

SROI Case Study- FRC Group

Verity Timmins, Impact Manager at FRC Group, highlights how SROI has been used at FRC.

What does your organisation do?

FRC Group runs social businesses that create profits and opportunities to change the lives of people living in poverty and unemployment. Social change is created through the training and work experience opportunities we provide for long-term unemployed people and others who are marginalised within the labour market, and through making great quality 'pre-loved' furniture available to low-income households so that they can furnish their homes, avoid expensive credit and improve their quality of life.

Why are you using SROI and has it been useful?

Since 1998 FRC Group has had a commitment to "proving it" - being transparent and responsive to the people that matter to us and to whom we matter – our stakeholders.

"Proving It" means publishing an annual report which tells the 'warts and all' story of FRC Group's work, successes and challenges. SROI is one of the tools that is used to measure FRC Group's impact. It is used to analyse the impact experienced by our trainees who were previously long-term unemployed and by our low-income shoppers who buy 'pre-loved' furniture.

SROI analyses have given us a greater understanding of the value of the impact we create. The SROI ratio and the data within the analyses have been very useful in opening up different types of conversations with our stakeholders and with our customers about the value we create.

Have you changed anything as a result of SROI?

The most significant benefit of the SROI studies has been the greater understanding it has given of how we can improve our performance and what are the really important factors in producing great outcomes for our stakeholders. An example is the greater insight it has given into how our training programme can be refined to increase the level of success for our trainees and therefore the overall impact of the programme. As a result of the data in the SROI studies we have made changes to how we run the programme. The SROI studies showed us where to focus our efforts to produce the best results.

What else did you learn?

Carrying out stakeholder engagement with the principles of SROI in mind has freshened up our approach. In the past our stakeholder engagement had been more focused on whether our organisational objectives were being achieved but through the SROI analyses we have done, our stakeholder engagement has been improved and refocused on the stakeholder's perspective.

Are you embedding it or repeating it?

FRC Group has an embedded impact measurement system which includes collection of data for our SROI analyses. We are developing ways of using SROI as a forecasting tool to establish social value creation targets to sit alongside the financial targets and budgets that are used to monitor the business.

What would you do differently next time?

We are still working on making the language and workings of SROI analyses widely understood within the senior team. The starting point was to focus on the benefits of an SROI analysis and now as we look to use the principles for forecasting and for scenario planning, there is a greater need for more people to understand how the ratio is created, and the factors which affect the ratio.