



GivingForum

The Estée Lauder Companies UK & Ireland
Monday 18th September 2017

A Summary of discussions.

Discussion 1 - Guy Battle - Delivering Better Value for Society

Should we place a value on corporate social responsibility?

- Can we narrow it down just to a monetary amount - there are various methods for measuring impact such as time, opportunity cost, and jobs that are created. Would one amount be able to convey all these?
- If you do go down the value route, how do you do this easily, effectively, and more importantly consistently across a business but also in a manner in which you can compare it against others?
- Benchmarking is very important - and given how CSR has changed over the past 20 years, surely values will become normal measures in 20 years time.
- By having a value, we can attribute more measurable targets. However, this is not necessarily only useful in quantifiable terms. There is a need to qualify the data to give it more meaning. A number by itself may help to give a benchmark. But it is the colour and the narrative behind the number that can help give 'real dollar' terms of what the outcome actually does. It needs to be a combination of the two, a number that measures the impact that is coloured in by the back story. Both can give the true measurement of the value of CSR. In global industries, the measurements will have different significance.
- The value of a job in London, will differ from that in North East England, and even more if the job is provided in a village in Africa.
- Is putting a monetary value on corporate social responsibility the right thing to do?
- Should private businesses be bound by the Social Value Act at all?
- Measuring impact is not a straightforward metric. It won't be accurate because at present impact is often assessed subjectively even within the same company.
- What benefit will putting a hard figure on CSR bring? After all the figures calculated might not be any more convincing or bring any more value than the stories and narratives already being told.
- Corporate Social responsibility is such a wide sector, and various CSR programmes have different objectives and work towards tackling different issues. Some CSR programmes focus on particular SDGs, how would you place a value on these different social issues?

Discussion 2 - Sanjay Joshi - How to Think about impact

Question1: Which of these solutions might you adopt? a) Only fund rigorously assessed projects b) Fund expensive impact assessments c) Focus on funding research d) Ask about unit costs

As a donor, it would be hard to stomach the fact that the funds were going to pay for an impact assessment. Yes it would be beneficial for the charity in the longer term, but what if the charity is no longer around? How would the research hold its value? We all want our funds to make a difference to the end cause, and we want it to make a difference immediately, not in a year and certainly not in 10 years.

It would be nice to ask about unit costs, but not at the expense of the main aims of the charity. If you can find a project that has already been rigorously assessed and has a track record then that would be the best charity to back.

By funding expensive impact assessments you could be endangering the pure existence of the charity. Charities need the data, but when it comes to deciding whether budget is allocated to funding impact assessments vs funding day to day activities for the next X number of years, often decision makers go with the latter option.

By only focusing on funding research, we are deflecting funding out short term outcomes that charities do and can provide. Though, charities do need to go back and calibrate their output efficiency through research, we need to find a limit between the extent we cut off funding solely on outputs and funding on research. Otherwise the beneficiaries who are depending on such funding (regardless of its inefficiency) will come out at a loss.

Question 2: Can you think of any other solutions to these issues?

Another option is to only support micro charities in your locality and so you can physically see the benefits it is having on the community with your own eyes. Who knows if money donated has an impact on the other side of the world - so why send it there.

Give employees more data prior to making a donation. This way the employee/donor can be more informed as to where their money is going.

Perhaps the Charity Commission could be lobbied to provide an accurate measurement tool. Charities have to comply with their requests anyway so perhaps include it in their annual return.

Corporations working with long term charity partners could fund impact measurements assessments so that they align with their desired outcomes.

Question 3: What challenges would you face? How might you overcome them?

There is no clear cut solution. Maybe some low cost impact assessments could be devised.

Businesses need to talk to each other and highlight what is important to them. Some collaboration would be really useful.

Not all charities have the funding or knowledge to implement rigorously assessed projects. To be rigorous do we need a sample size in the 1000's? If so, much smaller charities' data would be considered valueless, and thus the output pointless. Is this not perhaps a cynical conclusion to all research done by charities without the means and knowledge of the larger NGO's?

Conclusion

As always, there were a number of differing opinions. Everyone thought impact measurement would be incredibly useful, but some participants thought that it would be impossible to achieve, as there are too many variables and it is highly subjective.

Others were keen to use a variety of tools to measure impact, not necessarily monetary, and then benchmark to ensure consistency.