

FACT SHEET

7

Social enterprises can have a social, environmental and economic impact that affects people, their communities and the environment for the better. But how do social enterprises measure their social outputs? How should they measure the social value of achieving their social objectives? Although it may be possible to see or even assume the benefits of the work of a social enterprise, it is necessary to communicate specific details about these benefits in order for them to be learned from, understood, improved and fully acknowledged.

Knowing how well you are achieving your objectives can help you plan for your organisation more effectively. It can make it more attractive to your clients and customers and help you win contracts.

Measuring and communicating the value of your outcomes can help you to demonstrate the importance of your work to all your stakeholders: you, your staff, your customers, investors or government agency.

When accountants assess a business financial statement, they calculate its value in terms of sales or outputs, versus cost of goods and overheads. But if you produce a social output, how do you measure that value and calculate its worth?

There can be said to be 4 main elements needed to measure the creation of social value:

- Inputs
- Outputs
- Outcomes
- Impacts

Inputs are the resources you need in order to make something happen and they can be measured as a cost e.g. the cost of equipment for running a training programme.

Outputs are the direct result of your business or project goal e.g. 10 people learned how to make picture frames.

An outcome is a change that has occurred over a longer time, e.g. the number of people who started work and

improved their personal situation as a result of the training programme. This outcome could be measured in terms of the value of the increased income to the person gaining work. It could also be measured from the point of view of another stakeholder, e.g. the government who in this case would benefit from increased taxes paid or reduced support payments paid by the state.

Impact can therefore be looked at as the outcome minus an estimate of what would have happened anyway.

There are a number of frameworks, methods and tools that you can use to measure the value of some of your social impacts, and to look at how to measure your social outputs and outcomes.

Methods vary but all will include a variety of ways to gather, record and analyse quantitative and qualitative information by which the performance of an organisation from a social perspective can be measured and evaluated.

Useful Websites

www.businesslink.gov.uk
0845 600 9

www.neweconomics.org

www.brighton.ac.uk

www.proveandimprove.org