Updated Glossary of Key Terms

Feb 2022

For consultation and feedback
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Context for updated SVI Glossary
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Why now?

• The last official publication of SVI terminology was in 2012 (Glossary of Guide to SROI)
• Since then SVI have developed new Standards for applying Principles of Social Value and introduced a new principle: Be Responsive
• Since 2018 the IMP ‘dimensions’ have good traction and adoption with practitioners
• In February 2022 SVI board approved an updated ‘stated purpose for the SVI Standards’ which is: to optimise impacts on wellbeing for all materially affected stakeholder groups
• This consultation offers the opportunity for further alignment and convergence with other standard setters e.g. SDG Impact and Capitals Coalition, OECD, GRI etc
Why so many technical terms?

• **Measuring Impacts on wellbeing is multi-dimensional.**

• There have always been lots of ‘data points’ required for impact measurement.
Why so many technical terms?

• This new glossary formally recognises a few additional data points required for impact *management* introduced with Principle 8:
  • Thresholds
  • Targets

• Digital technology is increasingly being harnessed to collect and analyse impact data

• Data must be organised and structured to allow for interoperability

• This SVI glossary provides a full list of technical terms using logic to show the relationship between each technical term
SVI Glossary components:

Outcomes = aspects of wellbeing that could change for a stakeholder as a consequence of an activity.

The descriptions of the key term will be translated into different languages. Even within one language different words can carry different meanings which make it difficult to have 100% agreement on terms.

Using graphics and algebraic symbols help the key terms to be better understood and used consistently regardless of the language. The graphics and symbols help to illustrate the relationship between the key terms.
Acknowledgements & caveats

• This SVI Glossary is a work in progress.
• SVI seek contributions and feedback during the period March-June 1\textsuperscript{st} 2022
• SVI board of trustees oversee the development with advice from the SVI Methodology Sub Committee
• The SVI Glossary will have a creative commons licence (Attribution-ShareAlike CC BY-SA)
• Some of the visual symbols are the same or building on the visuals introduced by the Impact Management Project
Glossary terms and data points required for the SVI purpose:

“Optimising Impacts on Wellbeing”

Read more here =>
The guiding star: Wellbeing
Wellbeing = Captures states of being where subjective and objective psychological or physical human needs are met in varying degrees, with increased wellbeing corresponding with better states of physical and psychological health.

NOTE 1 Wellbeing is also referred to as a state of flourishing or a “good life”.
NOTE 2 Wellbeing exists at the individual, household, country and global level.
NOTE 3 Individuals, groups and communities may all have wellbeing.
NOTE 4 In practice, wellbeing can be achieved on greatly varying timescales. All timescales can contribute to the level of wellbeing.

Wellbeing is a term that is widely used in ‘the western world’ however the concept is universal, and SVI will work with other cultures who use other terms to reflect this concept.
Aspects of wellbeing = The main elements of a person’s life that contribute to their overall level of wellbeing. An extensive body of research exists regarding what the main aspects or dimensions of wellbeing are. These are often assembled into lists or ‘wellbeing frameworks’ and used as a ‘set of things’ to measure to help understand how wellbeing levels go up or down.
Visual summary (high level)
Inputs to Outcomes

- Inputs or Dependencies
- Activities
- Outputs

Stakeholders

Wellbeing

WHAT

Well Defined Outcomes
.. defining outcomes to calculating impact...

Outcome Scale:
Establishing value (of outcome depth and impacts)
Technical Glossary with definitions and visuals
Key terms: Inputs to Outputs

‘Inputs’ or ‘dependencies’ = the financial and non-financial resources required to deliver the activities. Inputs may be owned by the organization or by those it is dependent upon.

Activities = the things that happen to deliver a service or product. Defining the activities is needed to set the scope for impact measurement and management.

Outputs = A way of describing the activity in relation to each stakeholder’s inputs in quantitative terms.
Stakeholders = Groups of people that affect or are affected by an activity.

NOTE 1: “Organisations” can be stakeholders but an organisation cannot experience social impacts if social impacts are changes to wellbeing caused by an activity. An Organisation can experience impacts on resources (financial, human etc)

NOTE 2: “The environment” can be considered a stakeholder as a proxy for large groups of people such as ‘the global population’ or ‘future generations’. Valuing the different impacts on environment takes an anthropocentric approach.
Well-defined outcomes = the ‘specific’ aspects of wellbeing, within a sequence of outcomes, that provides the best opportunity to optimise overall wellbeing. Identifying this specific aspect and point in a sequence of ‘things that change’ requires meaningful stakeholder engagement.
Outcome Depth = the amount (and direction) of change in an Outcome experienced by Stakeholders between two points in time.

Outcome Depth Levels = data points for an Outcome that can be measured at any given moment in time i.e., baseline (T0), mid-point (T1), end point (T2)

Indicators = metrics, instruments or tools that capture Outcome Levels to provide an Outcome Depth
HOW MUCH

**Outcome Thresholds** = pre-determined Outcome Levels that are required *by a specific point in time* for the Outcome Depth to be considered positive or negative performance.

**Outcome Target** = pre-determined outcome levels

*An Ambitious Outcome Target* = pre-determined Outcome Level *to be achieved by a specific point in time* that would provide stakeholders with optimal wellbeing.

**Outcome Results** = Positive or negative determined by the Outcome Depth in relation to the Outcome Threshold and Outcome Target to determine a positive or negative performance.

Note: a positive change in an outcome (between two Outcome Levels) may not meet an Outcome Threshold or an Outcome Target and therefore would not be considered a positive performance.
**Outcome Duration** = the length of time that a stakeholder continually experiences the Outcome Depth.

**Outcome Drop off** = the rate of decline in the Outcome Depth over time. The rate is expressed as a percentage in relation to the Outcome Duration.
**HOW MUCH**

**Outcome Scale** = the number of people that experience Outcome Depth within each stakeholder population.

**Stakeholder Sub-Group** = a portion or segment of a stakeholder population that experience a materially different Outcome Depth.
**CONTRIBUTION**

**Attribution** = how much of the Outcome Depth and Outcome Duration is caused by identified activities or ‘factors.’

**Counterfactual** = how much of the Outcome Depth and Outcome Duration is caused by unidentified ‘systemic’ factors. This is estimated by comparing counterfactual outcomes to those observed under the intervention.
**IMPACT**

**Impact** = how much of an Outcome Depth and Outcome Duration is *caused by the activity* (Outcome Depth and Duration minus Outcome Contribution and Counterfactual)

**Total Impact** = sum of all the impacts *caused by the activity*

*Note: “Impact” in this definition is limited to the change in wellbeing that can be attributed to a specific activity. Total change in wellbeing could be bigger due to other contributing activities or factors. We therefore say ‘impacts on wellbeing’*
**VALUE: Outcome Depth**

**Value** = how much something is worth or how important it is to stakeholders

**Outcome Depth Value** = the relative worth or importance of the Outcome Depth expressed by the stakeholders experiencing the change.
VALUE: Impact

**Value** = how much something is worth or how important it is to stakeholders

**Outcome Depth Value** = the relative worth or importance of the Outcome Depth expressed by the stakeholders experiencing the change.

**Impact Value** = the relative worth or importance of the Impact
### Different types of VALUE

<table>
<thead>
<tr>
<th><strong>Social Value</strong></th>
<th>a broader definition of value that includes the worth or importance stakeholders place on changes/impacts to their wellbeing that are not captured through financial transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Value</strong></td>
<td>the financial transactions and ability of an entity to generate financial capital</td>
</tr>
<tr>
<td><strong>Environmental value</strong></td>
<td>the relative worth or importance of nature to people.</td>
</tr>
</tbody>
</table>

- **SV**
- **$**
- **EV**
Social Return on Investment = the monetary expression of the total Impact Value generated (from a defined activity) relative to the value of the inputs required for the activity.

An SROI analysis can combine social, environmental and financial value to provide an integrated account of value for multiple stakeholders.
Materiality = An impact is material when it is *relevant* and *significant* for decisions to optimise wellbeing of a stakeholder group.

Significance is based on the combination of a) impact scale b) impact value c) total impact value

Outcomes and therefore impacts that are not significant can also be considered material if they are *relevant* to organizational objectives and / or relate to societal norms.

Materiality is an accounting principle which states that all items that are reasonably likely to impact investors’ decision-making must be recorded or reported in detail in a business’s financial statements using GAAP standards.

Essentially, materiality is related to the significance of information within a company’s financial statements. If a transaction or business decision is significant enough to warrant reporting to investors or other users of the financial statements, that information is “material” to the business and cannot be omitted.