
Is it Working?

Social Enterprise Performance Measurement

Brainstorming Activity

- What kind of information do you want to know about your enterprise or program? What's important to you?
- What kind of information are your funders/investors asking for?
 - What issues do you face with your funders' reporting requirements?

Performance Measurement has Philosophical Beginnings.....

Some big questions to ask and answer

- **Why** do we want to start a social enterprise?
- **Who** will benefit from this venture?
- **What** do we need to believe in order to go down this path?
- **What would** success look like?
- **How** and **to whom** should the value of this work be communicated?

Believing is not enough...

... Ultimately, you need to illustrate why others should believe in your social enterprise too



How

can you do this?

Systematic performance
measurement

Why measure?

Performance measurement:

- tells your story
- communicates value creation
- creates a platform to engage stakeholders
- is a tool for business management

Storytelling and hard facts....

What to measure?

Link back to the **Big Questions** but be real....

- Performance measurement needs to be grounded in reality
- Decisions on what to measure need to be firmly situated in the context of:
 - age and stage of your social enterprise
 - internal organization capacity
 - resources available – internally, externally and potential

How to frame your performance measurement?

Some options;

- double or triple bottom lines - social, environmental, financial
- blended value in turn creating blended returns – SROI , ROI
- Social audits and social accounting
- Sustainability and sustainable livelihoods
- (full) cost / benefit analysis

A measurement system enables you to:

1. establish a process to compare against set goals and progress towards meeting those goals
2. create a framework and ultimately a tool to externally communicate outcomes or results
3. establish an ongoing mechanism to engage stakeholders in the value being created

**HOW DO WE KNOW...
IF WE ARE DOING WHAT
WE SAID WE WOULD DO
AND IF WE ARE DOING IT
WELL?**

Start simply....

1. Think about all the possible areas or levels of activity that *COULD* be analysed
2. From here prioritize (this is where reality *really* sets in)
3. Determine key questions that need to be answered in order to plan a staged approach to 'embedding' a performance measurement system

Some first principles

1. Start with measuring most critical areas of performance
2. Be able to explain why and how these particular aspects have been chosen
3. State upfront goals and expectations you are seeking
4. Report on results against stated goals and performance expectations

Levels of Analysis

- Determine what key level(s) of analysis should form the basis for performance measurement?
 - Enterprise Level
 - Mission Level
 - Organizational Level

**PLAN A STAGED
APPROACH TO PM
THAT FITS THE AGE,
STAGE AND CAPACITY
OF ORGANIZATION**

Enterprise Level

- Financial performance of the enterprise
- What inputs are needed to derive what social benefits?
- What costs are associated with the social mission?
- What are pure business costs?

Mission Level

- What is the direct (and indirect) impact of the SE on individuals, specific community, environment, society
 - Framing this PM level can be messy and sometimes uncomfortable putting a stake(s) in the ground
 - At the same time if approached in an open and engaging way, it can be very effective at engaging key stakeholders (e.g. target employees) in the mission and vision of the SE

Organizational Level

- What impact does the SE have on its parent organization? (eg. If SE was launched as a subsidiary or an operating division of a charitable organization)
- How is the SE affecting the parent organization's capacity and sustainability?
 - Financial
 - Skills and staff
 - Communications
 - Systems and processes
 - Management Capacity (board / staff)



Enterprise: **TurnAround Couriers**

Location: **Toronto ON**

Date of Inception: **October 2002**

Financial Performance

Total Sales Revenue:	\$135,000
Total Grants and Subsidies:	\$0
Total Sales Revenue and Grants:	\$135,000
Additional Social Support Infrastructure:	\$0
Total Operating Profit (Loss):	\$916.00
Total Investment in Year Three:	\$0

Social Return On Investment

Average Change in Societal Contribution (Target Employees):	\$10,000
Average Number of Target Employees:	4.5
Number of Target Employees in Sample Group:	10
Current Year Cost Savings to Society:	\$45,000
Cumulative Cost Savings (prior to Y3):	\$83,178
Total Cost Savings to Date:	\$128,178
Cumulative Societal Payback Period:	2.3 years
Cumulative SROI:	128%

Overview of Business

- Did not require any additional external investment
- Grew sales 17% from Year 2
- Grew monthly sales 31% by end of Year 3
- Royal Bank of Canada remains TurnAround's biggest client and tripled its delivery volumes during the year
- Developed in-house capacity to deliver on-line courier service
- Market wages paid and WSIB coverage offered to all staff

Sustainable Livelihoods Outcomes (sample group)

- 90% of youth who were on social assistance before hire were able to get off and stay off social assistance
- 90% of youth were able to move into independent housing within 3 months of working at TurnAround
- Those that had previously been involved with the justice system had no additional issues while employed at TurnAround or at time of follow up after leaving TurnAround

Overview of Target Population (sample group)

- Majority of youth recruited from Evergreen Centre for Street Youth, an initiative of the Yonge Street Mission
- Males: 70%
- Average Age is 21
- 90% unemployed at time of hire
- 60% receiving social assistance at time of hire
- 90% had been recruited from youth shelters or had used the shelter system within the last year
- 30% had been involved with the justice system
- 70% did not complete high school

Employment Outcomes (sample group)

- Maintained a staff ratio of 75% target/non target staff throughout the year
- Paid out \$76,400 to courier wages over Year 3
- 30% of TAC's couriers went on to work at larger courier companies after leaving TurnAround and were able to increase their income by approximately \$500.00 per month
- 40% continue to work at TAC
- 30% reported that working at TurnAround motivated them to finish high school and/or go to college or university
- TurnAround now in a position to offer career laddering opportunities within the company



Enterprise: Renaissance Quebec

Location: Montreal, Quebec

Date of Inception: 1994

Financial Performance

Total Sales Revenue:	\$4, 216,764
Total Grants, Gifts and Subsidies (GGS):	\$415,434
Total Emploi Quebec Service Contract /Social Support Infrastructure:	\$2,677,435
Total Sales,GGS and Government Contracts:	\$7,309,633
Total Operating Profit (Loss)	\$93,768
Total Investment:	\$2,999,101

Social Return On Investment

Average Change in Societal Contribution (Target Employees):	\$5,784
Annual Number of TE Completed 6 Month Reintegration Program:	192
Number of Target Employees in Sample Group:	49
Current Year Cost Savings to Society:	\$1,110,528.00
Current Year SROI	37%
Societal Payback Period:	2.7 years

Overview of Business

- Accomplished 10 years of job training – over 1000 people secured employment
- Over 10 year period averaged 78% job placement rate
- 2004 grand opening of brand new 'flagship store' – model for gradual revamping of stores in network
- Refined marketing strategy in 04/05 led to annual 9.5% increase in sales across network of stores (excluding the flagship store)
- Reorganization of training model to increase efficiencies and customize training support
- Improved customer service, sorting methods and merchandizing systems across store network

Overview of Target Participant Group (sample group)

- 100% unemployed and meet all Emploi Québec's eligibility requirements
- 53% of African origin
- 35% West Indian and South American
- 12% Québécoise
- 90% female
- Average age is 33
- 57% receiving government financial assistance at start of program
- 39% live in two parent households with 1 or more children
- 14% are single parent households with 1 or more children
- 67% of non Québécoise arrived in Québec between 2000 – 2004 (e.g. New Canadians)
- Majority had finished high school and had some post secondary training (home country)

Sustainable Livelihoods Outcomes (sample group)

- 79% of those receiving government income assistance at start of program did not need this assistance at end of program
- 47% of the sample group reported that the reintegration program significantly contributed to their cultural integration into Quebec society
- 39% of female participants reported that their experience at Renaissance enabled them to move from living in a socially isolated situation to establishing friendships and social support networks outside of their immediate household/family structure
- 39% of female participants reported that the program structure - particularly the customized, one on one support - positively influenced their self esteem, capacity to adapt to new (employment) settings, ability to set goals, deal with stressful situations and ability to seek out community services/resources

Employment Outcomes (sample group)

- 84% of participant group entered mainstream employment or returned to school at end of employment training program
- 66% secured employment and 18% returned to school
- 62% secured full time employment
- 38% secured part time employment
- \$8.48 – average wage for next job
- Majority of jobs secured were in customer service/retail sales sector
- 16% stopped job search for personal reasons

TurnAround Couriers: Social Mission Overview

Goals

- Hire couriers and office administrative staff from disadvantaged youth population
- Provide transitional work experience to enable youth to develop employability skills, a resume and a support network
- Enable youth to access the mainstream job market
- Enable youth to stabilize life situation, begin a career path and leave the shelter system



Methods

- Recruit youth from youth shelters and youth serving agencies across Toronto
- Provide a real job, not a job training experience
- Establish a supportive management environment
- Assist youth with planning and making next steps regarding housing and employment



Success Metrics

- Youth are able to get out of shelter system and into independent housing
- Youth meet or exceed job expectations
- TurnAround helps youth secure next job and establish a career path
- Youth are able to get off and stay off government financial assistance

Renaissance: Social Mission Overview

Goals

- Provide job skills training and employment placement to people with employment barriers
- Help participants at end of employment placement to access mainstream job market and/or formal education system
- Be a leader in sustainable recycling practices of clothing and other consumer goods



Methods

- Deliver six month skills training program and 'real world' employment placement (*Reintegration Program*) accredited by Emploi Québec – to eligible participants
- Provide employment opportunities in retail, office administration, maintenance, shipping and handling
- Provide specialized training, personal counseling and post training follow up to assist participants transition into mainstream employment
- Continually improve collection and sorting practices to create access for low income people to modestly priced, recycled consumer goods



Success Metrics

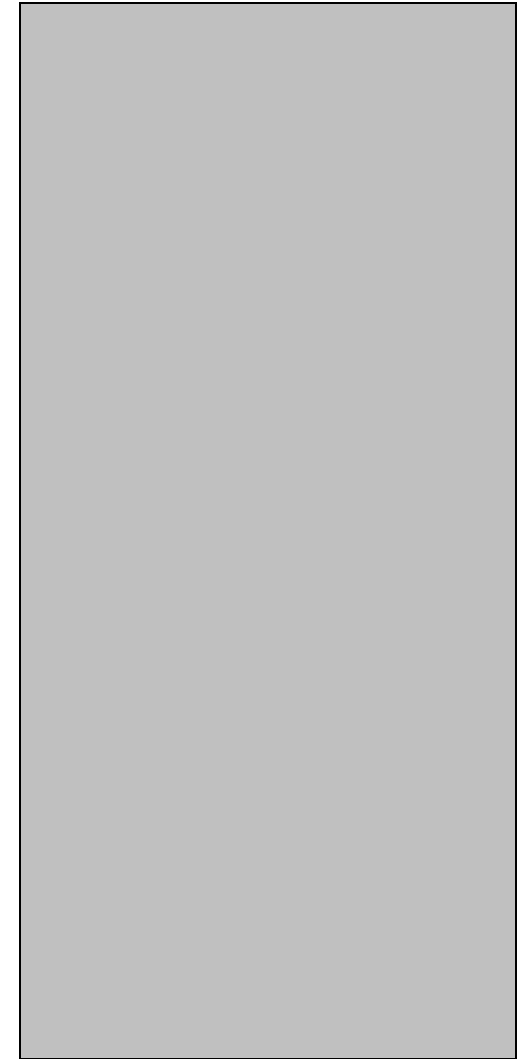
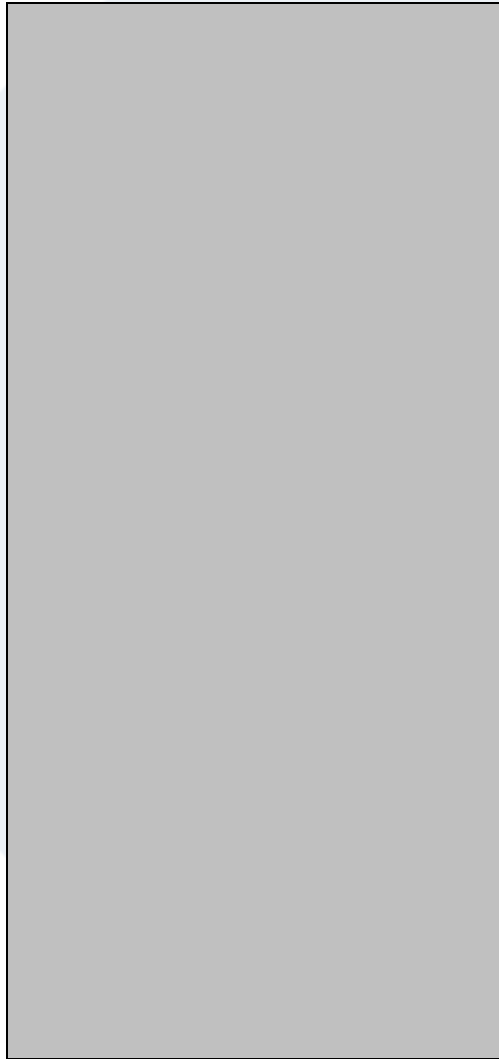
- Maintain an 80% or better employment placement/return to school rate after program completion
- Continue to generate an operating profit while running a successful employment training program
- Continue to be recognized as a Bruntland enterprise in Québec
- Re-sell 35% or more of recycled goods collected in network of stores
- Sell at least 95% of remaining goods to recycling operations
- Ensure that 5% or less of collected goods goes to landfill

Social Enterprise: Social Mission Overview

Goals

Methods

Success Metrics



How to Measure?

- Steps for developing a social measurement system – handout
- What approach is right for your social enterprise – handout

Steps for Developing a SMS

1. Define Scope and Purpose
2. Clarify social mission, values and goals
3. Make baseline assessment and gap analysis
4. Assess strategic development of social performance and measurement
5. Design a social measurement system (SMS)
6. Prepare an SMS report
7. Review results with stakeholders
8. Align systems and structures

Which Approach?

Benchmarking

**Triple
Bottom
Line**

**Sustainable
Livelihoods**

SROI

NESst

**Balanced
Scorecard**

**Outcome
Measurement**

**Social
Capital
Partners**

Issues and Challenges in Performance Measurement

- Organization leadership and commitment
- Combining your reporting needs with those of funders
- Data collection and cost issues

Thank you!

Questions???