MPAN - Social Return on Investment (SROI) Report

June 2020

Acknowledgements

180 Degrees Consulting UNSW would like to acknowledge the participation of the many families, volunteers, staff, and other stakeholders who took time to provide their thorough input, contributing to the evidence base that was critical to this analysis.

This report has been authored by 180 Degrees Consulting UNSW with advice from an external mentor.

Executive Summary

Missing Persons Advocacy Network (MPAN) commissioned 180 Degrees Consulting UNSW to evaluate its programs and interactions with key stakeholders – the recipients of MPAN's initiatives, corporate partners, and external and internal volunteers – to determine the socioeconomic returns for all stakeholders. The outcome of the Social Return on Investment (SROI) analysis is a story about the value of change created (output), relative to the investment into MPAN.

This report aims to clarify key sections and figures of the SROI Model, easing the understanding and adjustment of the model. Strategic steps are detailed to ensure description of the process with which stakeholders were chosen and interpreted to achieve value from MPAN. Next, the understanding of the change delivered onto our stakeholders is detailed in the process of outcome generation. Further, a brief on the quantifiable figures of the model which include financial proxies, drop-off, deadweight and attribution are given. Finally, an analysis of the Net Present Value (NPV) results generated through the application of these processes and figures into an Excel SROI Model is provided.

When the total investment from MPAN's donors, volunteers, and corporate partners is compared to the social value created for loved ones and the community as well as the volunteers and the partners themselves, the result is an SROI ratio of **5.73:1**. This value indicates that for every A$1 that is invested into MPAN, a social impact of A$5.73 is produced.

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01 Introduction/Quantification Process

MPAN is a not-for-profit organisation that has been working on raising awareness for missing people and the support provided to them. They were established in 2013, and have raised A$453,700 in support of this mission.

Amount invested: A$400,000
Total sum of donation of A$453,700

As they continue to work towards achieving their goals, they require an objective, monetary measurement of their impact towards society. Thus, 180 Degrees Consulting UNSW was tasked with creating a SROI model.

The process planned for this task was broken down into 5 steps:

Research
- Considering the various types of impacts, initiatives and groups affected by MPAN's work.
- Prioritising stakeholders

Planning
- Creating Program Logics
- Program Logics were used in order to effectively generate a variety of outcomes that MPAN achieves through their work

Design & Layout
- Creating the key performance indicators (KPIs)
- KPIs were used in order to generate a variety of proxies and quantifiable metrics in which to determine the impact of the outcomes on a monetary level

Development
- Creating and sending surveys to stakeholders
- Tailored surveys were used in order to generate the most relatable survey for the stakeholder intended

Model & Deliver
- Creating the Excel Model
- This was chosen as the main method of executing the task as it allowed the team to break down the necessary components

This model was chosen as it enabled 180 Degrees Consulting UNSW to accurately answer the question of how MPAN's brand value and social impact from their projects across communities in Australia can be quantitatively measured for the public, government and corporate partners.

02 Stakeholder Analysis/Research

In this initial phase, 180 Degrees Consulting UNSW performed research into the client and their initiatives. The profits and engagement made were explored by researching the various types of content and support that are provided to their clients.

Additionally, competitor analysis was conducted to assess the unique value that MPAN brings and the market space in which MPAN exists.

After the initial research, 3 main findings were drawn:

1. **MPAN's impact is unique.**

MPAN's work is provided to the client and addresses a specific gap in the market. Consequently, MPAN's work is valuable and has a low attribution and deadweight. Furthermore, MPAN's work is logically more likely to be impactful as a result of their unique attributes.

2. **Support comes in multiple forms.**

Initial research found that MPAN's work is both directly and indirectly felt.

   a. Direct help came from references to Services, including both police and marketing
   b. Indirect help came from aspects such as emotional and psychological support

3. **The time spent with a client is not fixed.**

MPAN often can stay with the client for years even after they officially "leave" the system. This time spent also varies among clients. This meant that the value used for the amount of time a client stays with MPAN needed to be shortened to standardise the type of benefit that MPAN provides to the specific stakeholder.

Stakeholder Prioritisation

From this, 5 main stakeholders were prioritised as having been impacted by MPAN: Recipients, Services (police, emergency services), Volunteers, Corporate Partners, and Donors.

After further research and consideration, this was shortened down to 3 main stakeholder groups, removing services and donors. This was due to two main factors: the types of contribution and the impact generated from MPAN's work. For donors, the impact generated to the stakeholder was found to be fairly low and difficult to quantify. Consequently, the value generated from the relationship was also low. For services, MPAN's ability to actively affect services as a whole was small as the impact that MPAN brought them was intangible and indirect.

Volunteers were then divided into external volunteers, such as social workers assisting in the Emotional Health Check-Ins Program, and internal MPAN volunteers. This was done as the impact created on internal and external volunteers differed.

Therefore, the main stakeholder groups were determined:

Stakeholder	Description of stakeholder
Recipients	This refers to the families and friends of missing persons, as well as third parties including the general public.
External Volunteers	This primarily refers to the social workers who participated in the Emotional Health Check-Ins Pilot Program (2020).
Internal Volunteers	This primarily refers to MPAN's internal volunteers, who operate in a range of areas in MPAN (e.g. social media, website design, accounting, etc.).
Corporate Partners	This primarily refers to the companies that partner with MPAN and provide services such as in-kind support and pro-bono assistance.

03 Outcome Generation

Outcomes were adopted to measure and evaluate the most important and specific impacts of MPAN's services on their stakeholders: recipients, external volunteers, internal volunteers, and corporate partners. These immediate, intermediate and long-term results were acquired through an extensive range of key evaluation questions, indicators and financial proxies, through stakeholder consultation and independent secondary research. Examples of key outcomes for each stakeholder have been listed below.

1. Outcomes for Recipients

Outcomes	Outcome Rationale
To provide emotional support to families/friends	Assessing whether MPAN's services have been effective in improving the emotional state of families/friends of missing persons.
To provide psychological support to families/friends	Assessing whether MPAN's services have been effective in improving the psychological state of families/friends of missing persons.
To make families/friends to feel as though they belong to a network and community	Determining whether MPAN's services have facilitated a sense of community among the families/friends of missing persons.
To ease the search of missingness by providing practical support	Assessing the effectiveness of practical support services offered by MPAN.
To improve the awareness of missingness, including the humanisation of missing persons	Assessing the effectiveness of several MPAN initiatives – notably 'Missing Persons Guide' and 'What's Missing Podcast'

2. Outcomes for External Volunteers

Outcomes	Outcome Rationale
Volunteering experience will expand career employment opportunities	Evaluating the extent that MPAN volunteering has contributed to career development (new skills, useful experiences etc.)
To boost the satisfaction and morale of external volunteers	Evaluating the extent that the Emotional Health Check-Ins Pilot Program is a rewarding experience for external volunteers by improving recipients' lives

3. Outcomes for Internal Volunteers

Outcomes	Outcome Rationale
To increase the feeling of contributing to the cause of raising awareness for missing persons	Examining whether volunteers believed they were making a tangible difference to the lives of recipients
To increase skill development because of MPAN	Examining whether MPAN involvement leads to the development of new skills for volunteers

4. Outcomes for Corporate Partners

Outcomes	Outcome Rationale
Provides strong professional development opportunities for sponsors and their employees	Valuing the unique skills and opportunities gained by employees volunteering for MPAN
To boost staff and employee morale/satisfaction	Valuing the possible level of increased productivity by working with MPAN
To improve employee retention	Valuing the amount of costs saved in hiring costs by withholding current employees

04 Financial Proxies

Financial Proxies were used to value stakeholder outcomes where there is no market value. This was important when considering intangible outcomes for stakeholders who receive impacts which cannot be quantified, such as recipients. These were obtained either directly through stakeholder consultation (e.g. surveys, data from the Emotional Health Check-Ins Pilot Program), or indirectly through independent secondary research.

1. Outcomes for Recipients

Outcomes	Financial Proxy Rationale	Full Value (AUD)
To provide emotional support to families/friends.	The average cost of mental health related expenditure is used to quantify the emotional support that is provided to clients.	$11,074.22
To provide psychological support to families/friends - Coping Mechanisms	The average cost of stress management programs is used to quantify the psychological support that is provided to clients.	$11,812.50
To make families/friends to feel as though they belong to a network and community - Sense of Belonging	The social value of belonging to a neighbourhood is used to quantify the impact of creating a supportive community and network.	$343,399.50
To ease the search of missingness by providing practical support - General Advice	The average search costs that are incurred by the police is used as a proxy to determine the value of providing practical support, such as through the provision of general advice.	$1,640.32
To ease the search of missingness by providing practical support. - Contact and Referrals	The average search costs that are incurred by the police are used as a proxy to determine the value of providing practical support, such as through contacts and referrals.	$1,230.24
To improve the awareness of missingness, including the humanisation of missing persons - Missing Persons Guide	The average search costs that are incurred by the police are used as a proxy to determine the value of providing practical support, such as through the provision of the Missing Persons Guide.	$2,792,562.78

To improve the awareness of missingness, including the humanisation of missing persons - What's Missing Podcast	$50 has been used as the median donation amount that is provided to MPAN.	$4,363,637.70

2. Outcomes for External Volunteers

Outcomes	Financial Proxy Rationale	Full Value (AUD)
Volunteering experience will expand career employment opportunities.	The volunteers will learn skills that they would not have learnt without MPAN, therefore the additional value of income earned per hour through learning these skills is used.	51,637.50
Boost the satisfaction and morale of external volunteers	Extent that the Emotional Health Check-Ins Pilot Program is a rewarding experience for external volunteers due to improving the lives of recipients multiplied by the hourly wage of social workers.	$15,904.93

3. Outcomes for Internal Volunteers

Outcomes	Financial Proxy Rationale	Full Value (AUD)
Increased feeling of contributing to the cause of raising awareness for missing persons	Minimum wage is used as an estimate for an average worker's output along with average hours worked in MPAN to conservatively describe the impacts of their efforts.	$300,951.82
Increased skill development because of MPAN	Amount of Volunteers that have gained new skills/improved pre-existing skills as a result of MPAN	$37,468.64

4. Outcomes for Corporate Partners

Outcomes	Financial Proxy Rationale	Full Value (AUD)
Improved Employee Retention	As employees are increasingly satisfied at working with a company which is a not-for-profit, they are more likely to stay with the company, and therefore the corporate partner saves money in additional hiring costs.	$66,903.75
Boosts staff and employee morale/ satisfaction	As employees are boosting their morale, their job satisfaction increases, thus valuable to the company.	$38,063.87
Provides strong professional development opportunities for sponsors and their employees (skills, etc)	Working on MPAN's projects develops employee's professional skills that would normally take company time (Average hourly wage for media relations employee*Average hours worked with MPAN/year)	$7,266.42

Example of Outcome to Value

Using "Increased feeling of contributing to the cause of raising awareness for missing persons" as an example of an outcome for internal volunteers, the process from Outcome to Value was about quantifying the initial claim. As the "increased feeling of contributing" is intangible, this was paralleled to a known value of the minimum wage for employees to estimate their output. This was chosen as their contribution was quantifiable by the time they input to the work and the rate of pay they receive in compensation. This formed the financial proxy for the outcome. The financial proxy was multiplied by the number of hours that a volunteer worked. Factors such as inflation and currency exchange were applied to create the *Proxy Value.* After this, the Proxy Value was adjusted by applying factors to specify the impact in relation to MPAN's work:

Factor	Explanation
Proportion benefited	Percentage of volunteers who benefited from the outcome (obtained from survey data)
Benefited Cohort Size	Total number of volunteers
Drop Off/Deadweight/Attribution	Explained in the next section

After applying each factor, the final total impact value of $37,468.64 was generated for this outcome.

05 Drop-Off, Deadweight, Attribution

After determining the financial proxies for each outcome, it was also important to consider the drop-off, deadweight and attribution for each outcome. This ensures that a more accurate and realistic value that is created by MPAN can be determined. A combination of primary and secondary data was used in determining the assigned value for each.

1. **Drop-off** refers to the deterioration in the outcome or impact on a stakeholder over time.

Assumption	Assigned Drop-off (%)
The outcome lasts for more than one year (significant)	0
The outcome lasts for more than one year (mostly significant)	25
The outcome lasts for more than one year (moderate)	50
The outcome lasts for more than one year (least significant)	75
The outcome drops off completely by the end of the year.	100

2. **Deadweight** refers to the measure of the amount of the outcome that would have occurred without MPAN's initiatives.

Assumption	Assigned Deadweight (%)
The outcome would not have occurred without MPAN	0
The outcome would have occurred but only to a limited extent.	25
The outcome would have occurred in part anyway.	50
The outcome would have occurred mostly anyways.	75
The outcome would have occurred anyway.	100

3. **Attribution** refers to the measure of how much the outcome was caused by the contribution of other organisations or people outside of MPAN.

Assumption	Assigned Attribution (%)
The outcome is completely a result of MPAN and no other programs or organisations contributed.	0
Other organisations and people have a minor role in generating the outcome.	25
Other organisations and people have a role in generating the outcome.	50
Other organisations and people have a significant role in generating the outcome.	75
The outcome is completely a result of other people or organisations.	100

06 Net Present Value

Figure 1 indicates the NPVs for each of the stakeholder groups, after accounting for the drop-off rates and the discount rate. Overall, the total NPV across all stakeholders is estimated to be A$9,617,373.50.

Figure 1 - Net Present Value for Recipients, External Volunteers, Internal Volunteers and Corporate Partners

Net Present Value	Value
Total Social Impact for Recipients (NPV)	$ 8,767,800.87
Total Social Impact for External Volunteers (NPV)	$ 133,691.27
Total Social Impact for Internal Volunteers (NPV)	$ 469,836.99
Total Social Impact for Corporate Partners (NPV)	$ 246,044.37
Total Social Impact (NPV)	**$ 9,617,373.50**

07 Conclusion

This report has outlined the steps and inputs used in the SROI Model to answer the question of how MPAN's brand value and social impact from their projects across communities in Australia can be quantitatively measured for the public, government and corporate partners. Through this, the final NPV is calculated to be A$9,617,373.50. When considering MPAN's investment, the social impact per dollar is estimated to be A$5.73. The outcome of the SROI Model can be improved through a consideration of more appropriate financial proxies, as MPAN sees fit.

Glossary

Attribution: measure of how much the outcome was caused by the contribution of other organisations or people outside of the organisation.

Deadweight: measure of the amount of the outcome that would have occurred even if the organisation's initiatives had not occurred.

Discount Rate: the interest rate that is used to discount future costs and benefits to a present value. This takes into account the changing value of money over time.

Drop-off: measure of the deterioration of an outcome or impact on a stakeholder over time.

Financial Proxy: a figure that can be used to represent or quantify the financial value of an outcome.

KPI: key performance indicator, which is a quantifiable metric that is used to evaluate the success of an organisation in achieving its objectives.

Net Present Value: the value in the current currency of money that is expected in the future, accounting for the investment required to generate the social impact.

Program Logic: description and diagrammatic representation of the socioeconomic impacts that the organisation aims to create.

SROI: Social Return on Investment, which is a measurement of the socioeconomic impact that is created relative to investment.