



# Value of Change



## Make it Happen -The Value of Change Programme

### **What is going to be your point of difference if all suppliers provide the same quality and demonstrate the same price?**

*Make it Happen's Value of Change Programme (VOC) measures an organisations social value and impact and challenges traditional Social Accountancy frameworks.. Current models fail to recognise valuable data. We have taken the social accountancy principles, adopted elements and utilised best practice from each of the current social accountancy models such as LM3 (Local Multiplier Effect), SROI (Social Return on Investment), SAA (Social Accounting and Auditing) and AA1000, underpinned by the quality management principles of ISO 9001 and supported by our research and evaluation framework, the Value Intelligence Programme.*

### Overview

As society is changing, businesses and organisations must adapt to meet the changing needs of their customers and stakeholders.

In the current political and environmental climate it is evident that the private, public and third sectors as well as members of the public are more conscious than ever of the "value" of money, the need to create more for less and the social value and impact organisations are having on local communities regionally and nationally. Research suggests that 2 out of 5 purchases are based on ethics and this is steadily increasing.

Individuals want best value and positive changes to society. The Government is keen to demonstrate transparency, legitimacy and their ability to make positive social impact and add value to local communities in order to create and nurture public confidence. The Government is committed to improving public services, reducing debt, improving systems and processes and providing greater transparency in finances and decision making. These are integral elements of the "Big Society".

A private members bill focusing on Social Value has been brought to parliament by Chris White MP; this is currently progressing. If passed, the bill will focus on the public sector and their procurement of services based on social value and impact in three main areas; Environmental, Social and Economic. Third Sector Organisations, Social Businesses and the Private Sector as a whole are or will be challenged with demonstrating their social value and impact for the first time in a clear and concise way whilst ensuring their decision making process can stand up to public scrutiny. This coupled with the Localism Bill, which focuses on the development and engagement of local communities, organisations as a whole will need to provide evidence of local value and impact. You will have to compete on price and quality as normal, but also on Social Value which will require you to demonstrate your Social Value to society as well as prove your Social Impact.



Social Value and Impact could mean as much as 20% of the overall score on a public sector tender.

The Social Audit Network the definition of social accountability is:-

*The process whereby the organisation collects, analyses and interprets descriptive quantitative and qualitative information gathered in order to produce an account of its social, environmental and economic performance and impact.*

Over the past twenty years there have been numerous attempts to create accurate social accountability frameworks in order to define and account for an organisations social value and impact.

During this period, the frameworks developed have focused on key areas of activity and not the organisation as a whole. Social accountability frameworks have been developed to account for the benefits of impact and the theory of change, without establishing the correct structure and systems to effectively capture and communicate this on a global scale. Through investigation it is evident that the current frameworks are not able to effectively account for all of the outcomes and impacts that an organisation can achieve.

These difficulties have meant that there isn't one framework that has been adopted universally throughout the UK and across all economic sectors. The main reason being the inability of the existing frameworks to demonstrate an organisations true social value as a number of key areas are often missed. Little or no preparation is carried out on the authenticity and accuracy of the bench marketing data, confusion appears with the theory of change and the methods of engaging key stakeholders are questioned.

If you can demonstrate your value and impact beyond the direct known benefits to potential clients, would this create your unique selling point in today's competitive market place?



## The Value of Change Programme

The aim of the programme is:

*To demonstrate the value of change an organisation interventions have on society.*

The Value of Change Programme accurately forecasts/evaluates through the measurement of social value and impact that an organisation has on society in key areas such as health and wellbeing, education, employment, social justice, environment and society. Through engaging with stakeholders, analysing data, measuring change, valuing change, evaluating impact and reporting on the value and impact.

The programme provides a detailed report of; the theory of change, measurement of change, impact of change, value of change, stakeholder value, impact and key outputs and outcomes that detail local, regional and national impact.

Impact Example:-

As a result of stakeholders engaging with your organisation, for every £1 invested, there is £3 benefit to society. Out of the £1; 30 pence is invested locally, 35 pence is invested regionally, 25 pence nationally and a further 10 pence internationally.

Out of all of your stakeholders, 10% value the organisation, 30% trust it and 60% believe it embeds ethical decision making within the organisation.

As a result of the programme, there is independent evidence to confirm that 20% feel happier, 30% feel empowered, 50% are making positive changes to their lives.

By educating those who are more likely to commit crime and providing them with opportunities to understand the negative impacts their criminal activities have on society and providing those at risk with new skills and knowledge, individuals are less likely to commit a crime, therefore crime has been reduced through being provided with new skills and knowledge and this has resulted in 10 new employment opportunities, which enables improved health and wellbeing and which develops community cohesion and pride.

The organisation will be provided with a defined and evidence based social value and impact policy that can be embedded within its business strategy, values and guiding principles. It promotes a new generation of CSR (Corporate and Social Responsibility).

The programme further provides an auditable process and outcomes that can create and present a set of internal and external social accounts.

We can also offer an external verification of the materiality of the data, the process used and that the VOC principles and procedure has been followed.



## Value of Change Programme – Framework

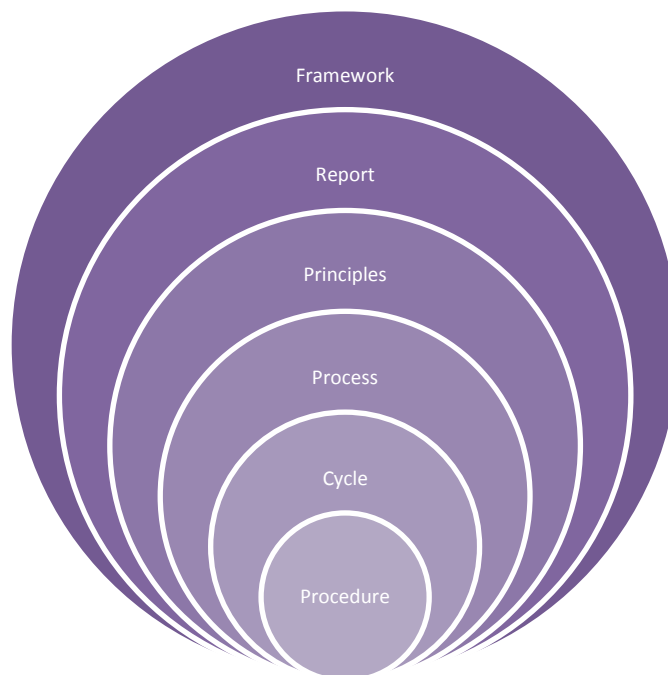


Fig 1.

The VOC programme framework follows five steps:

- Report
- Principles
- Process
- Cycle
- Procedure

The framework is made up of methodical steps that enable organisations to develop a clear understanding of its value and impact on society. These steps are explained in more detailed over the following pages.



## Value of Change Programme – Report

The Value of Change Programme produces a comprehensive and detailed report of the social value and impact an organisations activities are having on external and internal stakeholders and analyses' these as soft and hard outcomes.

Each of the areas below are reviewed and evaluated using qualitative and quantitative data, to provide information and evidence of impact and value.

- Health and Wellbeing
- Education
- Employment
- Social Justice
- Environment
- Society

The report details the methodology used, the principles and calculation developed and the outcomes of the key areas of impact. It provide an economic, environmental and social impact and value report.

The impact will be measured and a financial benefit calculated i.e. for every £1 spent £3 is the benefit to society, it will demonstrate the value stakeholders place on the organisation and measures how successful the organisation is on meeting their values.

It will clearly define the benefit of the organisation interventions on society and provide recommendations where additional value and impact can be made and the possible benefit of this impact.

It is understood that an organisations impact on stakeholders, may not be solely down to an individual organisation and may well be a result of a larger initiative within society or as a result of a competitor. The VOC programme aims to recognise outside influences on the organisations effectiveness, through transparency in the reporting process and calculating the effectiveness of the external activity.

It show your organisations commitment to a sustainable society that is important to society today and helps create a new unique selling point.

The report will encourage a new generation CSR (Corporate and Social Responsibility) of an organisation and can be used to promote the principles, commitment, values and measurable achievements of any organisation.

The VOC programme will be produced in a professional hard copy format as well as electronic CD for ease of distribution.



## Value of Change Programme – Principles

**Evidence** – The programme will only forecast or evaluate information that can be confirmed or documented

**Impact** – The direct and indirect impact of the activities the organisation produces will be identified, measured and accounted for. The actual change to the stakeholder will also be measured.

**Engagement** – Stakeholders must be engaged during a forecast and evaluation programme, with a minimum of the 80% of stakeholder range engaged and an absolute minimum of 20% of these individual stakeholders within this range.

**Value** – The economic value of change is measured by quantitative data and the theory of change is measured by qualitative data.

**Process** – The entire process needs to be completed for an authentic forecast or evaluation

**Transparency & Legitimacy** – All information is to be documented to define the source of information



## Value of Change Programme - Process

The process defines the key steps required to understand, measure and communicate the indirect and direct impact on stakeholders by an organisations interventions, together with the value that an organisation and stakeholder places on these impacts. The process below defines the framework for a forecast (FVOC) or evaluation (EVOC) programme.

The programme follows 8 principles of: - review, engage, understand, evaluate, account, transparency, communication and audit:-

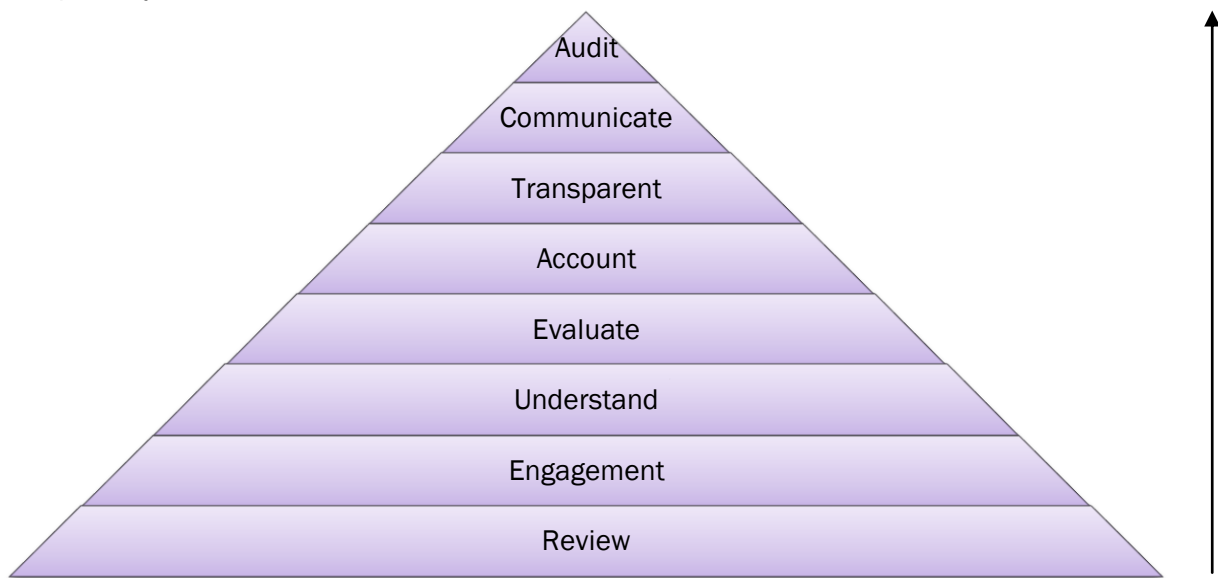


Fig. 2

### Review

We undertake a review of the current mission, vision, values, aims, objectives and key value indicators to review the extent of the programmes reach. This provides a clear defined scope and understanding of bench marketing data and the clear extent of the programme measurement areas.

### Engage

Social value and impact is all about the people and the material change an activity has impacted on an individual. The programme focuses on providing a comprehensive assessment of the theory of change. It considers the most suitable method of engagement such as one to one, focus groups, virtual meetings and digital media solutions. External and internal stakeholders will be engaged.

### Understand

We embark on the programme to understand the impact of the organisations intervention, as a direct result of its products and services through methodical analysis of intended and unintended outcomes and outputs. We also aim to understand the importance and the value the stakeholder places on the legitimacy of the organisation.



### Evaluate

Through appropriate social impacts and value modelling, we forecast or evaluate the theory of change, intended and unintended outcomes and outputs, evaluating areas that are material to the organisation and stakeholder.

### Account

Through the accurate understanding and interpretation of the theory of change, we account for the value and impact the change has on the organisation and society in the following core areas:-

- Health and Wellbeing
- Education
- Employment
- Social Justice
- Environment
- Society

### Transparency

The organisation owns all information produced throughout the programme, including all data collection, data sets, analysis and evaluation. Accounting processes are transparent to promote trust, communication and adaptability. The data can be made public (in consideration of freedom of information and data protection legislation).

### Communication

The creation of a detailed report of the theory of change, value and impact of change and a measurement against the organisations key value indicators can be used to inform your business strategy. We recommend that you publish the report to demonstrate your Corporate and Social Responsibility.

### Audit

Using the principles of ISO 9001, the programme and process is evaluated through auditing the legitimacy, transparency, trust and independence of the organisation. The audit will review and evaluate the compliance or non compliance to the principles and processes.

## Value of Change Programme - Cycle

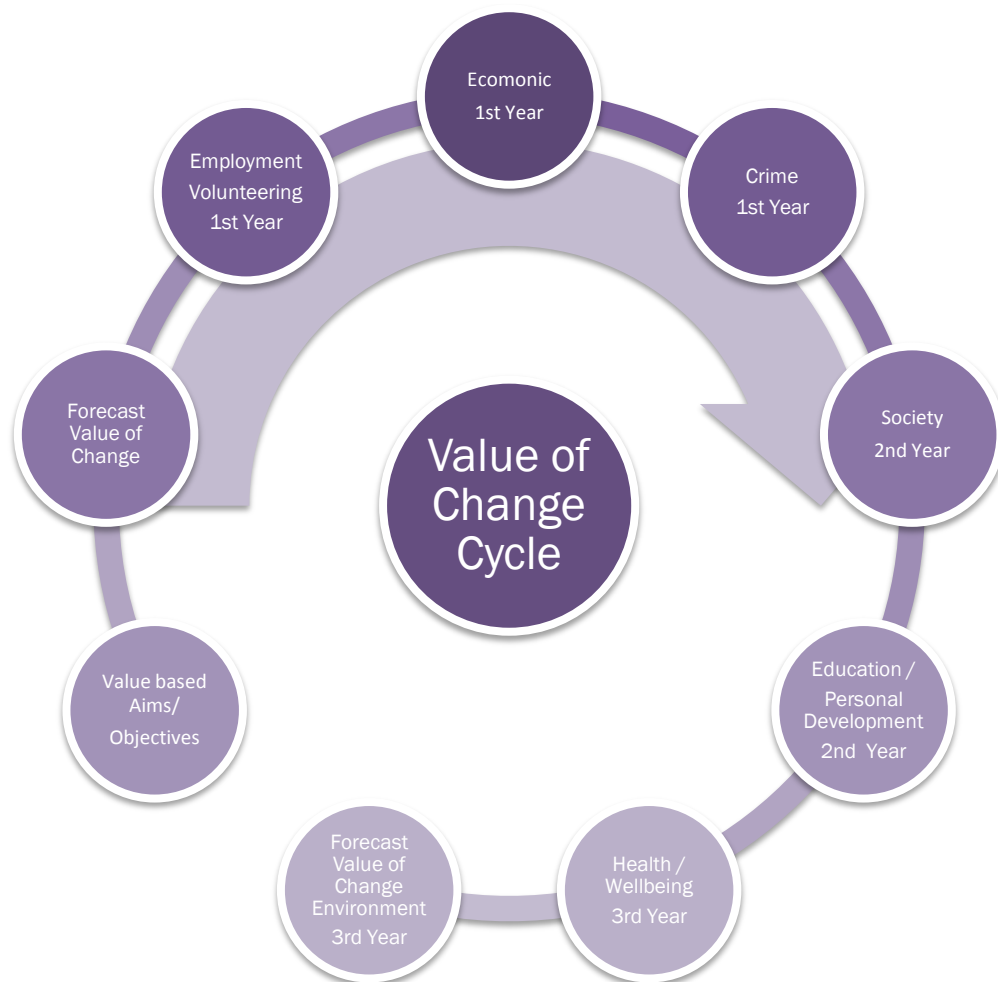


Fig 3

The programmes cycle focuses on the measurement of several key areas depending on the organisations needs. The impacts are measured using quantitative and qualitative data collection methods to define the value and impact as a result of the organisations intervention.

The cycle follows a simple yet effective process of gathering, analysing and evaluating the material collated from a number of stakeholders that include staff, clients and suppliers.

A number of impact measurements tools, attempt to measure the impact of the organisation as a whole, which in most cases is expensive and difficult to gain the information required within the timescales available.

The Value of Change Programme Cycle provides tailored options for organisations, by allowing individual elements of the organisations services to be forecasted or evaluated.



Make it Happen understands that changes often are not evident from day one and often take time to develop and have a real quantifiable impact on stakeholders lives.

Therefore the Cycle accounts for the variable time to impact by developing a three year programme of forecasting and evaluation, where a definitive Value of Change Programme can be completed.

### Year 1

We understand the change that can be created immediately through employment, volunteering, the stakeholders change in financial status, through the changes to the local economy by local purchasing by suppliers or through staff. Depending on the organisations aims and objectives, a change and impact on crime can also be evident.

### Year 2

The impact of training and education should be evident, the forecast and subsequent evaluation of the theory of change can accurately define and measure what is being done differently as a result of the training and the impact, the direct and indirect benefits to others. The impact on society often takes longer, for example; it takes time to develop trust and legitimacy with stakeholders.

### Year 3

This provides a suitable length of time to effectively measure health, wellbeing and the environmental impact gained. It focuses on the sustainable impact on these areas, such as how many people report improved health and wellbeing and as a result of this, what has been the change in behaviour; greater confidence, reduced anxiety and depression, reduced doctor's visits and medication. The impact on the environment is measured by evaluating the carbon footprint of the organisation i.e. through landfill, carbon omissions, use of transport, use of renewable energies and recycling.

N.B. Depending on the materiality of information available and the organisations products and services, the process of forecast and evaluation can be adapted to meet the individualised needs.

### Cycle Elements:

#### Value Based Aims & Objectives

Understanding the organisations aims, objectives and values in order to assess the cycle elements against.

#### Forecast Value of Change

This will forecast the impact of each of the elements in order to provide benchmarking data to assess the cycle elements against. Alternatively Make it Happens Value Intelligence can provide benchmarking data for you.



### Employment/Volunteering

The impact of employment and volunteering can be high in a local economy if employment and volunteering opportunities are filled by those who have been unemployed or from hard to reach communities.

The programme examines the recruitment policy and practices of the organisations employment strategy and the impact and value of how it recruits individuals for positions within the organisation. Key questions are analysed; has an individual been out of employment and receiving unemployment benefits and through the organisation gained employment? What has been the impact of the individual or family in gaining employment? What has been the impact of employment for the company in the local economy?

### Economic

The economic value and impact the organisation has, is measured through engaging with stakeholders to understand the change in spending habits and by profiling key areas such as employment, investments made, loss of jobs and changes to state benefits. This provides an economic impact profile within the local community, regionally and national economy. This is an important feature that demonstrates local impact.

Local Authorities are ever more focusing on the local economy and as a result great importance is placed on the localism bill and the attempt to stimulate the local economy.

Currently the UK spends £150 billion on public procurement alone – this is equivalent to 13% of the UK GDP. The new Coalition Government wants a social economic revolution; a new public service regime that will invite the private, public and social sectors to bid competitively to win contracts.

Commissioning bodies will be looking for businesses that can:

- Prove social value for money
- Re-invest resources back into the community
- Improve efficiency and reduce bureaucracy
- Prove and improve social impact
- Provide a link and active dialogue with the community

### Crime

An organisation can measure changes in local crime figures as a direct or indirect result of the organisations activities. This can be as a result of an organisations intervention, i.e. a new recreational building for individuals to come off the street, an employment programme aimed at ex offenders or youths etc.

The value can be measured by the community feeling safer and the impact measured through the reduction in police time.



### Education/Personal Development

The impact of education and personal development that an individual receives can vary, training and development can have a profound effect on those who wish to engage and develop themselves, however impact can vary with those who do not wish to be developed or refuse to engage.

For example, if an organisation has provided training that has increased the skills of an individual and as a result of the new skills, they have received additional salary, they would have greater disposable income for local investment and changes in behaviour as a result of the intervention.

### Society

Social value and impact on society is essential to develop relationships with key stakeholders, helping to create and support the legitimacy an organisation has. This legitimacy creates and develops a social contract which in turn improves stakeholder confidence, develops trust and develops a bond (Social Contract) that supports growth and development.

The (VOC) programme forecasts or evaluates the impact of society by reviewing and evaluating the social value and impact the organisation has on key areas such as the employment of local people, economic value of employees/contractors and suppliers, investments in local economy, the results of employment and volunteering has on the society welfare including community cohesion and development.

The programme further examines the perceived legitimacy of an organisation by examining key areas such as communication, transparency, decision making and measuring as per Fig.4.

By developing and maintaining a positive social contract with stakeholders, an organisation is able to develop mutually beneficial relationships with influential individuals, groups, organisations and members of the public that can determine and define an organisations continued success.

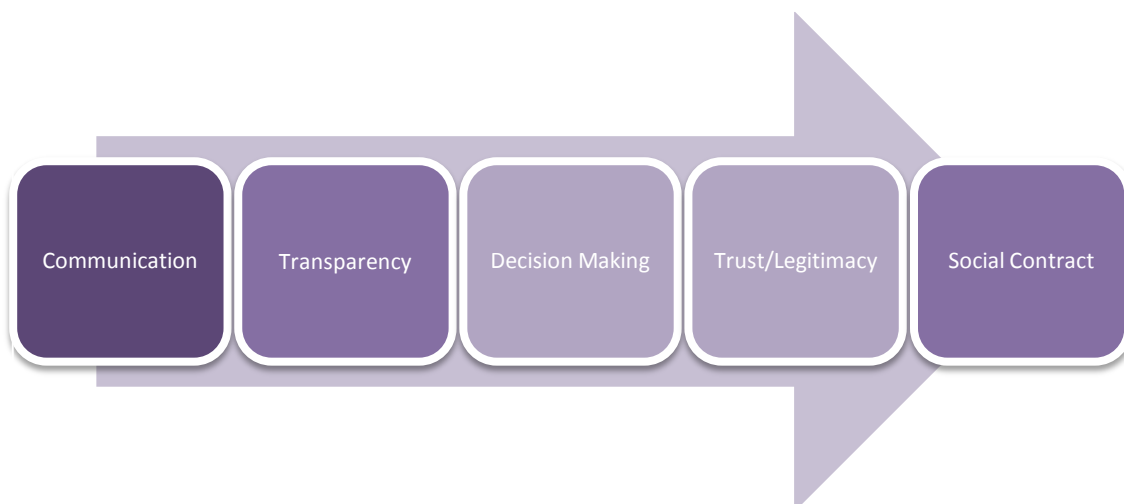


Fig.4



### Health/Wellbeing

All organisations have an ability to have a positive impact on health and wellbeing within communities and with staff and volunteers. This can be through events that help, encourage and promote community cohesion and direct improvements to the health of an individual, which as a result has changed their mental, emotional or physical state of health or their culture of support and developing staff.

The impact can be measured through what has changed to the individual and are they doing something differently as a result of the change, i.e. additional/reduced visits to the GP/hospital or reduction in medication.

Has a positive outcome of service users engaging with the organisation had an impact on stakeholder's families or wider community? If so what has been the benefit?

### Environment

Has an individual or organisation changed their view on the environment as a result of the organisations intervention and have they made positive changes to themselves or others that has resulted in a change to the environment i.e. reduction in carbon footprint, an improved commitment to recycling and reducing landfill. The Value of Change Programme can measure the value and impact of this change and promote it as part of the organisations sustainability policy and commitment.



## Value of Change Programme - Procedure

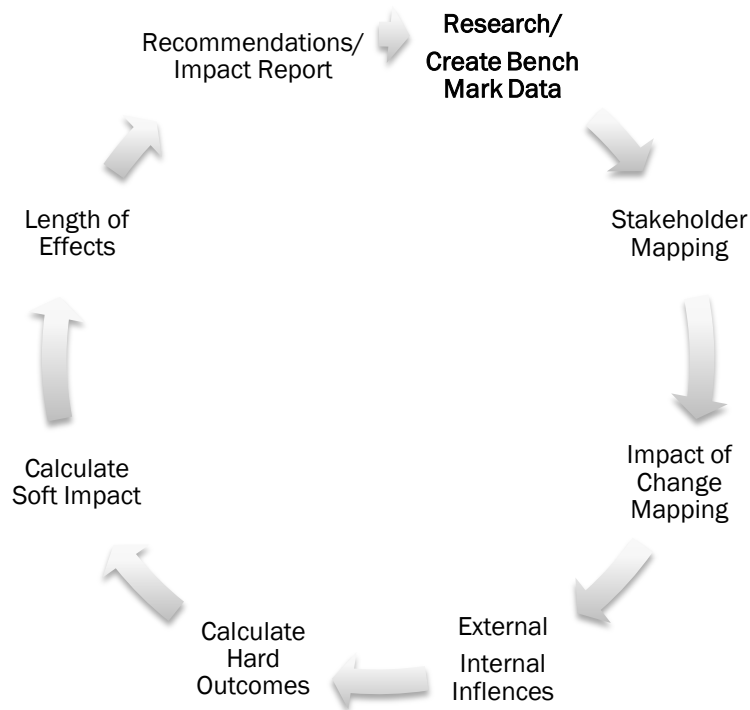


Fig.5

The VOC programme focuses on a simple yet effective procedure of understanding the theory of change, through the proactive engagement of stakeholders (stakeholder dialogue) and the accurate research and evaluation of benchmarking data. Following the procedure will also support the legitimacy of the account and promote transparency.

### Stakeholder Mapping

Mapping all stakeholders that are affected by the intervention and developing an engagement solution for stakeholder dialogue locally.

### Impact of Change Mapping

Mapping the impact of change and developing a clear understanding of the materiality of the theory of change for the stakeholder.

### External/internal influences

Understanding the clear influences effecting stakeholders, government policy and change in society's attitude and developing and understanding of the effect of the organisations impact in different environments.



### Calculating Hard Outcomes

Hard outcomes will be measured through the physical result of change to the client, service users or the wider stakeholders. These outcomes can be defined individually or as a collective. Physical outputs will be captured directly from the key stakeholder groups as quantitative data, i.e. the number of reduced visits to the GP, how many attended a training course and the cost, a reduction in offending rates in the area or how many employment opportunities have been created.

### Calculating Soft Outcomes

Soft outcomes will be measured through the behavioural changes to clients, service users and the wider stakeholder community and will be measured through qualitative analysis. It will take into consideration the indirect and often non tangible areas of changes that other social accounting frameworks are unable to evaluate and account for.

### Lengths of Effects

All impact has an impact lifespan; this can be as little as a few days through to a lifelong effect. The research and evaluation of the lifespan of impact is critical for the creation of a legitimate set of social value and impact accounts.

### Recommendations/Impact Report

The procedure concludes with an impact report defining the methodology use, the impact and outputs of the organisation's intervention and recommendations for future development areas of social value and impact improvements.



## How the Value of Change Programme can be used

The final report can demonstrate an organisations corporate and social responsibility, demonstrate the impact of key value statements, support organisation change, together with product and service development. It will create a set of social accounts highlighting your organisations impact and value to society. It provides valuable research and evidence that can inform your marketing and public relations strategy and prove your worth to society. Most importantly it measures the value of change within a given timeframe.

## Value of Change Terminology

### Social Value -

*"A belief of a group or individual, as to what is important to them; this forms a common bond between individuals, groups and society".*

### Stakeholders:

*Those people or groups who are (intentionally or unintentionally) affected by or who can affect the activities of an organisation.*

### Social Impact -

*"An impact that an organisation or individual has as a result of their action, behaviour or conduct".*

### Theory of Change -

*What has changed as a result of an organisations activity, either directly or indirectly.*

### Materiality -

*Is defined by the relevance and significance an impact or outcome has to the organisation or its stakeholder.*

### Key Value Indicators -

*A set of indicators that an organisation defines as key to its social success*

### Forecast or Evaluation -

*Depending on the organisations needs, the Value of Change Programme can be developed into a Forecast or Evaluation audit of social value and impact to meet the individualised needs of an organisation.*

*An evaluation (EVOC) will measure the organisations value and impact against a set of pre determined outcomes and aims, key value indicators and overall mission and vision. This will define the value of the impact the organisation is making, clearly measuring the economic, social and environmental impacts. It is ideal for the measuring of current products and services.*

*A forecast (FVOC) follows the same process as an evaluation programme and is often used to support/assist strategic and operational planning and development. A forecast predicts a set of social values and impact outcomes that an organisation will have, as a direct and indirect result*



*of its actions and products and services. It is ideal for forecasting of the future impact of product and services and can be used for product and service development.*

### **Hard Outcomes -**

*Hard outcomes will be measured through the physical result of change to the client, service users or the wider stakeholders. These outcomes can be defined individually or as a collective. Physical outputs will be captured directly from the key stakeholder groups as quantitative data, i.e. the number of reduced visits to the GP, how many attended a training course and the cost, a reduction in offending rates in the area or how many employment opportunities have been created.*

### **Soft Outcomes**

*Soft outcomes will be measured through the behavioural changes to clients, service users and the wider stakeholder community and will be measured through qualitative analysis. It will take into consideration the indirect and often non tangible areas of changes that other social accounting frameworks are unable to evaluate and account for.*

*These outcomes will be measured through an initial evaluation at the forecast stage and then through the interpretation of outcomes at the evaluation stage i.e. if a delegate on a training course has received information that has impacted their life, how have they acted upon the new information and skills they have learnt. The soft outcomes will measure the impact the person has on society, i.e. through the passing on of new information and wisdom, and through mentoring and coaching of family and friends. This is a benefit to society and therefore should be included.*

*Monetary values can be assigned against the cost of mentoring, coaching and awareness raising while the behavioural changes of the person can be measured through outcomes, i.e. what the person is now doing differently as a result of the training.*

*A wider value of change can also be demonstrated impact using four key headings.*

- xx percent confirmed a positive change to their mental and emotional wellbeing*
- xx percent confirmed a positive change to their physical wellbeing*
- xx percent confirmed they are more productive within their employment*
- xx percent confirmed they have had a positive effect on others*

*These softer outcomes can be analysed through NVIVO using a minimum sample of 100 service users or 20% through a structured questionnaire, focus groups or one to ones. Hard Outcomes can be analysed using SPSS.*

*To further complement the programme, soft outcomes will be measured to assess the stakeholder's views on trust, communication, transparency and the decision making of the company.*

### **Length of Impact and Value -**

*The length of impact or change can vary and can be influenced through a large number of factors including changes to society, effects of competitors and changes to government priorities*



*particularly when the long term benefit is believed to be in excess of 5 years. The maximum length of impact that can be analysed and evaluated is 5 years due to changes in the environment.*

#### **Benchmarking -**

*The evaluation or research of base line data provides an opportunity to create a legitimate VOC that would be able to be published following the end of the forecast or evaluation programme. Many organisations lack basic information prior to their activities beginning within a given area, which loses the opportunity to accurately understand and measure the distance travelled by stakeholders, therefore it is essential that base line data is established or researched as part of the programme to ensure authenticity.*



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