



Business for Societal Impact Guidance Manual

CORPORATE COMMUNITY INVESTMENT

Contents

Setting the Scene.....	3
Part one: Business for Societal Impact in context.....	5
What is Business for Societal Impact?	5
How can the Business for Societal Impact Framework assist companies?.....	6
What is Corporate Community Investment?	6
Part two: Applying the Framework	8
Measuring inputs.....	8
What are inputs?.....	8
How we contribute.....	9
Why we contribute.....	10
What we support	10
Where we support	11
Measuring outputs	12
What are outputs?	12
Business for Societal Impact output indicators	12
Measuring impact.....	14
What are impacts?.....	14
Business for Societal Impact impact indicators explained.....	15
Part three: Summary	17
Glossary.....	18
Appendix 1: The B4SI Framework: Three Routes to Social Impact.....	19
Appendix 2: Internal data collection tool (available to B4SI client companies).....	20
Appendix 3: Project assessment sheet (available to B4SI client companies).....	21



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Setting the Scene

This guide is the place to start for any business wanting to apply the Business for Societal Impact (B4SI) Framework to measure its social impact in a clear, consistent and robust way. It provides a top-level introduction to the measurement Framework and its application.

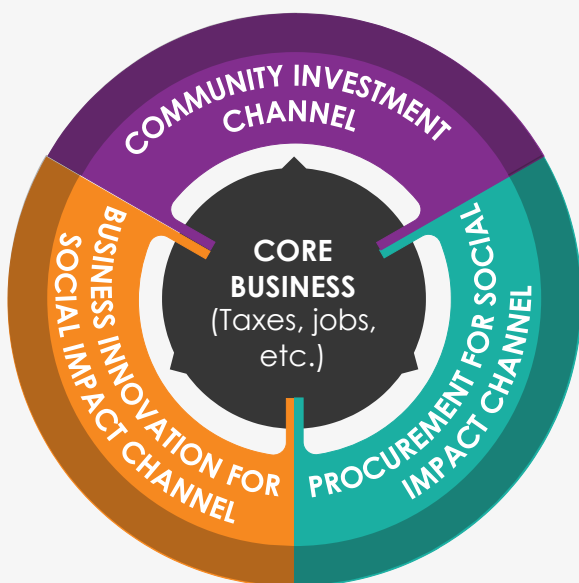
About the B4SI Network

In the early 1990s, the London Benchmarking Group (LBG) changed the way that businesses thought about community investment, moving it from a purely philanthropic activity to strategic investment in the community. Today, businesses are looking at how they can be more ambitious and courageous in their approach to social impact. They continue to diversify the ways that they can maximise their value to society whilst meeting commercial objectives.

To meet this ambition, the network recognised its need to change as business evolves, starting with a new more reflective name - Business for Societal Impact (B4SI). The name better reflecting the changing nature of business involvement in society and the increasing global footprint of the network.

B4SI has now expanded the Framework to include two additional routes to reflect and encourage change in businesses' social and environmental impact programmes: **Business Innovation for Social Impact**, and **Procurement for Social Impact**.

Business Investment for Social Impact



Together, the three routes to social impact that comprise the whole B4SI Framework, can be seen in the above graphic. The objective of all three remains the same: to address identified social needs and contribute to social causes and organisations in ways that make strategic sense to business. But now the routes to impact are expanded to include activities through the business itself, rather than via an additional purely voluntary contribution.

In the early days, B4SI helped redefine community contributions from pure philanthropy to become a strategic investment with a return for community and company applying modern management science to the tradition of corporate giving and community involvement. Today that journey continues, as member companies find new ways to contribute and to broaden the impact they can have. Ensuring they are known for what they accomplish not just for what they give.

About Corporate Citizenship

Corporate Citizenship founded LBG and we continue to manage the network and develop the Framework, now renamed Business for Societal Impact. Corporate Citizenship is a global consultancy and we are on a mission to harness the power of business to create a better future for everyone. We work with companies to accelerate change towards a future where our society and planet can thrive. Corporate citizenship is more than just our company name. It is a statement about the role business should play in society. Visit: www.corporate-citizenship.com for more information.

About this Guide

Application of the Framework helps a business progress on a journey from quantifying its inputs (what it contributes to society) to understanding its impact (the changes its contributions make for the society and for the business).

There are three main elements to the guide;

- Setting B4SI and community contributions in context
- Summarizing the three main sections of the Framework: Inputs (what you contribute), outputs (what happens), and impact (what changes)
- Providing practical advice, definitions and links to relevant tools, guidance and examples about how to collect the information you need.

B4SI has additionally developed detailed B4SI Guidance Notes for members based on specific measurement queries. Member companies can obtain a copy through their B4SI Account Manager. Specific notes are referenced in this guide where relevant.

The focus of this guide is on community investment. For further information about Procurement for Social Impact and Business Innovation for Social Impact, there is a separate B4SI Business Investment for Social Impact guidance available for companies working with us.

Part one: B4SI in context

1. What is Business for Societal Impact?

Business for Societal Impact (B4SI) is the globally recognised methodology used by hundreds of the world’s leading companies to articulate and measure the positive impact they have in the world. The B4SI Community Investment Framework currently underpins the Community & Philanthropy question in the DJSI questionnaire, is reflected in the GRI standard and is recognised by the UN Global Compact as evidence for a company’s social impact narrative to stakeholders;

- A management tool supporting the management of social impact through the use of the B4SI Framework which concentrates on Inputs, Outputs & Impacts.
- A private benchmark for B4SI client companies, again a business tool allowing B4SI companies to compare with their peers and others globally to get an understanding of how they are operating, and how they can improve.
- A network of companies using B4SI as a platform to share experience, best practice and new ideas.

activity into: the inputs (what’s contributed?), the outputs (what happens?) and, ultimately, the impacts achieved (what changes?).

Companies using the B4SI Framework represent those with a culture of continuous improvement, with ambitions to diversify and transform their social and environmental practices for maximum impact. B4SI has expanded its Framework to include two additional route, which member companies can measure, report and communicate on. In addition to **Community Investment**, B4SI now includes **Business Innovation for Social Impact** and **Procurement for Social Impact**.

The B4SI Framework ensures a consistent approach to the measurement and benchmarking of social impact.

Over 300 companies around the world have engaged in the B4SI network to apply, develop and enhance the Framework. It is now widely regarded as the international standard for measuring social impact.

At its heart, the Framework is a simple input output model, enabling any social impact activity to be assessed consistently in terms of the resources committed and the results achieved. It breaks down the elements of the

Individual businesses can decide the extent to which the activities they support are assessed through the model. For small one-off donations it may simply be a matter of correctly recording the inputs. For larger, longer-term partnership projects a more comprehensive application of the Framework may be more appropriate.

The B4SI Framework: Routes to Social Impact (For a larger version see Appendix 1)

	INPUTS	OUTPUTS	IMPACTS
Community Investment Route <i>Donations to, and partnerships with community organisations</i>	How, Why, What, Where	Social Output Business Output Leverage	Social Impact Business Impact
Business Innovation for Social Impact Route <i>Developing or adapting core business activities for defined social impact</i>	Financial Investment Additional Resources	Social Output Business Output Leverage	Social Impact Commercial Return
Procurement for Social Impact Route <i>Diverting procurement spend to suppliers that aim to have a social impact</i>	Spend, Time, In-kind, Management Costs	Social Output Business Output Leverage	Social Impact Organisational (supplier) impact Business Impact

Companies that are not actively involved in either of the two additional routes to social impact, do not need to make any changes to the way that they capture and report their data on voluntary community contributions. Companies that are

working to create positive social impact through ‘standard’ business activities (and in addition to Community Investment), can consider whether some of their activities meet the requirements for either of the two new routes.

2. How can the B4SI Framework assist companies?

B4SI is a measurement framework that provides information that can be used by companies in a variety of ways.

It can be used to:

- Ensure consistent measurement of contributions, results and impacts
- Inform management decisions about the future direction of their community activity, providing the context for setting strategic objectives, and associated targets and KPIs
- Identify the results achieved for the community and the

business. This can inform and improve project delivery, energize employees and make the case for greater involvement

- Understand how their own social impact activity compares with peers and/or 'best-in-class' companies
- Communicate results to key audiences and strengthens performance in external indices

3. What is Corporate Community Investment?

B4SI enables businesses to measure their corporate community investment (CCI). Therefore, we first need to understand what is meant by the term.

Companies engage in activities that can have a positive impact on society every day. They create wealth and jobs, pay taxes, deliver goods and services, drive innovation, and so on. All these things are important and play a significant role in a company's wider responsibility and sustainability strategies, but are not CCI.

Over and above these activities (albeit increasingly overlapping and aligned with them) companies often contribute to community-based organizations and engage in activities to help address a range of wider issues and causes in the communities where they do business. The type of organizations supported can vary greatly and include charities, non-profits, non-governmental organizations (NGOs), third sector, civil society, social enterprises and so forth.

This specific voluntary engagement with charitable organizations or activities that extends beyond companies' core business activities is broadly what is meant by CCI.

Broader CSR or sustainability activities such as using less energy, protecting the health and safety of employees, or enabling access to services or products to disabled or other disadvantaged people are not CCI, but part of the core business activities of a socially responsible company.

If your company is investing into new innovative ways of doing business or developing products that bring enhanced social impact, or diverting procurement spend to suppliers that aim to have a social impact, this could be counted as Business Innovation or Procurement for Social Impact. For further information and in depth guidance on all routes to impact please contact us.

For the purposes of this guide, CCI is the term that is used to cover all such activity.

What counts?

The type of activity that businesses support in communities vary considerably; they might help school-children to read, or support people with addictions, they can provide work experience to unemployed people or raise awareness about HIV/AIDS, they can help ex-offenders to set up small businesses or provide clean water in water scarce areas, and all sorts of things in-between.

The nature of businesses' engagement in these activities can also vary from one-off donations to good causes to long-term partnerships with community organizations to address core issues of importance to both the companies and the communities where they operate. Companies can also engage in a number of commercial activities that directly support community organizations, such as through cause-related marketing.

This wide range of activities and engagement means it is important to identify which elements can be correctly identified, and thus correctly reported, as CCI. CCI can be delivered by different areas of a business.

Businesses' voluntary engagement with charitable organizations or activities that extends beyond their core business activities is broadly what is meant by CCI.

Identifying CCI: When identifying whether a contribution or activity should be reported as CCI it is important to ask, and be able to answer YES, to these two questions

Different terms are often used to refer to community activity.

Social investment, CSR programs, corporate citizenship, philanthropy, company giving, giving back, our community/ies, social programs, strategic philanthropy are just a few.

1. Is it VOLUNTARY?

CCI should be something that a business chooses to do. There should be no legal or contractual obligation for a company to have contributed to a particular activity. So long as this is true, then it is voluntary and, provided that the answer to question

two is also YES, should be reported as social impact.

A business can still report on any non-voluntary contributions but this should be done separately from its voluntary contributions – see guidance note on mandatory contributions for more information.

2. Is it CHARITABLE?

CCI should support an organization or activity that is recognized in its geographical location and cultural context as having a clear charitable purpose (e.g. advancing education, protecting health or supporting human rights). Usually the supported organizations will be formally recognized as charities but can also include schools, universities, government departments or social enterprises.

These organizations are not always legally defined or registered charities but can have a purpose, or be delivering an activity, that is broadly recognized as charitable (education, for example, is widely regarded as charitable around the world¹) and being managed in a way so as to deliver public rather than private benefit (i.e. not delivering financial or other returns to private individuals or groups, such as shareholders).

If a business is satisfied that the activity it supports can be recognized as having charitable purpose it can answer YES to question two.




So, if the answer to both questions is yes: then the activity is likely to count as a corporate community contribution. If the answer to either question is no: then, although the activity might be a good thing to do, it is not a CCI activity and should not be reported as such. However it might be included within a company's wider CSR reporting.

An additional consideration – whose contribution is it? A lot of CCI activities involve businesses encouraging and enabling others (e.g. employees, customers, consumers or other businesses) to contribute funds or other resources.

When reporting CCI activity it is important to distinguish the company's contribution from those of others and not to take undue credit.

The B4SI Framework enables companies to make this distinction and to report their own contributions alongside those that they lever from other sources.

Figure 1. The B4SI Framework (For a larger version of the Framework see Appendix 1)

 Inputs: What's contributed?	 Outputs: What happens?	 Impacts: What changes?
<p>How (form of contribution)</p> <ul style="list-style-type: none"> Cash Time In-kind (including pro bono) Management costs <p>Why (driver for contribution)</p> <ul style="list-style-type: none"> Charitable gifts Community investment Commercial initiatives in the community <p>What (issue addressed)</p> <ul style="list-style-type: none"> Education Health Economic development Environment Arts and Culture Social welfare Emergency Relief <p>Where (location of activity)</p> <ul style="list-style-type: none"> Europe Middle East & Africa Asia Pacific North America South America 	<p>Community outputs</p> <ul style="list-style-type: none"> Individuals reached/supported Type of beneficiary Organizations supported Other company-specific output measure (e.g. environment) <p>Business outputs</p> <ul style="list-style-type: none"> Employees involved in the activity Media coverage achieved Customers/consumers reached Suppliers/distributors reached Other influential stakeholders reached <p>Leverage (additional resources from other sources)</p> <p>Total leverage split by:</p> <ul style="list-style-type: none"> Payroll giving Other employee contributions Customers Other organizations / sources <ul style="list-style-type: none"> Employees involved in own time Hours contributed in own time Foregone Income 	<p>Community impacts</p> <p>On people i: Depth of impact</p> <ul style="list-style-type: none"> Made a connection Made an improvement Made a transformation <p>On people ii: Type of impact</p> <ul style="list-style-type: none"> Behavior or attitude change Skills or personal effectiveness Quality of life/well-being <p>On organizations</p> <ul style="list-style-type: none"> Improved or new services Reached more people or spent more time with clients Improved management processes Increased their profile Taken on more staff or volunteers <p>On the environment</p> <ul style="list-style-type: none"> Impact on the environment Impact on environmental behavior <p>Business impacts</p> <p>On employee volunteers</p> <ul style="list-style-type: none"> Job-related skills Personal well-being Behavior change <p>On the business</p> <ul style="list-style-type: none"> Human resource benefits Stakeholder relations/perceptions Business generated Operational improvement delivered Uplift in brand awareness

Part two: Applying the Framework

1. Measuring inputs

What are inputs? Inputs are the resources that a company provides to support a community activity or activities.



Inputs: What's contributed?

The resources a company provides to support a community activity.

How (form of contribution)

Cash
Time
In-kind (including pro bono)
Management costs

Why (driver for contribution)

Charitable gifts
Community investment
Commercial initiatives in the community

What (issue addressed)

Education
Health
Economic development
Environment
Arts and Culture
Social welfare
Emergency Relief

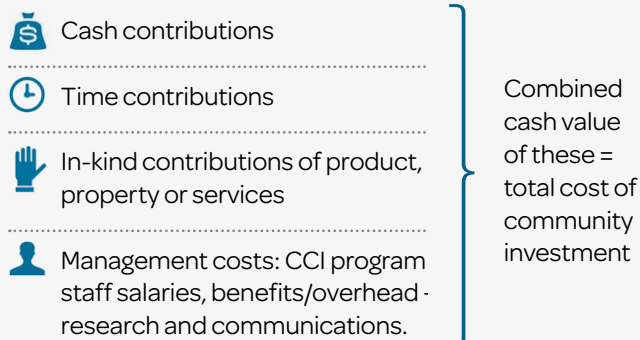
Where (Location of activity)

Europe
Middle East & Africa
Asia Pacific
North America
South America

- **How the contribution is made:** Whether in cash, paid working time, in-kind contributions or a combination thereof
- **Why the contribution is made:** From philanthropic donations, through strategic partnerships to commercially driven engagement
- **What issue is supported:** Whether the activity tackles education, health, social welfare or other issues
- **Where the activity takes place:** The geographic spread of activities

2. How we contribute

The Framework outlines four different types of cost that a company can incur in making community contributions.



The total cost of a single community activity will be made up of one, or a combination, of these different types of contribution.

Cash contributions

- A cash contribution is the gross monetary amount a company pays in support of a community organization/project, and can include:
- Direct donations/grants to charitable organizations or activities
 - Social sponsorship of cultural events or institutions (e.g. museums)
 - Matching employee giving
 - Covering the expenses of employee involvement
 - Paying for a new facility or service (e.g. a website) for a community organization
 - Membership and subscriptions to community organizations

1. What are inputs?

The first step in applying the B4SI Framework is to understand the resources that a business commits to community activity(ies). The Framework enables any activity to be assessed in terms of:

This list is not an exhaustive, but gives a flavor of the different ways a business might contribute cash to support community activity.

Guidance notes related to cash contributions are available for B4SI client companies, and include:

- Advertising purchase in charity/community magazine or program
- Business services bought from community organizations
- Carbon offset payments
- Cause-related marketing
- Company matching of employee giving and fundraising
- Corporate Foundations
- Donations via government
- Employee involvement (volunteering) expenses
- Energy efficiency commitments
- Memberships & subscriptions to community organizations
- Payments to vulnerable customers
- Sponsorship of Arts/ Cultural events
- Commercial sponsorship of events, publications and activities of promoting brands or corporate identity
- Support of universities, research and other charitable institutions

Time contributions

A time contribution is the cost to the company of the paid working hours contributed by employees to a community organization or activity. The term 'volunteering' is often used to describe time contributions, but it can go beyond this to include any active engagement in community activity during paid working time. Examples include:

- Employee volunteering
- Active participation in fundraising activities
- Longer-term secondments to community organizations
- Supervision of work experience placements

Calculating the cost

The cost of employee time can be calculated in a number of ways. The key is to establish a figure that most accurately reflects the true cost to the company of an employee actively participating in a community activity during paid working time.

This calculation is obviously dependent on the extent of information available regarding the employees involved. Some companies are able to obtain detailed information from their HR or finance departments on the grading, salary level, location etc. of individual employees engaged in community activities and from that to calculate very accurate cost figures.

In-kind contributions

Companies can also commit other non-cash resources to community activities. These in-kind contributions can include donations of the company's product or services or other corporate resources such as IT equipment, used furniture, meeting rooms or other space. Examples include:

- Donation of products
- Provision of pro bono legal, accounting or other professional services
- Contributions of used office equipment or furniture
- Use of company premises
- Provision of free advertising space in a publication, on a website or through television or radio

So that in-kind contributions can be assessed on the same basis as cash and time contributions all in-kind contributions must be valued at what it has cost the company to make, not at what the beneficiary organization would otherwise have had to pay in the open market. For example, product donations should be valued at the average unit cost of production not the retail value.

The cost of in-kind contributions is normally the amount held in the company's accounts, whether for product donated from inventory or depreciated equipment declared redundant. Where these have been written down to zero for accounting convenience but have a significant value in terms of the community program, a fair second-hand value can be substituted.

Putting a correct value on some in-kind contributions can be tricky. Guidance on how to value some of the most common in-kind contributions has been developed by B4SI client companies and is available in individual guidance notes.

In some jurisdictions e.g. the USA a valuation higher than actual cost to the company are sometimes used, in part due to taxation treatment. Examples include Wholesale Acquisition Cost and Fair Market Value. B4SI views these valuations as an indicator of the worth to the beneficiary (in effect an output measure), rather than the 'input' cost to the company.

Guidance notes related to in-kind contributions are available for B4SI client companies, and include:

- Discounted work (Professional services)
- Exceptional one-off gifts of property and other assets
- Foregone Income/Opportunity Cost
- Gifts of product from inventory
- Pro bono work
- Social banking/Universal banking
- Use of company premises/resources
- Written down product or equipment

Management costs

As well as measuring the direct input costs to the community, the B4SI Framework enables companies to capture and report costs incurred in making its contributions. These will include the salaries, benefits and other overheads of community affairs staff along with research/communications spend if used to help the community engage with the company.

Examples of inputs that can be included under management costs:

- Community affairs staff – salaries, pension, national insurance, benefits & recruitment costs
- Running costs & overheads – phones, IT, travel, subsistence for business as a whole
- Professional advice – when bought in to improve the program
- Communicating the community program to relevant audiences
- Research

It is essential to capture only those costs incurred in managing the community program as a whole. If managing the CCI program is just one aspect of someone's job, count only the proportion of the cost that relates to time spent managing the program: i.e. for sustainability managers, count only the proportion of their time that is spent on community affairs, do not count the proportion that is spent on broader sustainability issues.

Guidance notes on management costs are available for B4SI client companies, and include:

- Consultancy, Planning, Research & Development costs
- Communication cost

3. Why we contribute

Motivations matter. They are what drives a company's CCI. The B4SI Framework enables community activities to be classified according to three categories of motivation.

This analysis provides an indication of the strategic nature of the community program, shows the degree to which it is aligned with wider business goals and helps companies understand the extent to which they are driving their contributions OR are being driven by external demands and circumstances.

The three categories of motivation identified in the Framework are:

- Charitable gifts
- Community investment
- Commercial initiatives in the community

Charitable gifts

Charitable gifts tend to be reactive in that they respond to appeals for help either directly from charities or through

requests from employees (including matched funding or payroll giving) or in response to short-term or one-off events.

They tend to be ad hoc or one-off contributions, made because it's 'the right thing to do', not because of any strategic aim or anticipated return to the company. Some might refer to this as traditional philanthropy or grant-making.

Community investment

Community investments tend to be more proactive and strategic than charitable gifts. They can center on a smaller number of larger-scale, longer-term projects and are often run as a partnership with, rather than a donation to, a community organization.

These projects address the social issue(s) that the company has identified as being relevant to both the company and the community in which it operates. They will often be: linked to a wider community strategy; be measured; and be expected to help protect the long-term corporate interests and reputation of the business.

Commercial initiatives in the community

Commercial initiatives in the community are business-related activities, usually undertaken by departments outside the community function (e.g. marketing, R&D), to support the success of the company and promote its brand and other policies, that also deliver community benefit.

The most common example of this is cause-related marketing. These are primarily marketing campaigns but involve a contribution from the company to a charitable cause.

When reporting commercial initiatives in the community as community contributions it is important to only include those costs that directly benefit the community not the total cost of a marketing campaign or other commercial exercise.

As application of B4SI has become more widespread and the focus has shifted more towards outputs and impact, companies are actually coming full circle and beginning to question their motives more closely. In trying to better understand their achievements they often realize the need to refocus their CCI programs around a clear set of strategic objectives against which their progress can be assessed.

4. What we support

The B4SI model enables businesses to build up a picture of the issues that their community contributions tackle. If the issue(s) addressed by an activity is unclear or overlapping then a classification should be made according to the activity's primary purpose.

The broad selection of issues used is as follows:

- **Education:** Contributions to schools, universities or

other organizations or projects that promote, sustain and increase individual and collective knowledge and understanding of specific areas of study, skills and expertise. This can be formal 'classroom' style education or more informal forms of developing knowledge

- **Health:** Contributions to hospitals, health trusts and other health related organizations that prevent or relieve sickness, disease or human suffering, as well as promoting health and healthy lifestyles
- **Economic development:** Contributions to organizations or activities that promote economic development, such as regeneration or job creation projects
- **Environment:** Contributions to projects or organizations that advance environmental protection or conservation e.g. through conservation of flora or fauna or through engaging people in activities such as recycling or other aspects of a sustainable lifestyle

Do not include costs associated with managing your company's own impact on the environment as CCI. It only counts when the contribution supports environmental activity outside the company (e.g. wildlife conservation)

- **Arts/culture:** Support for institutions (theaters, museums, public galleries etc.) that promote or protect arts activities, whether visual arts or the performing arts such as music, dance and theater. Also includes activities or organizations that promote or protect 'Heritage' such as might be regarded as part of a country's local or national history
- **Social welfare:** Support to organizations or activities that promote or address the interests of those in need in society and facing hardship by reason of youth, age, ill-health, disability, financial hardship or other disadvantage
- **Emergency relief:** Contributions to disaster relief efforts
- **Other support:** Support for activities that cannot be classified elsewhere

These categories are broadly aligned to the main charitable purposes identified by national and international bodies such as the Australian and UK charities commissions and the US Internal Revenue Service.

5. Where we support

By collecting data from around its operations a business is able to build up a picture of the degree to which it invests in the different communities and locations in which it operates.

This is particularly useful to assess the extent to which a company's investment in the community reflects its geographic structure, i.e. is it investing in the areas in which it does business?

Each company can decide the appropriate classification for its own needs. However for ease of benchmarking, the B4SI Framework recommends international data is aggregated up into the broad regional groupings of:

- Europe
- Middle East and Africa
- Asia Pacific
- North America
- South America

At a project/activity level the Framework is being developed to capture the location of contribution by country to enable country-level benchmarking in future.

2. Measuring outputs

What are outputs? Outputs are what happens as result of the resources that a company commits to a community activity.



Outputs: What happens?

The activities delivered, numbers reached, funds raised and business-related activity resulting from the contributions made.

Community outputs

Individuals reached/supported
Type of beneficiary
Organizations supported
Other company-specific output measure (e.g. environment)

Business outputs

Employees involved in the activity
Media coverage achieved
Customers/consumers reached
Suppliers/distributors reached
Other influential stakeholders reached

Leverage (additional resources from other sources)

Total leverage split by:
Payroll giving
Other employee contributions customers
Other organizations / sources
Employees involved in own time
Hours contributed in own time

1. What are outputs?

Outputs are a measure of what happens as the result of the contributions that a business makes to a community organization or activity.

Outputs can include the people reached, organizations supported, activities delivered and funds raised as a result of the contributions made. This also includes recording activity that links back to the company (e.g. through employee involvement, stakeholder engagement or media coverage).

Outputs are an expression of what happens or what is delivered through a community activity. They are NOT an assessment of the activity's effectiveness, quality or value to either the community or the business. They are most likely to be quantitative measures of reach or activity generated.

What does B4SI capture?

All sorts of outputs can be captured by different activities; one activity might count the number of schoolchildren that have attended a course and the number of courses run, a health project might count the number of people vaccinated or the number of nurses trained, or a conservation project might count the number of trees planted.

This variety means that a single system cannot account for every possible output measure, so B4SI focusses on a small number of key outputs that are relevant across different projects. The outputs are grouped into the following areas:

- Community outputs
- Business outputs
- Leverage (additional funds raised or contributions levered from other sources)

2. B4SI output indicators

Community outputs:

These focus on a small number of measures that can be applied across most community projects:

1. Number of people directly reached or supported

B4SI counts the number of people reached by or engaged in a community project. For example count the number of children benefiting from a school refurbishment, or the number of people receiving vaccinations from a public health program.

The Framework does not include people impacted indirectly by an activity. For example, a company may fund a vaccination campaign, and while the entire population of a region may have a reduced chance of catching a disease because a number of people were vaccinated, only the direct beneficiaries - the number of people who were actually vaccinated - is included. Similarly, if a company funds the development of an arts facility for a town, the direct beneficiaries are the number of people using the facility, not the whole population of the town that may or may not use it. Focusing on the direct beneficiaries adds credibility to the output numbers reported.

Simple questions can be asked of the community organizations that a business supports to establish how many people have directly benefitted as a result of the company's contribution.

2. Type of beneficiary supported:

A subsidiary question to the number of people supported, is to understand the broad social group, if any, to which the beneficiaries belong or can be allocated. The B4SI Framework does not stipulate which groups a business should capture, but lists suggestions, from which a company can choose the most appropriate for its program.

3. Number of organizations supported:

Many community projects can support more than one organization (a reading/literacy program, for example may operate across many schools), so B4SI counts the total number of supported organizations.

4. Company specific measure(s):

A business might also choose to record other indicator(s) that are specific and relevant to their own program (e.g. number of trees planted or number of workshops held) within the Framework. These simply don't go forward to wider benchmarking.

Business outputs:

In assessing business outputs, B4SI focusses on the extent to which community activities reach or engage with different stakeholders that can have influence over the company's results. The core stakeholders identified are:

1. **Number of employees engaged in the activity:** The total number of employees actively involved (in their own time OR the company's time) in a community activity.
2. **Customers/consumers reached:** The number of the company's actual or potential customers, or consumers, that are actively aware of or engaged in the activity.
3. **Suppliers/distributors reached¹:** The number of organizations within the company's value chain that are actively aware of or engaged in the activity.

4. **Other influential stakeholders reached¹:** The number of organizations (as determined by a company's own materiality assessment) that can influence, or be influenced by, the company's reputation, that are aware of the activity. These can include: representatives of governmental and international agencies, NGO's or think-tanks, corporate sustainability practitioners, academics, specialist consultants, specialist investors or specialist journalists.
5. **Value of media coverage generated:** The amount of media coverage generated by the activity.

Leverage:

This is the measure of any additional resources contributed to a community organization or activity that come from sources other than the company. Although these are in essence an additional input to the supported organization, they are reported on the output side of the Framework as they result from the company's own contribution, encouragement or support.

The Framework identifies the following forms of leverage:

1. **Value of additional funds raised/contributed (Leverage)**
2. **Number of employees supporting a community activity in their own time that is supported or encouraged by the company.** In some cases companies hold events or support activities that encourage employees to give up some of their own time (at weekends etc.) to support the community.
3. **Time committed by employees to activities in their own time that is supported or encouraged by the company:** The Framework also captures the hours committed by employees in their own time resulting from the support or encouragement of the company.

¹ For a stakeholder to have been 'reached' the engagement has to go beyond merely being exposed to an activity or campaign to the degree where the individual in question can report that they are actively aware of the project/program/activity.

3. Measuring impact

What are impacts? Impacts are the changes that happen to individuals, organizations and the business in the short or longer-term, as a result of a community activity.



Impacts: What changes?

The changes that happen to individuals, organizations and the company, in the short or longer-term, as a result of the activity.

Community impacts

On people i: Depth of impact

- Made a connection
- Made an improvement
- Made a transformation

On people ii: Type of impact

- Behavior or attitude change
- Skills or personal effectiveness
- Quality of life/well-being

On organizations

- Improved or new services
- Reached more or more time with clients
- Improved management processes
- Increased their profile
- Taken on more staff or volunteers

On the environment

- Impact on the environment
- Impact on environmental behavior

Business impacts

On employee volunteers

- Job-related skills
- Personal well-being
- Behavior change

On the business

- Human resource benefits
- Stakeholder relations / perceptions
- Business generated
- Operational improvement delivered
- Uplift in brand awareness

1. What are impacts?

'Impact' is a term that comes loaded with many interpretations. Some practitioners take a broad and generalist stance accepting that changes can range from immediate short-term outcomes to broader and longer-term effects. Others are more purist and only count as 'impact' the wider social changes that result from activities, while recording changes in individuals in a separate category called outcomes.

B4SI takes a pragmatic position; first it recognizes that there is no agreed definition on what constitutes impact (particularly as to what differentiates outcome from impact) and secondly it understands that for the vast majority of activity supported by companies, it will not be realistic to assess or track long-term social change.

As a result B4SI identifies a number of key 'areas of impact' against which both shorter-term outcomes and longer-term changes can be reported. These areas of impact are complemented by simple three point scales against which the depth of impact – the degree to which individuals, organizations or the business are better off as a result of a community activity – can be assessed.

The areas of impact identified in the B4SI Framework are:

Community impacts

1. Impact on people
2. Impact on community organizations
3. Impact on the environment

Business impacts

1. Impact on employee participants
2. Impact on the business

2. B4SI impact indicators explained

Community impacts

1. Impact on people

The Framework enables companies to assess the change they have effected on individual beneficiaries in two different ways - the depth of impact and the type of impact.

Depth of impact:

The depth of impact measure enables companies to assess the degree to which beneficiaries are better off as a result of an activity. It uses a simple three point scale identifying three distinct levels of change that a beneficiary might experience, comprising connect, improve and transform, as explained here:

- i. **Connect:** The number of people reached by an activity who can report some limited change as a result of an activity (e.g. raised awareness of opportunities to improve literacy skills)
- ii. **Improve:** The number of people who can report some substantive improvement in their lives as a result of the activity (e.g. actually able to read better)
- iii. **Transform:** The number of people who can report an enduring change in their circumstances, or for whom a change can be observed, as a result of the improvements made (e.g. got a job as a result of improved literacy)

Type of impact:

The type of impact measure enables a company to map the area(s) in which an activity has benefited the people it has reached and so build and communicate a picture of the way in which people are better off as a result of the company's support. The Framework identifies three broad types of impact as follows:

- i. **Behavior or attitude change:** Has the activity helped people make behavioral changes that can improve the person's life or life chances OR has it challenged negative attitudes or preconceptions, enabling them to make wider, different or more informed choices?
- ii. **Skills or personal effectiveness:** Has the activity helped people to develop new, or improve existing, skills to enable them to develop academically, in the work place and socially?
- iii. **Quality of life or well-being:** Has the activity helped people to be healthier, happier or more comfortable (e.g. through improved emotional, social or physical wellbeing)?

For more information on how to measure the depth and types of impact and examples of its application, please see the B4SI client companies' manual.

2. Impact on community organizations

The Framework enables companies to understand the degree to which their contributions have increased the

capacity of the community organizations they support, or partner with.

The indicators are used to assess the degree to which a beneficiary or partner organization has:

- i. Improved existing / delivered new services
- ii. Reached more people or spent more time with clients
- iii. Improved management processes
- iv. Increased their profile
- v. Taken on more staff or volunteers

3. Impact on the environment

The B4SI Framework identifies the environment as a distinct area of impact due to the way in which support for environmental charities or projects can have direct environmental benefits rather than directly benefiting people or organizations. However, it also recognizes the human element within environmental activities, as many center on making environmental improvements by promoting changes in human behavior such as reducing water use.

The Framework measures the extent of improvement to the environment through direct intervention and the impact and extent of positive changes in people's behavior around environmental issues in the following areas:

- i. **Impact on the environment** – has the activity direct ecological benefits such as conserving land/water, protecting species or improving bio-diversity?
- ii. **Impact on environmental behavior** – has the activity enabled people to conserve energy or water, or to make other positive changes in their behavior towards the environment?

Business impacts

1. Impact on employee participants

In measuring business impacts, B4SI first considers the extent of changes in employees' attitudes, behavior and/or skills as a result of participation in a company-supported community activity in the following key areas:

- i. **Job-related skills:** improvements in core, job-related competencies such as communications, teamwork or leadership skills
- ii. **Personal impact:** changes in areas like self-confidence, job satisfaction and pride in the company
- iii. **Behavior change:** changes in behavior such as increased volunteering or being more vocal advocate of the company

As with the impacts on people, the Framework counts the number of employee participants that experience each type of impact. Therefore, the totals across the three categories should not be added together as employee participants may be double counted otherwise.

2. Impact on the business

The B4SI Framework looks beyond the impacts experienced by employee participants, to wider business benefits that might be generated from community

activities. Assessment of wider business impacts is the most challenging part of the Framework, but can deliver significant reward in cementing the business case for continued, or more, community investment.

The core Framework identifies four areas in which community activities, or the community program as a whole, have been seen to deliver measurable benefits to the business:

- i. **Human resource benefits**
- ii. **Improved stakeholder relations/perceptions**
- iii. **Business generated**
- iv. **Other operational improvement**
- v. **Uplift in brand awareness**

These indicators are a condensed version of the more detailed guide to measuring business benefit. If you would like access to the full guide, please contact the B4SI Team on b4si@corporate-citizenship.com.

Each indicator assesses the degree to which awareness of, or engagement with, the community program by key stakeholder groups, as measured at the output stage, has gone on to deliver a discernible benefit to the business in a particular area, for example:

- Have customers who are aware of the company's activity gone on to purchase goods or services?
- Has involvement in community activity increased employee satisfaction and led to better performance or higher retention?
- Has raised awareness of the community program by influential stakeholders contributed to winning public services contracts?

Part three: Summary

Ultimately, application of the Business for Societal Impact (B4SI) Framework goes beyond assessment of individual activities to enable a business to balance the contributions it makes across its program with the results it achieves. It is then able to say that having contributed X, it has achieved Y for the community and Z for the business. It can then go further and use this information to improve and deliver more in the future.

To achieve such an assessment, a company has to be able to look across all, or a sufficient part of, its community program and add up the results to gain a whole-program assessment.

Some of the best measurement approaches, and the tools available through the B4SI network, to help companies to measure across their programs have already been touched on in this guide, but it is worth considering how these can be used to assess the whole program.

The following actions can help prove the value of the measurement exercise by enabling businesses to understand what works well and what could work better and so to drive ongoing improvement and deliver better, more impactful programs in the future.

- Integrate measurement into your planning and management processes
- Develop an effective measurement approach, considering the what, who, when and how of

measurement

- Identify a small set of key indicators that matter most to your program and the stakeholders you are responsible to and focus on capturing data on those
- Target the projects and activities that are most aligned with your community strategy

The full B4SI guidance manual, which includes practical application of the Framework and examples of measurement in practice is available for B4SI client companies. If you would like gain access to this manual, please contact the B4SI Team on b4si@corporate-citizenship.com.

Companies in the network also have access to the B4SI Guidance Notes and a range of tools for planning and assessing community, and business impact.

Glossary

Cash contribution

A cash contribution is the gross monetary amount a company pays in support of a community organization/ project.

Cause-related marketing

Marketing activity that uses a connection with a community cause to promote product sales. These initiatives are often used by both commercial organizations and charities to enhance their profiles and to help achieve their marketing objectives.

Charitable gift

Charitable gifts tend to be reactive in that they respond to appeals for help either directly from charities or through requests from employees (including matched funding or payroll giving) or in response to short-term or one-off events.

Charitable purpose

There is no single internationally agreed definition of charitable purpose. Charity law in different countries outlines a number of main purposes which broadly recognized internationally as charitable (e.g. education, health, social welfare, arts/culture)

Commercial initiatives in the community

Commercial initiatives in the community are business-related activities, usually undertaken by departments outside the community function (e.g. marketing, R&D), to support the success of the company and promote its brand and other policies, that also deliver community benefit.

Community investment

Community investments tend to be more proactive and strategic than charitable gifts. They can center on a smaller number of larger-scale, longer-term projects and often run as a partnership with, rather than a donation to, a community organization.

Community program

The collection of individual community projects, activities or partnerships that together represent a businesses' CCI portfolio.

Community activity or project

An individual activity, project or contribution made, or supported, by a company.

Corporate Community Investment (CCI)

CCI broadly involves businesses' voluntary engagement with charitable organizations or activities that extends beyond their core business activities.

Impacts

Impacts are the changes that happen to individuals, organizations and the business in the short or longer-term, as a result of a community activity.

In-kind contribution

In-kind contributions are other non-cash resources to community activities. They can include donations of the company's products or services -or other corporate resources such as IT equipment, used furniture, meeting rooms or other space.

Inputs

Inputs are the resources (in cash, time or in-kind) that a company provides to support a community activity or activities.

Leverage

The measure of any additional resources contributed to a community organization or activity that come from sources other than the company.

Management costs

Management costs are costs that incur when making a community investment. These include the salaries, benefits and other overheads of community affairs staff along with research/communications spend if used to help the community engage with the company.

Mandatory contribution

Mandatory contributions are community activities which a company undertakes in response to the requirements of law, regulation or contract.

Outputs

Outputs are what happens as result of the resources that a company commits to a community activity (e.g. the activities delivered, numbers reached, funds raised etc.).




Social enterprise

Social enterprises are businesses that trade to tackle social problems, improve communities, people's life chances, or the environment. They make their money from selling goods and services in the open market, but they reinvest their profits back into the business or the local community. (Social Enterprise UK)

Time contribution

A time contribution is the cost to the company of the paid working hours contributed by employees to a community organization or activity.

Appendix 1: The B4SI Framework: Three Routes to Social Impact

	 INPUTS	 OUTPUTS	 IMPACTS
Community Investment Route <i>Donations to, and partnerships with community organisations</i>	How, Why, What, Where	Social Output Business Output Leverage	Social Impact Business Impact
Business Innovation for Social Impact Route <i>Developing or adapting core business activities for defined social impact</i>	Financial Investment Additional Resources	Social Output Business Output Leverage	Social Impact Commercial Return
Procurement for Social Impact Route <i>Diverting procurement spend to suppliers that aim to have a social impact</i>	Spend, Time, In-kind, Management Costs	Social Output Business Output Leverage	Social Impact Organisational (supplier) impact Business Impact

Appendix 2: Internal data collection tool (available to B4SI client companies)

Structured into inputs, outputs and impacts the internal data collection tool is a simple and consistent way to capture information in accordance with the B4SI Framework. If you would like access to these tools, please contact the B4SI Team on b4si@corporate-citizenship.com.

The screenshot displays the B4SI internal data collection tool interface, which is organized into several key sections:

- Company/Business unit:** A header section for identifying the reporting entity.
- About:** A section for providing general information about the activity.
- Inputs - How:** A table for recording the resources used, including cash contributions, staff time, and in-kind contributions.
- Outputs and Impacts:** A series of tables for recording the results of the activity, categorized into:
 - Community Outputs:** People, Organizations, and Leverage.
 - Business Outputs:** Tax, Sales, and Other.
 - Community Impacts:** Short-term and long-term impacts on the community.
- Summary results:** A section that automatically calculates and displays the following:
 - Reporting currency:** A dropdown menu.
 - Summaries:** A table showing the total value of contributions (including and excluding management costs) and the total value of contributions (excluding management costs).
 - INPUTS:** A table showing the breakdown of contributions by how (Cash, In-kind, Management costs), motivation (Charitable gifts, Community investment, Commercial initiatives), subject focus (Focus Area, SDG), and subject focus (SDG).

Appendix 3: Project assessment sheet (available to B4SI client companies)

The project assessment sheet enables companies to report inputs, outputs and impacts of individual activities/projects. The information can then easily be lifted into the internal data collection tool ensuring. If you would like access to these tools, please contact the B4SI Team on b4si@corporate-citizenship.com.

B4SI project assessment sheet

The objective of the project assessment sheet is to enable members to review an existing community activity. We recommend working with your community partners to answer, where relevant, the questions included in this sheet. This process can enable members to identify where measurement is taking place, understand where there are gaps in information and identify where there are opportunities for further assessment.

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	Detail	Example
A About the activity		
1	Activity name	Street children campaign
2	Name of beneficiary/partner organisation	Education Is Core
3	Activity description	Resources are supplied to help Education Is Core to provide street children with access to education and support to enable them to
4 Objectives:		
a	What does the project set out to achieve for the community?	Our goal is to help 500,000 children have access to education by 2015
b	What does the project set out to achieve for the business?	Improved wellbeing and skills from employees
5a	Start date (date contribution began)	01/01/2013
5b	End date, or end of this reporting period (if different)	01/12/2013
6	What is the driver for the contribution (BIC motivation category)?	Community Investment
7	Subject focus of activity	Education and young people
8	In which country does the activity take place?	United Kingdom
9	What currency are you reporting data in?	£ Sterling
5 Inputs: What you contribute		
Type		
1	How much cash was contributed?	1500000
2	Time: Number of employees involved in company time	50
3	Time: Total hours volunteered in company time	140
4	Time: Cost of the staff time contributed	3800

B4SI is managed by Corporate Citizenship

Corporate Citizenship founded LBG and we continue to manage the network and develop the Framework, now renamed Business for Societal Impact. Corporate Citizenship is a global consultancy and we are on a mission to harness the power of business to create a better future for everyone. We

work with companies to accelerate change towards a future where our society and planet can thrive. Corporate citizenship is more than just our company name. It is a statement about the role business should play in society.

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