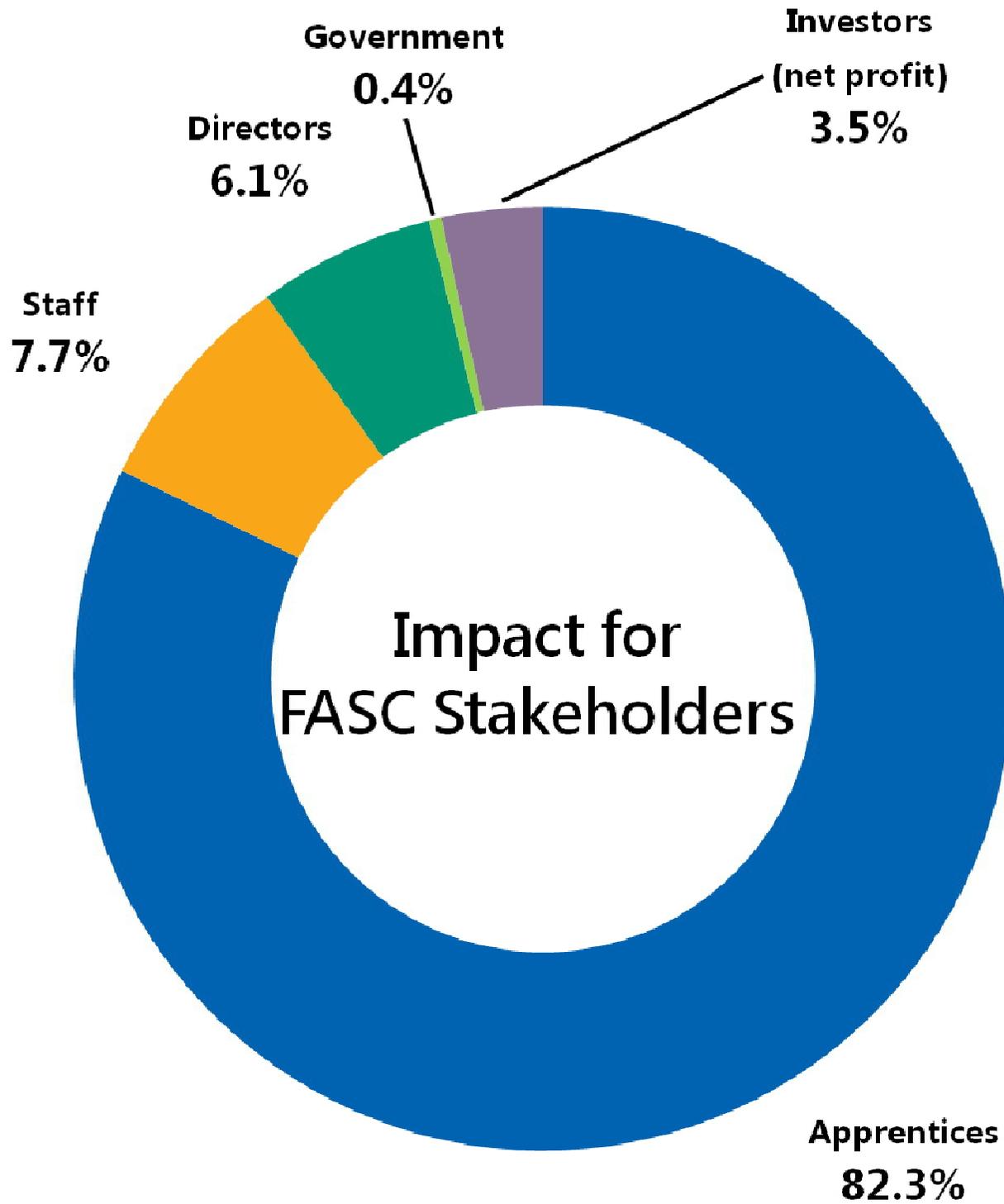
# Investigating the Impacts of Work Integration Social Enterprises

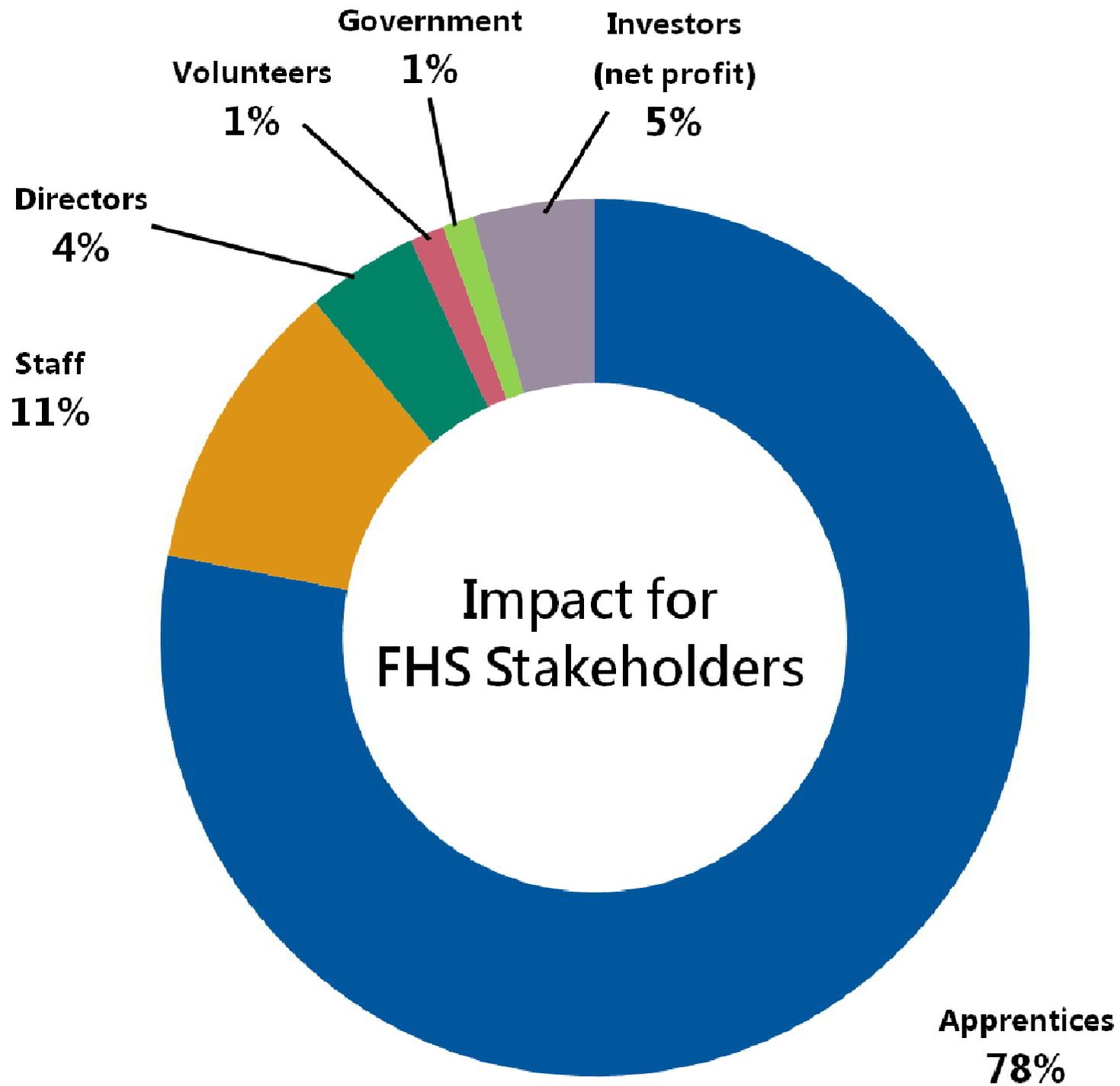
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The SROI Report of FASC and FHS for the 2013/14 financial year:

The summary SROI findings of the two enterprises for 2013/14 are as follows:

	<b>FASC</b>	<b>FHS</b>
Total Input Value	\$195,525	\$446,932
Total Outcome Value	\$2,719,325	\$5,166,530
Net Value Creation	\$2,523,800	\$4,719,598
<b>SROI Ratio</b>	<b>13.9 : 1</b>	<b>11.6 : 1</b>





# Outcome Mapping: Fullness Auto Service

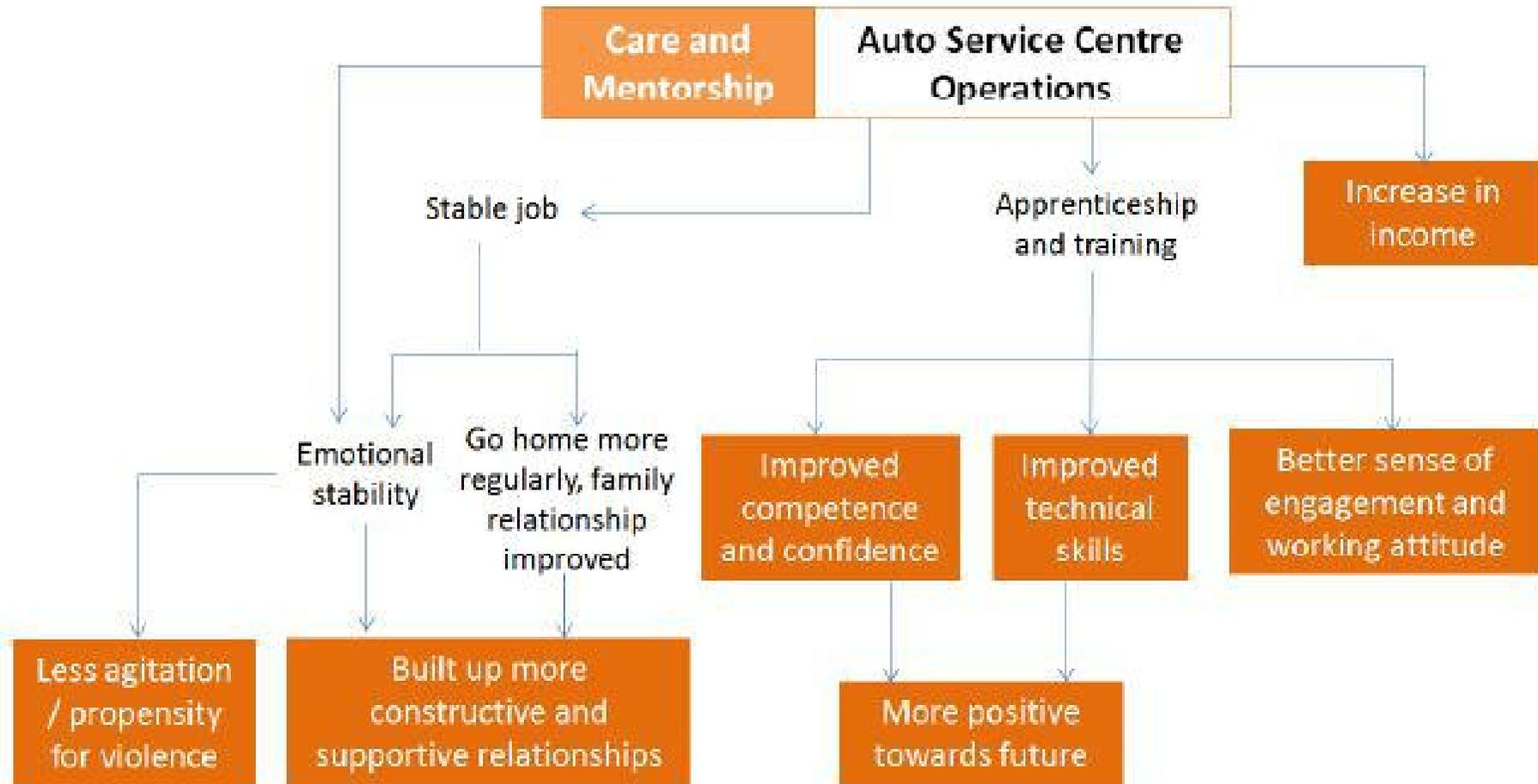
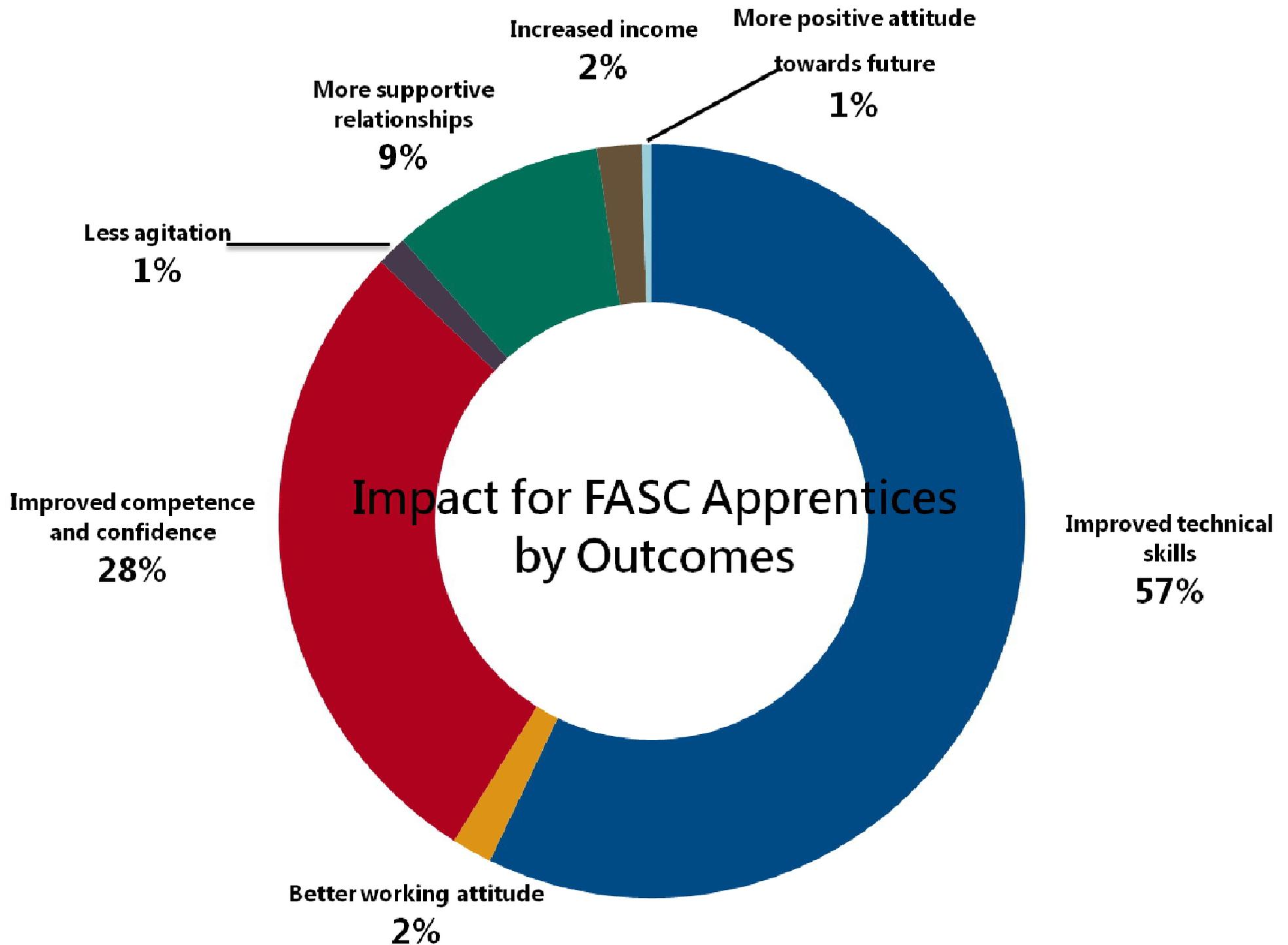


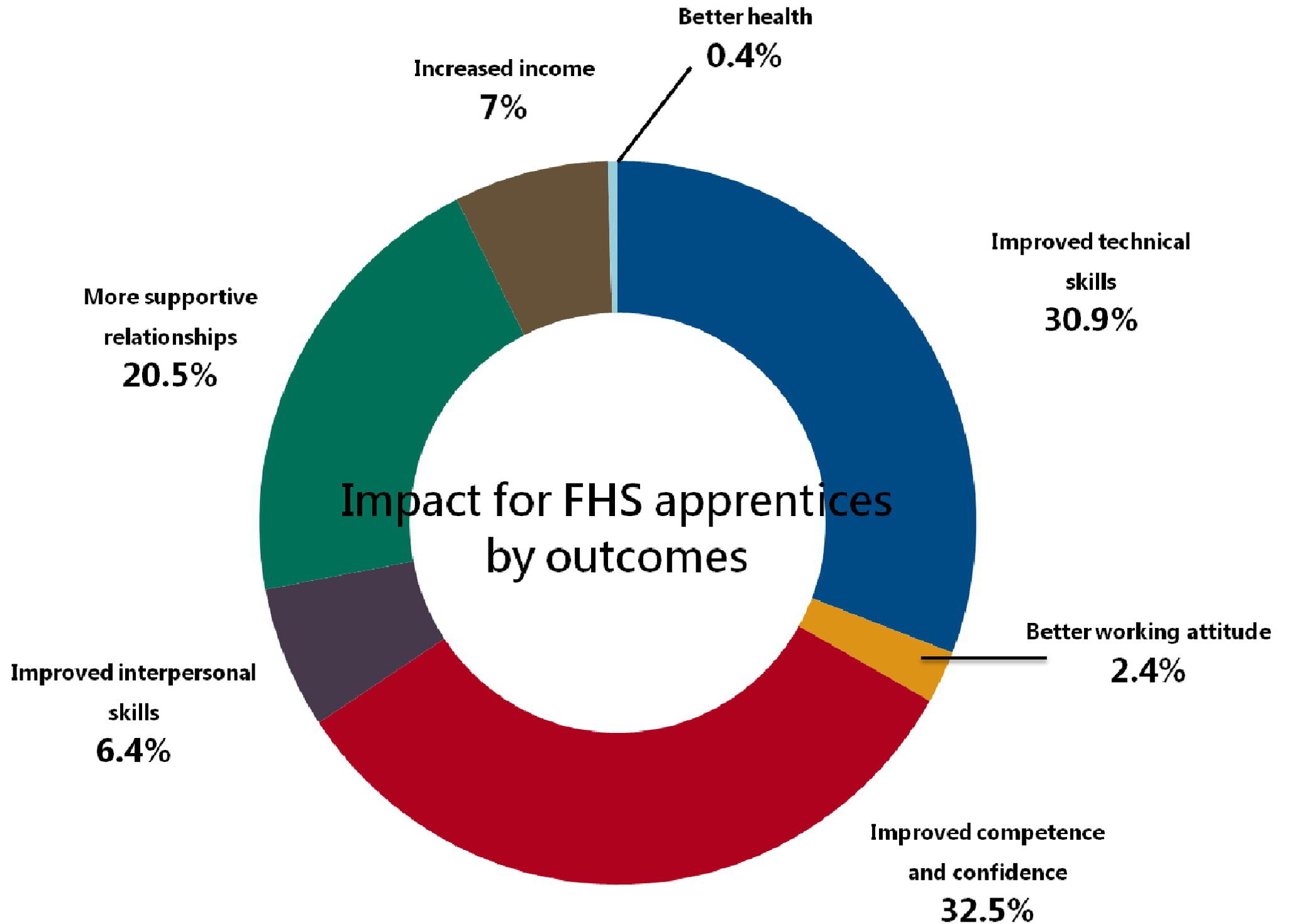
Exhibit 3.1 Chains of events for FASC apprentices



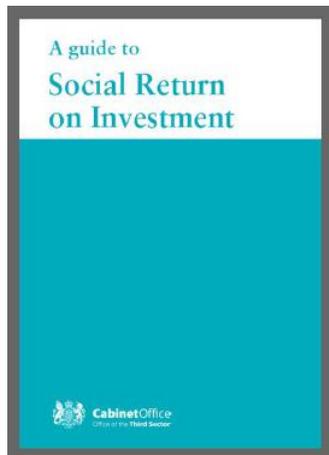
# Outcome Mapping: Fullness Hair Salon



Exhibit 3.3 Chains of events of FHS apprentices



# Comparing BIA and SROI



Scope	Function	Rationale
A standard framework for use by any company	Proving: External reporting and verification tool	Comparison: Through benchmarking
Highly flexible but with use of standard principles	Improving: Internal management and strategic planning	Comparison: Through valuation and monetization

# BIA vs. SROI

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- BIA is user-friendly and easy to understand and the B-Corp certification is gaining popularity among companies for the purpose of demonstrating social value creation to their customers. BIA also provides a free GIIRS rating which is a widely used and acknowledged impact assessment system.
- What SROI can contribute is the rich information about how program activities drive social value creation (or destruction) with its emphasis on stakeholder engagement, understanding change and valuation of outcomes. SROI can be used as a budgeting and management tool, as well as providing information for continuous improvement in social value creation.

# Objectives of Social Impact Assessment: Proving vs. Improving (Yule 2015)

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<b>Objective of SIA</b>	<b>Function</b>
"Proving" (External)	Marketing, Communication and Reporting
"Improving" (Internal)	Better Directions (Leading to) Better Outcomes

# SIA as Scientific Research: How to Make Meaningful Comparison?

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“Thinking without comparison is unthinkable.  
And, in the absence of comparison, so is all  
scientific thought and scientific research”

(Swanson 1971:145)

...to provide decision-making support!

# Selecting an Impact Assessment Model: How They Make Comparisons?

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BIA/B Corp

SROI



Benchmarking

Monetization

A Rating/  
Scoring System  
with 4 Domains

Comparing  
All Material  
Outcomes

# Objective of SIA: Proving vs. Improving

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B Corp

SROI

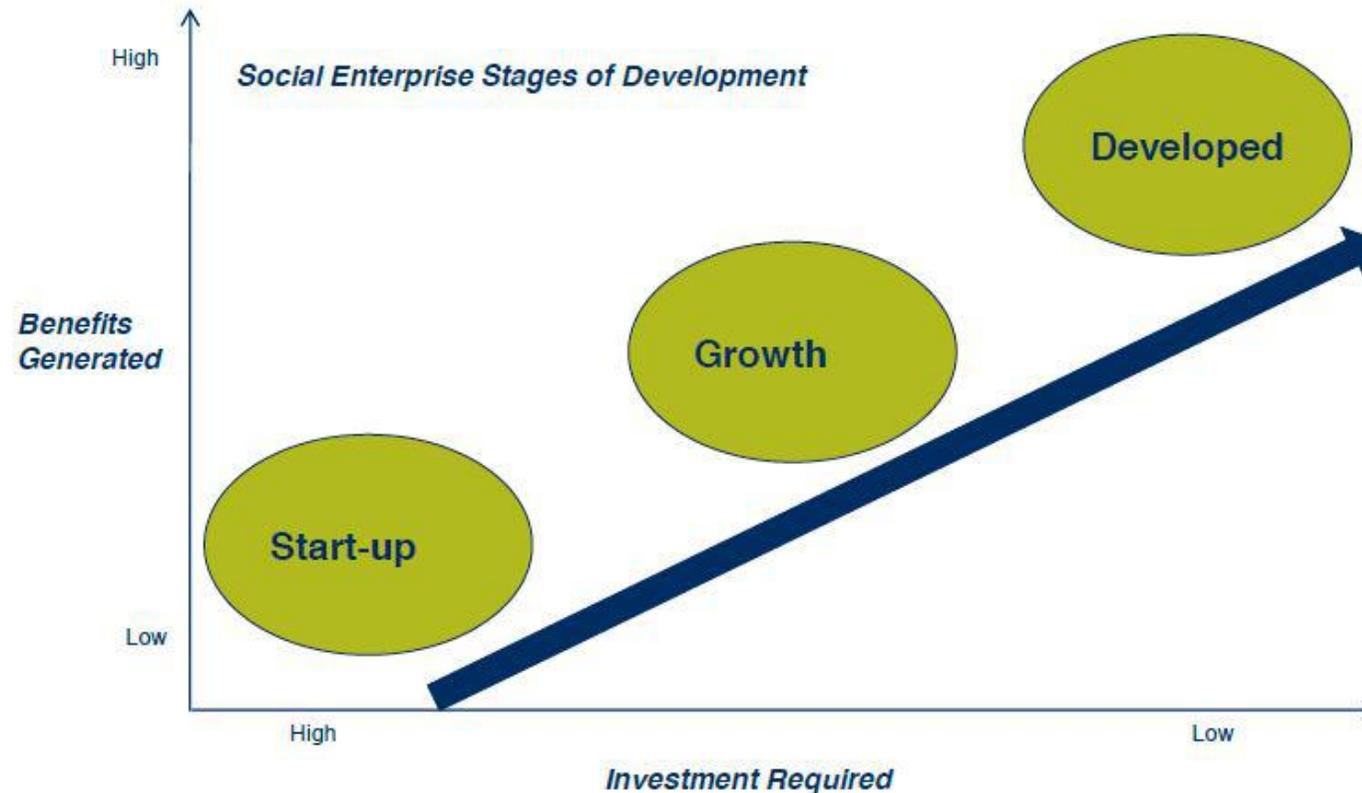
Proving



Improving

# Social Enterprise Stages of Development and SROI Ratio

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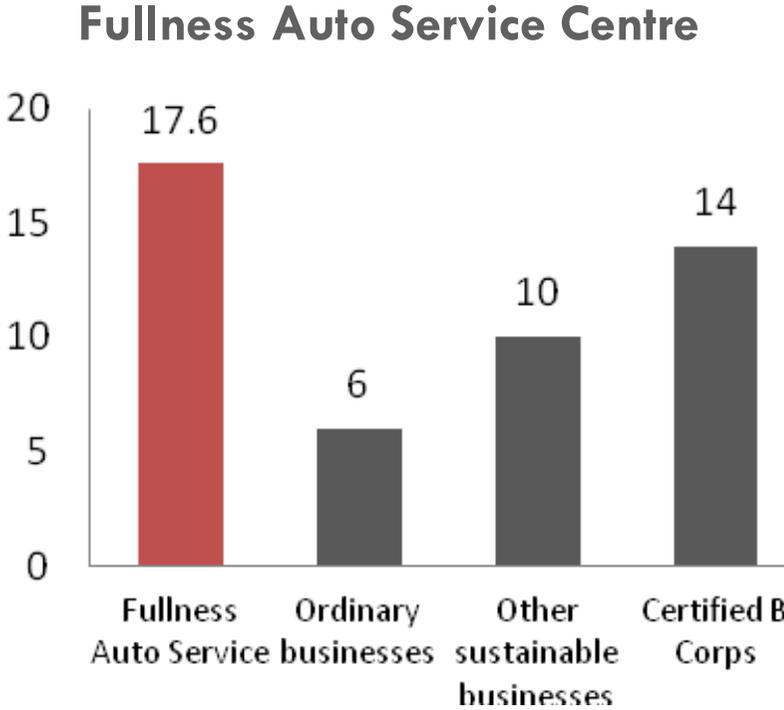


What is a “Good” SROI Ratio for Social Enterprise?

# B Impact Assessment

## Making Improvement - Governance

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To improve: engaging other stakeholders (other than investors and employees) to solicit their feedbacks and produce a public-facing annual report on its mission-related performance.

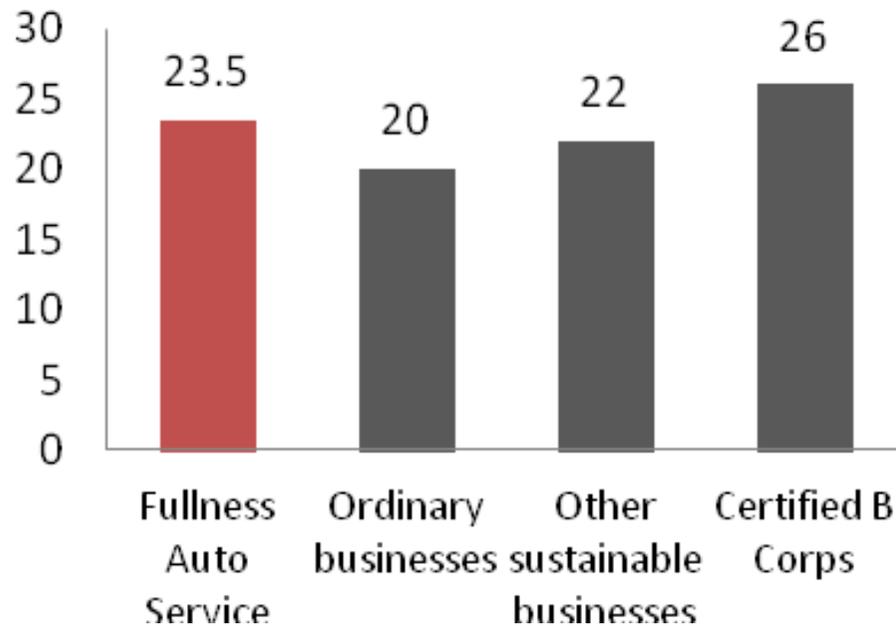
To improve: adding a whistleblower policy for workers to raise complaints and including more stakeholder groups in its formal governing body

# B Impact Assessment

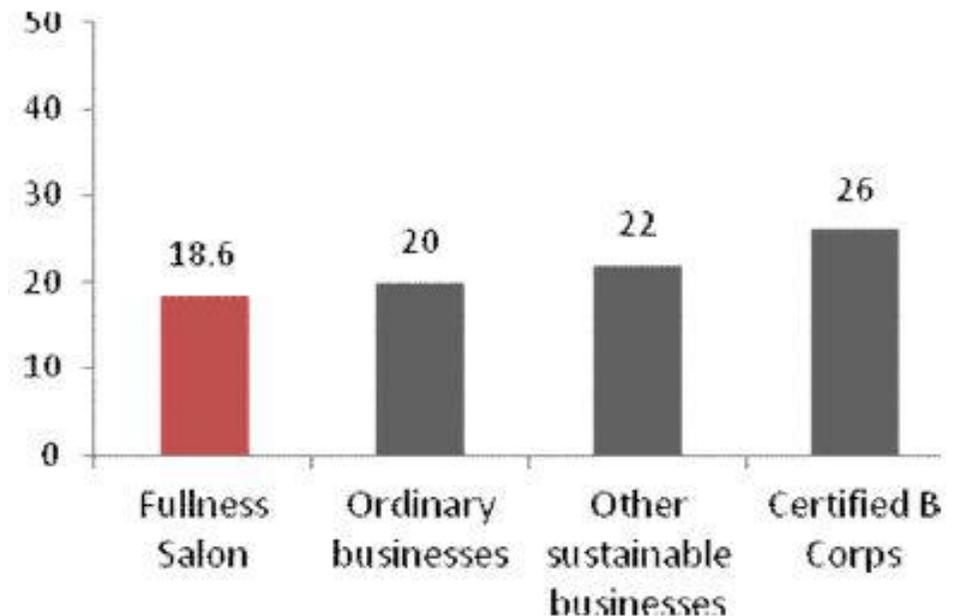
## Making Improvement - Workers

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### Fullness Auto Service Centre



### Fullness Hair Salon



To improve: incorporating worker's ownership (currently not in place) and providing more benefits beyond legal requirements

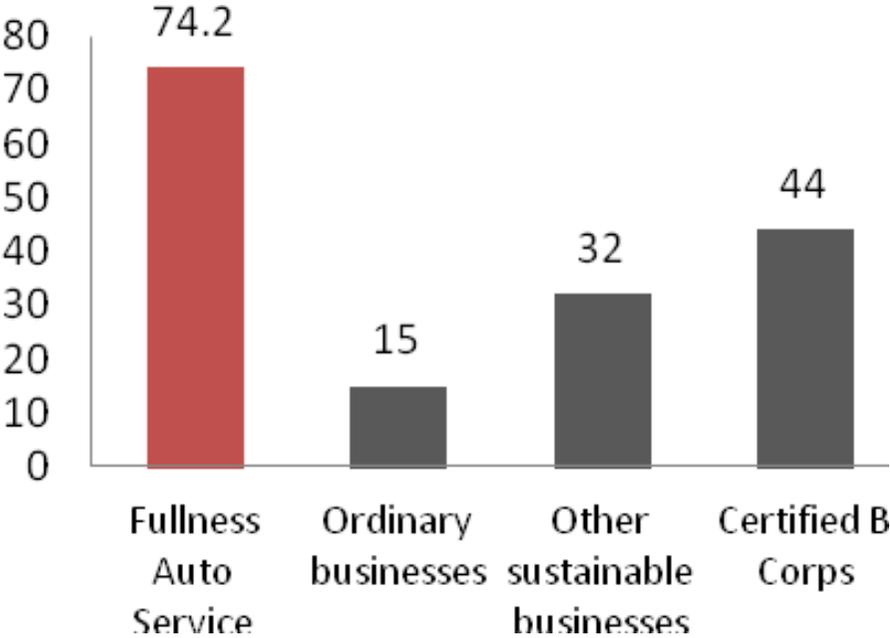
To improve: incorporating worker's ownership (currently not in place) and structuralizing its workers' benefits, such as setting guidelines for maternity / paternity leave.

# B Impact Assessment

## Making Improvement - Community

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### Fullness Auto Service Centre



To improve: encouraging civic engagement and giving in the company, such as setting targets for pro bono time or volunteer hours; and having policies for diversity such as employing ethnic minorities, etc.

### Fullness Hair Salon



To improve: enhancing its purchasing and hiring policies, such as screening its business partners' social and environmental performances.



**QUIT PUTTING A  
DAMN DOLLAR SIGN  
ON EVERY FUCKING  
THING ON THIS PLANET**

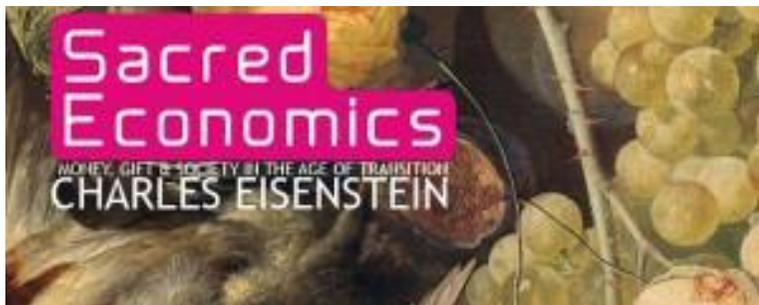
# Valuation and Decision Making: Money as a Standard of Comparison

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“A sacred object or being is one that is special, unique, one of a kind. It is therefore infinitely precious; it is irreplaceable. **It has no equivalent, and thus no finite “value,” for value can only be determined by comparison.**

“**Money, like all kinds of measure, is a standard of comparison.**”

(Charles Eisenstein, “Sacred Economics,” 2011: XV)



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**THANK  
YOU!**

