

Stage 6:

Reporting, using and embedding



Congratulations! You now have a completed SROI analysis.

However, the process is not complete. There is a final important stage: reporting to your stakeholders, communicating and using the results, and embedding the SROI process in your organisation. This stage gives guidance on how to make the most of all of your hard work so far.

The three issues to consider are:

- 6.1 Reporting to stakeholders
- 6.2 Using the results
- 6.3 Assurance



6.1 Reporting to stakeholders

You need to make sure that the way in which you communicate the results is relevant to the audiences that you decided upon when you set your scope. Your findings may be for internal management use, for public distribution or as the basis for different discussions with different stakeholders. Preparing a report is useful because it is the place where you can make recommendations to influence what happens as your organisation or project moves forward.

SROI aims to create accountability to stakeholders. As such it is important that the results are communicated to stakeholders in a meaningful way. This involves more than publishing the results on your website. You may well find that external stakeholders are very interested to hear about your work with SROI – both the process you went through and the results.

Your final report should comprise much more than the social returns calculated. The SROI report should include qualitative, quantitative and financial aspects to provide the user with the important information on the social value being created in the course of an activity. It tells the story of change and explains the decisions you made in the course of your analysis.

The report should include enough information to allow another person to be assured that your calculations are robust and accurate. That is, it needs to include all the decisions and assumptions you made along the way. To help your organisation improve it should include all the information that you were able to find out about the performance of the organisation which might be useful to strategic planning and the way it conducts its activities. You will need to be aware of commercial sensitivities in deciding what you include in the report.

An SROI report should be as short as possible while meeting principles of transparency and materiality. It should also be consistent, using a structured framework that allows comparison between reports. Details of the contents of an SROI report can be found in the Resources section. However, the following quantitative and qualitative information is usually included in a comprehensive and considered SROI report:

- information relating to your organisation, including a discussion of its work, key stakeholders and activities;
- description of the scope of the analysis, details of stakeholder involvement, methods of data collection, and any assumptions and limitations underlying the analysis;
- the impact map, with relevant indicators and any proxies;
- case studies, or quotes from participants that illustrate particular findings;
- details of the calculations, and a discussion of any estimates and assumptions. This section would include the sensitivity analysis and a description of the effect of varying your assumptions on social returns;

- an audit trail for decision-making, including which stakeholders, outcomes or indicators were included and which were not, and a rationale for each of these decisions;
- an executive summary aimed at a broad audience, including participants.

Try and present your findings in a balanced way; how you phrase your recommendations may affect how they are taken up. It is important, therefore, to stress the positive as well as negative findings and to present them in a sensitive fashion.

It is also important to be able to distinguish between benefits that are not happening and benefits that may be happening but cannot be evidenced. Make sure to include recommendations for ways to improve data collection and evidencing outcomes.



Top Tip: Presentation of social return calculations

There is a risk, and perhaps a temptation, to focus on the social return ratio. However, the number by itself does not have much meaning – it is merely a shorthand way of expressing all of the value that you have calculated so far. In the same way, financial investors need more than the ratio – it would be an unwise investor who based their investment decisions purely on one number. Therefore, the ratio should be presented alongside the other information, such as the story of how change is being created and case studies from participants.

Example: Executive summary for MillRace IT

This is an extract from the executive summary of MillRace IT's SROI report. It is an example of how to combine the rest of the story about social value creation with the numbers generated by the calculations.

'The aggregate social value created by MillRace IT each year is projected to be approximately £76,825. MillRace IT's SROI ratio of 7.4:1 implies that, for every £1 invested, £7.40 of social value is created each year for society in terms of reduced healthcare costs, reduced benefits costs, and increased taxes collected.'

As the SROI analysis demonstrates, MillRace IT creates value in two key ways. First, by participating in MillRace IT, clients get long-term support and avoid a relapse in their condition. Second, a number of participants leave MillRace IT to go on to employment. By creating a supportive environment and teaching marketable skills in an area where there is much demand, MillRace IT effectively combines financial sustainability and high-quality support for those recovering from mental ill health.



Over to you: Preparing the SROI report

Prepare your SROI report. Include findings, analysis, and recommendations as to what the organisation can learn from the information generated through the entire SROI process.

6.2 Using the results

Unless you do something as a result of carrying out your SROI analysis there was not much point in undertaking it in the first place. This is one of the most important parts of the SROI analysis but, often, one to which the least time and resources are dedicated. It is easy to overlook it after the 'excitement' of reaching the SROI ratio.

To be useful, the SROI analysis needs to result in change. Such change might be in how those that invest in your activities understand and support your work, or how those that commission your services describe, specify and manage the contract with you. However, there will also be implications for your organisation, whether you carried out an evaluative or forecast SROI analysis.

Changes following a forecast SROI analysis

The results of a forecast SROI analysis may make you review your planned activities in order to try and maximise the social value you plan to create. Its findings may also require you to review your planned systems for gathering information on outcome, deadweight, attribution and displacement. See if they need to be adapted for your next SROI analysis and change them accordingly. Following a forecast SROI analysis you may also want to build in ways to:

- systematically talk to your stakeholders about their intended outcomes and what they value; and
- work with partners to explore attribution.

Changes following an evaluative SROI analysis

An evaluative SROI analysis should result in changes in your organisation. Your organisation will need to respond to findings and think through implications for organisational objectives, governance, systems and working practices. Ensure that the organisation acts on the recommendations and that findings feed into your strategic planning process.

Your ratios will be very useful in communicating with stakeholders. However, where the ratio has most value is in how it changes over time. This can tell you comprehensively whether your activities are improving or not. This should also give your organisation information about how to change its services to maximise social value in future.

It is important to secure commitment to further SROI analyses. The way you approach this will vary depending on your role in the organisation. A starting point might be to present the findings from the study to staff, trustees and stakeholders, stressing the benefits as well as the challenges of the process. This would give you the opportunity to also present a plan for making SROI analysis a routine and regular component of the organisation's reporting. Such a plan should set out:

- a process for regular data collection, particularly for outcomes;
- a process for training staff to ensure knowledge and expertise is retained in your organisation even if there is turnover;
- a clear timeline for the next SROI analysis;
- a description of the resources that will be required for ongoing monitoring of SROI; and
- how data security will be ensured.

Change can be difficult, especially if you are a large organisation with complex management systems. Remember that the extent to which recommendations are taken up by your organisation will depend on the level of organisational buy-in you have achieved. This is why we have stressed involving stakeholders throughout the process. It is helpful to allocate responsibility for future SROI analyses. It may be that once the data collection mechanisms are in place the responsibility for assessing SROI can sit with your finance team and become integrated with the financial accounting system. Remember that these changes do not have to be put in place overnight, so set yourself a realistic timescale.



Top Tip: External stakeholders' comparison of SROI reports

The way in which external stakeholders and the wider public use published SROI reports will vary. Comparison of social return ratios is unlikely to be helpful, whereas an analysis of the different judgements and decisions made in completing an individual SROI report, and the proposed changes that those responsible for the activity are planning to make, will be much more useful. Similarly, comparing the changes in an organisation's ratios over time will guide investors as to the scale of improvements organisations are making. This highlights how important it is that the information is presented in ways that meet the requirements of different stakeholders and that there is independent assurance of the information.

See www.thesroinetwork.org for guidance for social investors and commissioners.



Over to you: Communicating and using findings, and embedding SROI

In presenting the results of your analysis, consider your audience, tailoring the discussion to each group of stakeholders. Stakeholders will have different objectives, and the relationship of each stakeholder to your organisation will vary.

Prepare a plan for using the findings and embedding the process within your organisation.

6.3 Assurance

Assurance is the process by which the information in your report is verified. The principle requires that there should be appropriate independent assurance of your report's claims. There are two levels of assurance:

Type 1 Assurance focuses on assurance that the analysis has complied with the principles of good practice in SROI.

Type 2 Assurance covers assurance of both principles and data.

For more information on the assurance processes and sources of support, refer to www.thesroinetwork.org.



