

Accounting for Value

The SROI Network
Accounting for value

The value of
the *material change* that
you cause
to happen to *others*
(some of which may be
included in your accounts)

As an investor, funder or
commissioner

Are you buying activities
or buying changes in people's
lives?

As a social enterprise

Is your purpose to reduce
inequality?

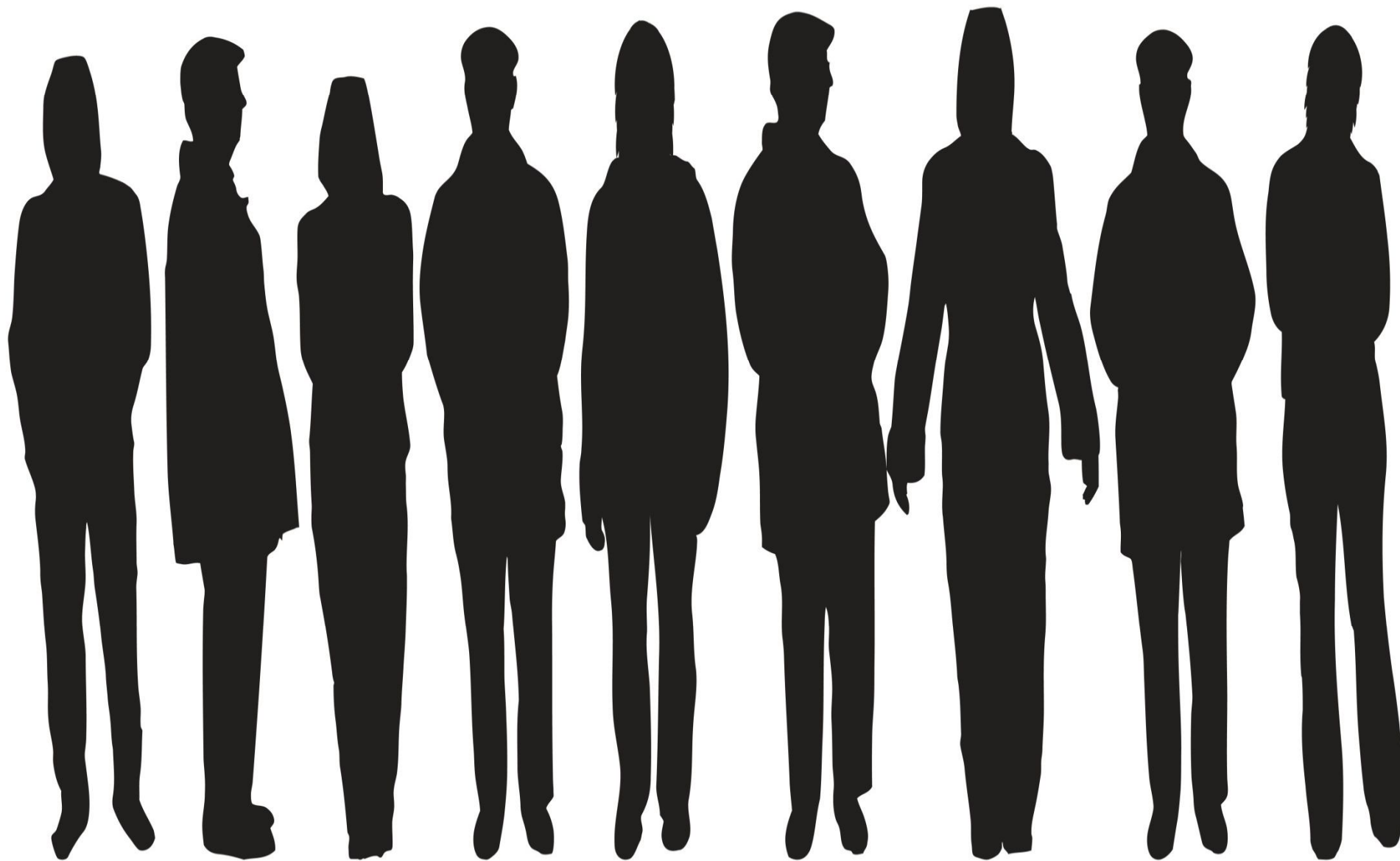
Do you know how you
change people's lives?

As someone who benefits
from this activity

How do you know that this
is the best
organisation to work with?

Social Return on Investment

SROI is an approach that can help you communicate your story of the social value you create





**Understand what
changes**



**Value the things
that matter**



**Only include what
is material**



Do not over claim



Be transparent



Verify the result

Why value?

You may save a stakeholder money

You may free up resources for a stakeholder

You may want to explore relative values of your outcomes

You may want to communicate value to others

Types of financial proxies

- Changes to (someone's) costs
- Resource reallocation, potential cost savings and marginal costs
- Changes to income
- Stakeholder values

Stakeholder values

- (Revealed preference)
- (Stated preference/Willingness to Pay)

Reference to stakeholders

- How much time would you give up to achieve that outcome (or how much of something else that you value)
- How does the value compare to other things which you do purchase

Because the values of people
in your target group are as
important as values
recognised in markets

Making the most of SROI

To make the most of SROI, consider:

- The resources and skills you will need
- Whether you already have outcomes data
- Whether you are prepared to act on the findings
- What else is happening in your subsector
- Whether this is appropriate to your organisation and its funders

www.thesroinetwork.org

jeremy.nicholls@thesroinetwork.org