

MEASURING SOCIAL IMPACT THROUGH RESEARCH

THE WORLD'S MOST SOCIAL SOCIAL SUSSINESSES ARE THE WORLD'S MOST SUSSINESSES

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Companies around the world are waking up to the fact that **the idea of sustainability is not an adjunct to corporate strategy, but is an integral part of it instead**. CEOs and investors worldwide have been overwhelmingly supportive of the idea, with <u>97%</u> and <u>88%</u> respectively believing sustainability to be important for competitive advantage (UN Global Compact-Accenture studies, 2013).

The advantages of a social agenda are evident: a sense of job satisfaction for their employees, a sense of accountability and trust for their customers and shareholders, and a sense of support for the communities in which they operate. As a result, sustainability is being considered and amplified at every stage of the corporate value chain.

"You can't compartmentalise sustainability any more; everything is interrelated" — Richard Edelman, CEO, Edelman Nowhere is this more true than in Asia. In many Asian markets, the pace of economic production is outstripping the ability of the government to regulate the impact of business growth. Governments can't, in other words, keep up. Increasingly it's society — which encapsulates everything from local communities to national and international media — that is policing industry. This is done not through the hard power of regulation, but through the soft power of choice. Companies and brands that take (or claim to take) their social responsibilities seriously are rewarded, whilst those that don't are increasingly sidelined.

In fact, the propensity to buy socially responsible brands is strongest in Asia, according to a global study by information company Nielsen (2014). 64% of Asian consumers said they are willing to pay more for products and services provided by companies that are committed to positive social and environmental impact — compared to the global average of 55%, and their counterparts in North America or Europe (42-40%). There are untapped opportunities here.

"You will not be judged anymore only by the topline or bottom line results in your company. You will increasingly be judged by the contributions that you will make to society"

—Paul Polman, CEO, Unilever

"This is not about having a good reputation. It's because it's good for the business. We have a strong belief that a high social performance leads to a high financial performance"

- Clara Gaymard, CEO and President, GE France

The social is not separate from business, and social initiatives should not be seen as a cost centre. Done strategically, the knock-on benefits of being a socially responsible business can be tremendous, in terms of community upgrading, market and demand creation, brand positioning and employee engagement, to name a few. The surprising problem is that even the most socially-minded businesses are yet to fully realise these benefits, and are in fact struggling to integrate social issues into their core strategies¹.

Why?

Because they still don't treat their sociability — their social impact — as a business in itself. If businesses want to become more social, they need to take the measurement of their sociability more seriously. We're here to help you achieve that goal.

¹ From "<u>The UN Global Compact-Accenture CEO Study on Sustainability</u>" (2013) with additional quotes from <u>The CEO's Perspective</u> (2012) MEASURING SOCIAL IMPACT When it comes to measuring social impact, we can either help you measure the social impact of your business, or measure the social impact of your philanthropy and CSR.

Measuring the social impact of your business will ensure that your businesses and brands have a greater understanding of the social ecosystems that comprise your employees, your customers and your communities as well. Measuring the social impact of your philanthropy and CSR will ensure an objective — and impartial — appraisal of both your implementers and the beneficiaries of your social interventions.



The social ecosystem of businesses and brands



A. Measuring the social impact of business

Opening a factory, creating jobs, launching new products and building new infrastructures: companies are in the business of creating economic value. But companies do not operate in a vacuum, and whilst economic value might be the intended outcome of doing business, it is clear that economic value should not be created at the expense of the environment or society. Businesses and brands are increasingly being held accountable to not just their shareholders, but to the communities in which they operate, the governments that regulate them, their employees, their competitors and their customers as well.

Businesses have to be social. And to be social, they have to understand the social impact of their business.

Asian Strategies can help you measure the social impact of your business ventures. We have the skills and expertise to navigate the complex social ecosystem, and your company's role within it. We will, in other words, work with you to develop an impact framework that we will use to measure your company's social impact, both now and in the future.

"If you're looking for easy-to-capture numberdriven metrics to prove the right thing, then you're missing the point. But if you measure how engaged employees are and how people connected to the organisation feel about their experience, then that's a really valid understanding of how successful you are as a sustainable business"

 Roger Steare, Visiting Professor in Organisation Ethics, Cass Business School

MEASURING SOCIAL IMPACT

B. Measuring the social impact of philanthropy and CSR

Many of the world's leading companies and philanthropists have, or are in the process of setting up, charitable foundations or CSR initiatives in order to structure their donations. However, measuring the impact of giving is often more focussed on measuring outputs than it is outcomes. Moreover, when it is done by the charities and implementers themselves, there is a clear conflict of interest in their need to objectively assess the effectiveness of their work, and to secure the next round of funding.

Asian Strategies can help you measure the social impact of your philanthropy. We do this in an independent and impartial way; one that takes the beneficiary as the starting point, and aims to determine how your philanthropic interventions have affected their lives for the better.

C. Our toolkit

There is no 'one' or 'right' way of measuring social impact. Every methodology has to be tailored to the project at hand, and should take into consideration:

- Both quantitative and qualitative methods
- Longitudinal and *ad hoc* projects
- Expected and unexpected outcomes
- Personal narratives and socio-cultural contexts
- The detail and the bigger picture



3. ABOUT ASIAN STRATEGIES

Asian Strategies is an insights-driven research consultancy. We value methodological rigour, thoughtful analyses and detailed understanding. We enjoy unearthing new ideas and opportunities through the intelligent and sensitive application of data.

Although we are a market research firm, we have extensive experience reaching out to vulnerable and inaccessible populations around the region. We started off by pioneering the research industry in parts of Asia in which no research infrastructure (and no mobile phones!) existed.

We have done notable work with the International Committee of the Red Cross in Cambodia, conducting in-depth research with fighters and victims of conflict for the "People on War" project. We have also worked with the World Health Organisation and The Climate Group on humanitarian projects, as well as the Athens 2004 and the London 2012 Olympics Committees on matters of public policy. More recently, we worked with the Ministry of Community, Youth and Sports to assess the cut-through of an initiative to raise awareness of child abuse amongst primary school children in Singapore.

We look forward to working with you.

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