

Results: Measuring Return on Investment

This section provides a high-level view on the practices and methods corporations use to evaluate the effectiveness and results of their programs.

KEY FINDINGS IN THIS SECTION:

- A vast majority of companies are measuring social results and the number is on the rise.
- Measuring the business results of volunteering is much less common than measuring social results.
- Companies that measured results (business and/or social) in 2014 also increased their total giving.

LEVELS OF MEASUREMENT

STATE OF EVALUATION

In 2014, 84% (N=196) of companies reported that they currently measure the outcomes and/or impacts of their grants.

Logic Model



The number of companies who are measuring their outcomes and/or impacts, as well as the scope of this measurement, is growing. (See Figure 18.) It's important to consider best practices when expanding evaluation practices. For example, greater success is produced when companies work with nonprofit partners to set evaluation goals at the beginning of new partnerships, continually incorporate feedback from nonprofit partners, and set evaluation requirements that match the size and duration of grant.

BUSINESS RESULTS

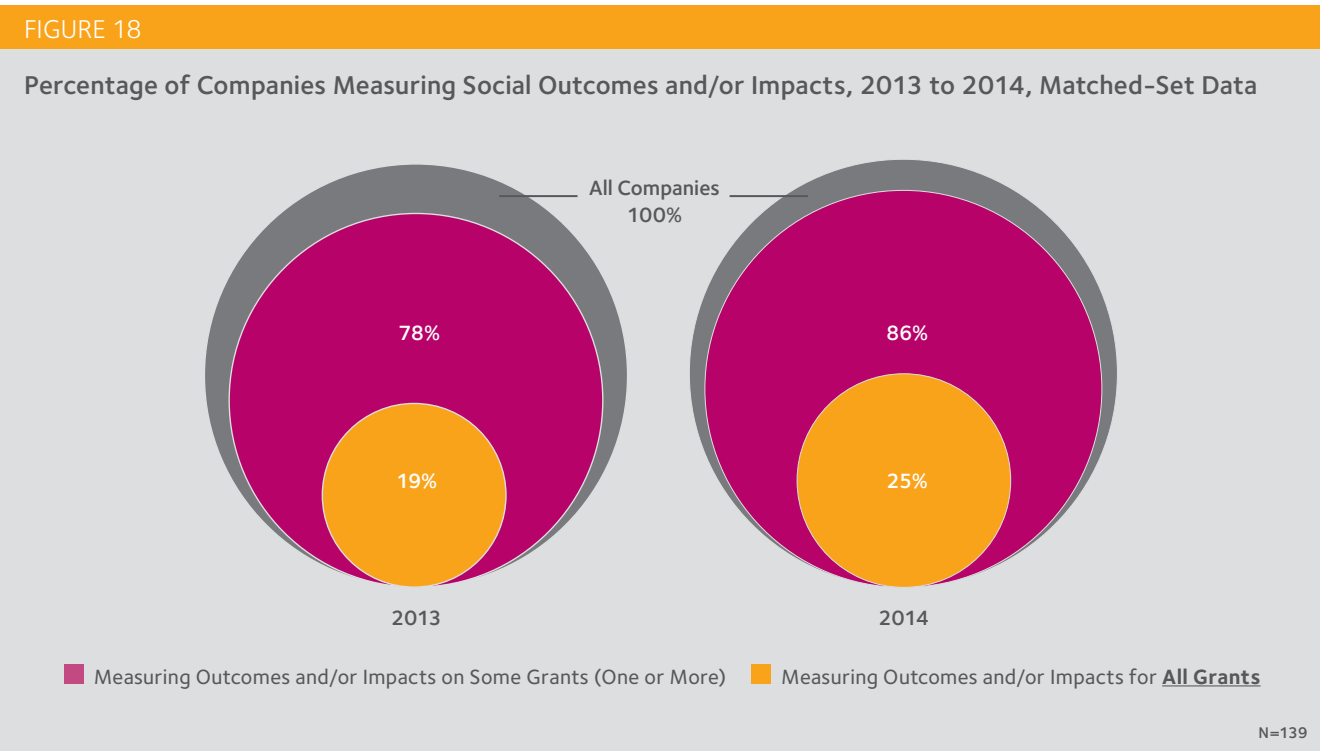
Delivering positive value for communities is often the central objective of corporate societal investments, promoting the growth of the social results measurement practice. Concurrently, societal engagement can also drive business value by enhancing brand recognition and reputation, developing human capital, mitigating risk (particularly in the supply chain), and informing the development of new products and services. Only 29% of respondent companies, however, indicated they are measuring the business value of volunteering (see page 19). Volunteering is only one example of multiple opportunities that exist to measure the business results of societal programs.

One strategy to increase business results measurement, not just for volunteering, could be to invite other departments (e.g. human resources) to assist with tracking and reporting on the business results of societal investments. Using this separation of responsibilities between departments would allow the societal engagement department to focus their performance on producing social results.

RELATED PUBLICATIONS

CECP's *Measuring the Value* (available free at cecp.co) is a comprehensive report compiling frameworks, tools, and research to support companies seeking to evaluate the results of their programs. Moreover, it espouses the value that all evaluation should be use-driven: Who will use the data? What decision will it drive? The report has three key audiences for results information: social sector or nonprofit partners, CEOs and other internal senior decision-makers, and the investor community.

Communicating a program's social impact can deliver increased customer loyalty, higher employee engagement, stronger relationships with influencers and regulators, and help to identify potential programmatic partners. The Conference Board's report *Communicating Social Impact* (available free at www.conference-board.org/philanthropy), finds that, among other things, a "master narrative" crystallizes the essence of your CSR commitment and engages and activates your stakeholders, and alignment of CSR communications into the business starts with the integration of CSR strategy into business strategy.



APPLICATION OF RESULTS

MEASURING RESULTS LEADS TO GROWTH

Companies use social results, often alongside compelling stories of impact, to make the strongest case possible to do more. As shown in Figure 19 below, companies that measured social results also increased giving from 2012 to 2014 at a rate of 18%. They increased giving even more when they measured also the business value of volunteering. When bearing in mind the growth trends noted on page 10, it's particularly interesting to observe that this "measuring" sub-set of companies from our matched set were behind the all-company medians in terms of total giving as a percentage of revenue in 2012, indicating that the proliferation of evaluation has supported delivering more social value through increased contributions. Internal decision-makers hold societal engagement departments to the same standard of proving value as they do other business units. Examples of impact are compelling, but quantitative results support the case for budget increases that ultimately can lead to an increase in social impact.

SUPPORT FOR MEASURING RESULTS

Figure 18 demonstrates that more companies are measuring outcomes and/or impacts, and Figure 19 proves one value of the practice: growth. Survey respondents were asked about the types of support companies offer grantees to measure results.

On average, out of 10 companies (N=177):

- › 5 do not provide support
- › 2 provide both cash and in-kind support
- › 2 provide cash support only
- › 1 provides in-kind support only

Corporate funders should first seek to understand the current state of measurement at their nonprofit partners before determining need for measurement-specific funding. If the nonprofit has limited or no measurement infrastructure, there may be a need for dedicated funding to scale up staff or technology. If both parties want an in-depth study of results, dedicated funding could go toward hiring evaluation experts. If the nonprofit already has significant measurement infrastructure, ongoing measurement expenses are more likely to be built into existing operational expenses.

HOW SOCIAL RESULTS ARE USED

For the first time this year, *Giving in Numbers* has data on how contribution teams are using their grantee partners' results data. The survey allowed companies to select multiple options covering internal and external uses. As previously recommended, the way data are used should be the driving force for how many (or how few) metrics grantee partners report to corporate funders. The top three most popular uses of data reported to companies by grantees and/or nonprofit partners were (N=179):

- › To monitor grantees to decide which grantees/partner to fund (91% of companies)
- › To demonstrate outcomes to internal stakeholders (84%)
- › To report publicly what our giving achieved (e.g., annual CSR report) (70%)

FIGURE 19

Changes in Total Giving as a Percentage of Revenue, Companies that Measure Results, Matched-Set Data

