

Applying Design Thinking to Create Impactful Corporate Social Responsibility Programs: A WIN-WIN for Social Enterprise & Corporate



Publisher

FSES
豐盛社企學會

Sponsor



香港特別行政區政府
民政事務局
Home Affairs Bureau
The Government of the Hong Kong Special Administrative Region



Applying Design Thinking to Create Impactful Corporate Social Responsibility Programs: A WIN-WIN for Social Enterprise & Corporate

Table of Content

CHAPTER 1	4
Good CSR Programs Contribute Positively to Corporate Performance	
CHAPTER 2	16
SPOT Analysis on the Cross-Over of Social Enterprise and CSR Program	
EXCURSUS	24
What is Social Impact Measurement (SIM)?	
CHAPTER 3	46
Apply Design Thinking to Formulate CSR Programs with Social Impact	
CHAPTER 4	56
Cases of SE and Corporate Cross-Over Programs Based on Design Thinking	
APPENDIX	76

Author Wong Ching Hung Eva; Kee Chi Hing and Kan Chung Kan Clara
Designer Fundamental
Sponsor Home Affairs Bureau, Hong Kong SAR Government
Publisher Fullness Social Enterprises Society Limited
Address Shop no.14, 1/F, Block 8, City Garden Shopping Centre, 233 Electric Road, North Point, Hong Kong
Email info@fses.hk
ISBN 978-988-77323-7-2

PREFACE

Applying Design Thinking to Create Impactful Corporate Social Responsibility Programs: A WIN-WIN for Social Enterprise & Corporate

Since 2015, Fullness Social Enterprises Society (FSES) has been publishing booklets to share practical management knowledge helpful to social entrepreneurship development. FSES has started to teach the HKU-SPACE Qualification Framework Level-6 course called Management for Social Enterprise since 2012. So far FSES have trained 10 cohorts of 156 students, of which 20 have successfully established start-up social enterprises (SEs) and 11 are holding management positions in SEs.

Some of the lecture materials on the current development of SEs in Hong Kong, on social impact measurement and on managing breakeven time are re-organized and published into booklets for public circulation in the last three years.

The purpose of this new booklet is to share how SEs can work more closely with corporations on corporate social responsibility (CSR) initiatives for WIN-WIN situation. The booklet aims at helping SE operators to apply design thinking in writing proposals to corporation and/or funders to seek their support. On the other hand, to facilitate CSR managers in corporations to write better CSR reports with solid social impact data while collaborating with SEs on CSR initiatives.

Wong Ching Hung Eva

Board Director, Fullness Social Enterprises Society Limited
Co-Founder, WEDO GLOBAL
Member, Commission on Poverty
Member, Social Innovation and Entrepreneurship Development Fund Task Force
Member, Community Care Fund Task Force
Member, Social Enterprise Advisory Committee, Home Affairs Bureau
Member, Radio Television Hong Kong Board of Advisors

Kee Chi Hing

Chair, Fullness Social Enterprises Society Limited
Adjunct Professor, School of Business, Hong Kong Baptist University
Member, Social Innovation and Entrepreneurship Development Fund Task Force
Member, Community Investment and Inclusion Fund Committee

Kan Chung Kan Clara

Board Director, Fullness Social Enterprises Society Limited
Member, Advisory Committee on the Enhancing Self-Reliance through District Partnership Programme
Senior Lecturer, Department of Marketing, Hong Kong Baptist University

Chapter 1

GOOD CSR PROGRAMS CONTRIBUTE POSITIVELY TO CORPORATE PERFORMANCE

The Social Context of Business Corporations

Back in 1950s, when investors invest in stocks of companies, the simple intention is to buy profit. Over time, the situation has become increasingly complex. Professional investors in capital markets are motivated by new and nuanced dimensions when making their investment recommendations and decisions. In fact, many investors now seem driven by non-financial interests as well as traditional financial ones.¹

As early as the 1900s, some socially conscious investors already avoided buying stock in 'sin companies', such as tobacco or gambling companies. The notion of socially responsible investing gained large-scale momentum in the 1980s and 1990s. An ever-increasing number of retail and institutional investors are now looking to incorporate social and environmental criteria into their investment decisions. Just making money is not enough to these 'social' or 'ethical' investors – they want to

'Do Good while Doing Well'. To reach these combined goals, there are new requirements on additional information disclosure from companies in which they are interested to invest.²

According to a research conducted by Holmes Report in 2016, 83% of professional investors are more inclined to invest in stock of a company well-known for its social responsibility, viewing such initiatives as an indicator of greater transparency, honesty in operations and financial reporting, as well as lower in investment risks.³ The added disclosure pressure has resulted in new company publications; corporate social responsibility (CSR) and sustainability development reports. As such, the shift from pure shareholder value focus to CSR focus has also provided new contexts and turfs for SEs to work with corporations to achieve mutually beneficial outcomes.

75%

of consumers likely to take some negative actions toward irresponsible companies—everything from social media postings to organizing boycotts.

83%

of professional investors are more inclined to invest in stock of a company well-known for its social responsibility, viewing such initiatives as an indicator of greater transparency and honesty in operations and financial reporting, resulting in lower risk.

79%

of full-time or part-time employed consumers believe their own employer is socially responsible, but only 41% believe all American companies are responsible.

A company that is seen as not responsible stands to lose as much as

39%

of its potential customer base, and 1 in 4 consumers will tell their friends and family to avoid a company seen as not being responsible.

Source: *The Holmes Report (2016, Dec 18). Investors See Benefits Of Corporate Social Responsibility.*

- 1 Galant, A., & Cadez, S. (2017). Corporate social responsibility and financial performance relationship: a review of measurement approaches. *Economic research-Ekonomska istraživanja*, 30(1), 676-693.
- 2 Miller, G., Dessain, V., & Sjoman, A. (2006). *When Investing and Social Objectives Meet*. HBS No. 9-106-043. Boston, MA: Harvard Business School Publishing.
- 3 The Holmes Report (2016, Dec 18). *Investors See Benefits Of Corporate Social Responsibility*. The survey asked 1,400 respondents (100 CSR executives, 100 investment professionals, and 1,200 American consumers aged 18 years and older) about their thoughts regarding various aspects of CSR. Retrieved from <https://www.holmesreport.com/research/article/investors-see-benefits-of-corporate-social-responsibility>

Corporate Social Responsibility – A Brief Timeline

It is commonly believed that the concept of CSR first begins to take shape in the 1950s and becomes a popular term in the 1960s and beyond. It is a form of corporate self-regulation integrated into a business model. CSR policy functions as a self-regulatory mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards and national/international norms.⁴

In 1960s and 1970s, Milton Friedman argues that social responsibility adversely affects a firm's financial performance and that government regulations will always damage the macro economy.⁵

In 1987, UN defined “sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”⁶

In 1994, John Elkington identified the newly emerging cluster of non-financial considerations which should be included in the factors determining a company's equity value. He coined the phrase of “triple bottom line” referring to the financial (profit), environmental (planet) and social factors (people) that should be included in the new calculation.⁷

In the early 2000s, Milton Moskowitz finds that corporate governance, stakeholder relationship and labor practices increase a company's ease of recruitment and brand reputation.⁸

In 2005, UN publishes a report that integrates ESG issues into investment analysis but it is arguably part of their fiduciary duty to do so.⁹

In 2010, ISO26000 Guidance on Social Responsibility, not tied to certification, is launched.¹⁰ The guidance holds that it is the responsibility of an organization to make ethical and transparent decisions when conduct activities on society and the environment.

In 2011, Alex Edmans, a Warton professor, finds that the 100 Best Companies to Work For outperformed their peers in terms of stock returns by 2-3% a year over 1984-2009 and delivered earnings that systematically exceeded analyst expectations.¹¹

The social context of the business is about interacting with the larger society. The evolvement of CSR over the years eases the dilemma on the emphasis of profit and/or social impact. Supporting social enterprises is one of the many accepted ways to exhibit CSR efforts for share value creation.

4 Fontaine, M. (2013). Corporate social responsibility and sustainability: the new bottom line? *International Journal of Business and Social Science*, 4(4), 110-119.

5 Friedman, M. (1970, September 13). The social responsibility of business is to increase its profits. *New York Times Magazine*, 32-33, 122-124.

6 WCED. (1987). *Our Common Future*. (Report of The World Commission on Environment and Development). Oxford and New York: Oxford University Press

7 Elkington, J. (2018, June 25). 25 Years Ago I Coined the Phrase “Triple Bottom Line.” Here's Why It's Time to Rethink It. *Harvard Business Review Digital Articles*, 2-5.

8 Moskowitz, M. & Levering, R. (2011, January 20). Best Companies To Work For 2011. Beyond perks: Lessons from tracking the “100 Best”. Retrieved from http://archive.fortune.com/2011/01/19/news/companies/best_companies_history.fortune/index.htm

9 Deringer, F. B. (2005). A legal framework for the integration of environmental, social and governance issues into institutional investment. Written for the Asset Management Working Group of the UNEP Finance Initiative.

10 Frost, R. (2011, March 9). ISO 26000 Social responsibility - The essentials. Retrieved from <https://www.iso.org/news/2011/03/Ref1558.html>

11 Edmans, A. (2011). Does the stock market fully value intangibles? Employee satisfaction and equity prices. *Journal of Financial economics*, 101(3), 621-640.

Formulating Better CSR project and Articulating Social Impacts

According to the meta-analysis by Orlitzky, Schmidt and Rynes,¹² there is a positive relationship between Corporate Social Responsibility (CSR) and Corporate Financial Performance (CFP) across industries. The meta-analytically determined true score correlation (ρ) was +0.36. The return on reputation from CSR appears to be good predictors of CFP. On the other hand, the correlation effect between environmental responsibility and CFP is significantly lower.

According to a global survey conducted by McKinsey & Company,¹³ the perceived importance and benefits of environmental, social, and governance (ESG) programs are soaring.

Ways in Which ESG Programs Improve Companies' Financial Performance

	% of opinion from 45 CFOs	% of opinion from 91 investment professionals
Maintaining a good corporate reputation and/or brand equity	79%	75%
Attracting, motivating, and retaining talented employees	52%	55%
Meeting society's expectations for good corporate behaviour	43%	30%
Improving operational efficiency and/or decreasing costs	39%	29%
Developing new opportunities for growth	35%	36%

Adapted from McKinsey Global Survey: Valuing corporate social responsibility

¹² Orlitzky, M., Schmidt, F.L. & Rynes, S.L. (2003). Corporate social and financial performance: A meta-analysis. *Organization studies*, 24(3), 403-441.

¹³ Bonini, S., Brun, N. and Rosenthal, M. (February 2009). *McKinsey Global Survey: Valuing corporate social responsibility*. McKinsey Quarterly. McKinsey & Company. Retrieved from <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/valuing-corporate-social-responsibility-mckinsey-global-survey-results>

Effect of ESG Programs on Organization's Shareholder Value in Typical Times

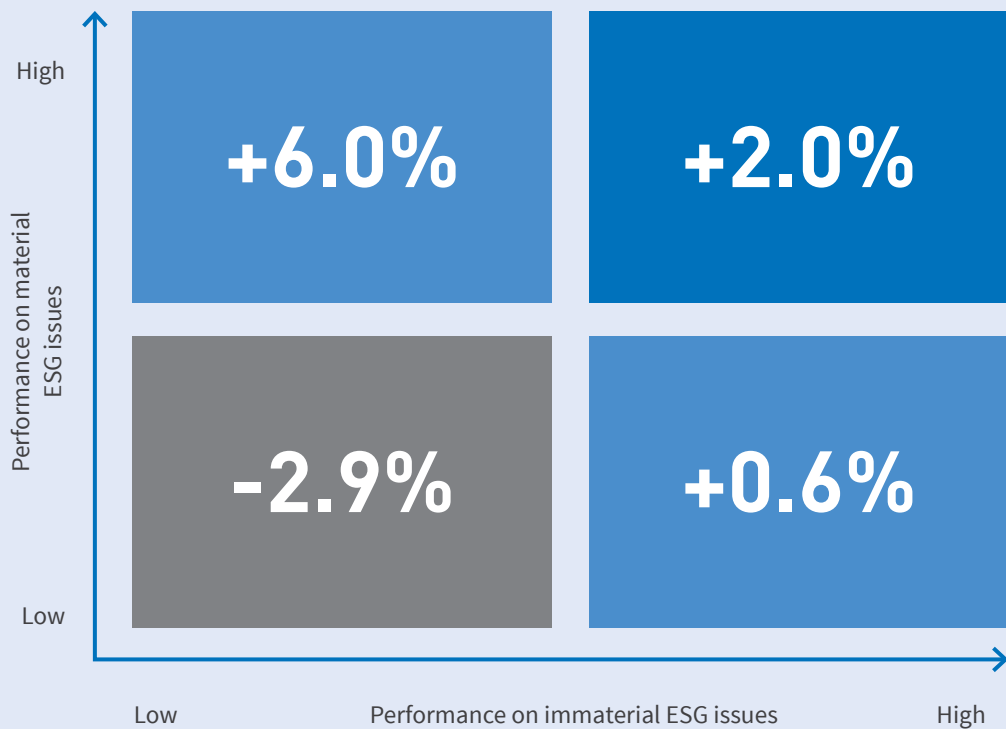
	Adds Value	No Effect	Reduces Value	Don't Know	Remark
% of opinions from 84 CFOs	51%	21%	6%	22%	Average Value-Add 3.5%
% of opinions from 154 investment professionals	56%	10%	7%	27%	Average Value-Add 4.8%

Adapted from McKinsey Global Survey: Valuing corporate social responsibility

Another study from McKinsey and Company finds that companies address material ESG issues and ignore immaterial ones outperform those that address both material and immaterial issues by 4 percent. These companies also outperform companies that address neither by nearly 9 percent.¹⁴ The study is based on data from 1992 to 2012 on companies' ESG performance across 45 industries in six sectors.

A Focus on Material ESG Issues Drives Greater Returns

Effect on financial returns of investors' treatment of ESG issues



Adapted from McKinsey Quarterly Study - Sustaining sustainability: What institutional investors should do next on ESG.

High performance on relevant ESG issues and low on irrelevant: +6.0%

High performance on both relevant and irrelevant ESG issues: +2.0%

High performance on irrelevant ESG issues and low on relevant: +0.6%

Low performance on both relevant and irrelevant ESG issues: -2.9%

¹⁴ Bailey, J., Klempner, B. and Zoffer, J. (June 2016). *Sustaining sustainability: What institutional investors should do next on ESG*. McKinsey Quarterly. McKinsey & Company. Retrieved from <https://www.mckinsey.com/industries/private-equity-and-principal-investors/our-insights/sustaining-sustainability-what-institutional-investors-should-do-next-on-esg>

A study from Nielsen market research group finds that the percentage of people who are willing to pay more for socially/environmentally responsible products are increasing: 50% in 2013, 55% in 2014, and 66% in 2015.¹⁵ Other researches are also indicating that “prosocial motivation is a cause to guide customers’ attitude and evaluation of the service quality that impact future repurchase intentions”.¹⁶

A corporate that is serious in its CSR efforts shall make sure its programs are targeted. Best if the CSR programs are linked to the values/process of its core business. Pet projects will not help and are not likely to sustain. For example, a retail bank may have projects on training, coaching and supporting entrepreneurs to start up small or medium business.

On the other hand, a corporate shall try to integrate its CSR efforts into the corporate DNA and make sure that it is going to be there for long term. For example, Dell set a 2020 target back in 2013. Toyota has an environmental mission stretching all the way to 2050.

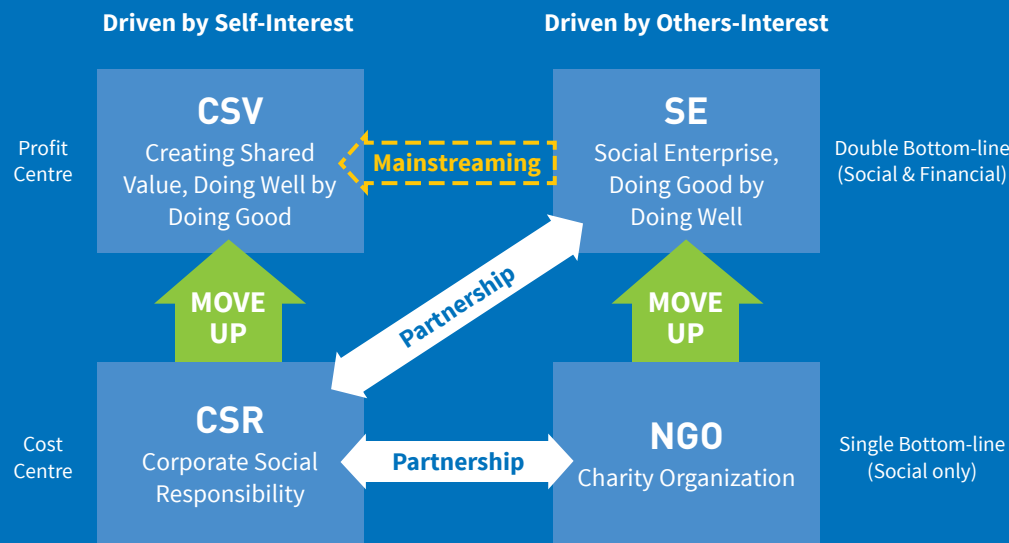
Efficient corporate communications help to take corporate CSR efforts to new heights. By engaging with stakeholders, both internal (management and staff alignment) and external (consumers), CSR can become a strong selling point¹⁷ that helps the preaching of corporate values. It is quite likely that corporates could be rewarded for CFP.

¹⁵ Wicks, J. (2018) *The Price of Profit: Rethinking Corporate Social Responsibility*, UK: Jason Wicks, p.27.

¹⁶ Wicks, J. (2018) *The Price of Profit: Rethinking Corporate Social Responsibility*, UK: Jason Wicks, p.150-151.

¹⁷ Chui, L.M.S., Francesco, A.M. & Zheng, Y. Y. (2018). *The Missing Link in Understanding Customer Loyalty in Ethical Consumption: A Social Cognitive Perspective of the Prosocial Motivation-Loyalty Link*. 2018 World Business Congress of the International Management Development Association.

Relationship among NGO, SE, CSR and CSV¹⁸



During the early development stage of SE, a frequently asked question is ‘how to differentiate an SE and from companies with strong CSR?’ The answer is an authentic SE will prioritize social value creation ahead of profit, but a company will not. This is shown in the diagram above by the heading of ‘Driven by Self-Interest’ and ‘Driven by Others-interest’.

Both SE and CSV are hybrid business concepts within organizations which put considerable emphasis on double bottom-lines. They are more sophisticated as they have to self-help first then help others to self-help. On the contrary, NGO and CSR rely more on funding or donation which are outside their control.

There are two types of CSV companies. The first type of companies are those originally very successful SEs and gradually make room to strengthen the mainstream business. This could be described as changing from Others-Interest to Self-Interest. The second type of companies are those evolve from CSR efforts to CSV by creating additional and significant benefits to the company’s mainstream business.

CSR managers who want to have more resources and influence in the company should consider how to create and express incremental value. At present most Sustainability Reports or CSR Reports from the listed companies in Hong Kong are showing compliance to rules rather than working to create a stronger correlation to the long term benefit to the company’s business.

¹⁸ Creating shared value (CSV) is a business concept first introduced in 2006. Porter, M. E., & Kramer, M. R. (2006). The link between competitive advantage and corporate social responsibility. *Harvard business review*, 84(12), 78-92.

Social Enterprise as a transitional vehicle to Creating Shared Value (CSV)

Michael Porter argues that the common view of “economic and social objectives are distinct and often competing” is a false dichotomy because it represents an increasing obsolete perspective. Companies do not function in isolation from the society around them. The more a social improvement relates to a company’s business goals, the more it leads to economic benefits.¹⁹ He further asserts that corporations can benefit from strategic philanthropy by improving their competitive context and that society benefits because the corporation’s assets and expertise are used in highly effective ways to address important social problems.²⁰

He further suggests that social entrepreneurship is an important transitional vehicle towards CSV and a capitalist system in which meeting social needs is not just a peripheral activity but a core aspect of every business.²¹

The shared value concept is publicly echoed in an address by the former Financial Secretary of Hong Kong in 2016. The Financial Secretary says that the Social Innovation and Entrepreneurship Development Fund (SIE Fund) set up under the Commission of Poverty seeks to promote a ‘Creating

Shared Value’ (CSV) initiative and is encouraging established enterprises to rethink the way that they operate and seek new opportunities for business growth by addressing social needs. It is believed that great synergy existed in the cross-fertilization between social entrepreneurs and the growing body of technology-savvy talent in coming up with innovative ways to address our social issues.²²

The relationship between business objective and social good contribution can take on multiple/different forms depending on what the firm values most and whether these goals are mutually supportive or conflicting. The range of options listed below is an extract from a recent scholarly article from INSEAD Knowledge. The options spread across a continuum, from organizations with an emphasis on profit to those with an emphasis on social welfare contribution.²³ Corporates which are sure about their business purposes and objectives will understand the related possibilities to work with SEs. Equally, SEs can also make reference to this taxonomy to propose an optimum/long-term cross-over relationships to corporate partners proactively.

¹⁹ Porter, M. E., & Kramer, M. R. (2002). The competitive advantage of corporate philanthropy. *Harvard business review*, 80(12), 56-68.

²⁰ Austin, J.E., Childress, S.M. & Reavis, C. (Rev 2003, October). The Harvard Business School Social Enterprise Initiative at the Ten-Year Mark. HBS No. 304-042. Boston, MA: Harvard Business School Publishing.

²¹ Driver, M. & Porter, M. (2012). An Interview with Michael Porter: Social Entrepreneurship and the Transformation of Capitalism. *Academy of Management Learning & Education*, 11(3), 421-431.

²² The Government of the Hong Kong Special Administrative Region. (2016, September 22). Speech by FS at opening ceremony of Philanthropy for Better Cities Forum [Press release]. Retrieved from <https://www.info.gov.hk/gia/general/201609/22/P2016092200335.htm>

²³ Smith N.C. & Lankoski, L. (2018, June 19). *Balancing Profit and Social Welfare: Ten Ways to Do It*. INSEAD Knowledge. Retrieved from <https://knowledge.insead.edu/responsibility/balancing-profit-and-social-welfare-ten-ways-to-do-it-9421>

TWO CSV CASES IN HONG KONG

FIMMICK demonstrates how an innovative CSR program can create shared value that both the community and the company be benefited.

SHARING KITCHEN is an SE with its operations based on sharing economy principles, demonstrates how to facilitate restaurants to create share value that both benefit the restaurants and the grass-root women to earn income from their products.

Fimmick – CSV through the Promotion of the City’s Traditional Craftsmanship

In 2017, Our Hong Kong Foundation (OHKF)²⁴ organized a competition on CSV. There are four finalist corporations. Three of them are local large corporations and listed companies who have conducted very good CSR projects. Although those projects could generate incomes, the amount is insignificant to their mainstream business. Furthermore, it is not obvious that the income generated can cover the costs of the CSR projects. On the other hand, a medium-size digital marketing company – Fimmick – showcases an innovative CSR endeavor that has created new shared values for the local community.

Fimmick supports the founding of an SE – Eldage – by one of its intrapreneur, Joyce Leung, who is also the Corporate Affairs and Marketing Manager of Fimmick. Eldage capitalizes on the digital marketing competence of the mother company to promote the value of traditional handicraft business of Hong Kong. Businesses that emphasize craftsmanship such as engraving Ma Jong tiles, making neon lights, building bird cages, and producing of mini-bus destination plastic plates are promoted extensively through the digital channels.

The social mission of Eldage is to build a bridge between artisans and the younger generation.

According to Joyce, “It is inevitable that old practices are supplanted by new technology and that traditional industries are forced to phase out as a result. However ironic, such neglected culture can be again displayed and remembered as an important chapter of our city via digital platforms. That is the reason we come up with the idea to start a Facebook page to re-create the stories of local artisan masters through text, photos and videos. We believe that the effort helps to create a new lens for youngsters to explore the culture behind these handicraft.” The Facebook page has attracted more than 33,000 followers since 2016.

There are two types of marketing activities stemming from Eldage. First is the reselling of the traditional handicrafts through on-line e-commerce platform. Second is organizing of workshops engaging the artisan masters as trainers to teach the craftsmanship. Though the income generated for these masters is not much, they enjoy these opportunities to share their craftsmanship skills and earn the respect from the learners. Eldage does not make much profit from this SE, but it earns many awards and media exposure. The reputation brings substantial new businesses to Fimmick as the mother company.

²⁴ Our Hong Kong Foundation (OHKF) is a Hong Kong non-profit organization with a mission to promote the long-term and overall interests of Hong Kong through public policy research, analysis and recommendation. Pooling together local, mainland and international talent, the Foundation studies Hong Kong’s development needs, offering multidisciplinary public policy recommendations and solutions to foster social cohesion, economic prosperity and sustainable development. Retrieved from: <https://ourhkfoundation.org.hk/en/node/36>

Sharing Kitchen – Facilitate Participation of Six Restaurants to Create Shared Value

Sharing Kitchen²⁵ is an SE that advocates sharing economy, work integration and community inclusion. Sharing Kitchen was set up in April 2016 and is the first SE of its kind in Hong Kong.

The SE proposes to let out-of-job housewives to use the facilities of restaurant kitchens to prepare original and sumptuous food items to sell through the restaurant networks. Its business model optimizes the usage of restaurant kitchens during the down-time between lunch and dinner, borrows the existing food license advantage, leverages customer source and selling channels.

The shared value in its model of sharing economy is not only confined to SE operators and facilities owners, it also includes the under-privileged beneficiary groups. Sharing Kitchen pilots its operation after receiving HK\$0.7 Million from Social Innovation and Entrepreneurship Fund (SIEF) and Oxfam and achieves breakeven within 12 months. In the 21st month, it received HK\$ 7 Million grants for scaling-up to a Co-Cooking project. It is one of the six recipients of the Outstanding Social Enterprise Awards in 2017.

During that 21 months, it has 44 media coverage including Financial Magazine in TVB Jade Channel and in RTHK and numerous mass media. Based on conservative calculation, the equivalent advertisement value was at least HK\$ 4.4 Million.

On top of the reputational capital gain, from the government point of view, the media coverage can also be considered as public education. The messages include:

- The grass-root single mothers have untapped potentials. With a proper condition they can realize their cooking skills to earn good income for their family and enhance their self-esteem.

- The six restaurants letting out their kitchens for sharing are also covered by the media. They are important players in contributing to poverty alleviation while achieving revenue gain. It is a good example of creating shared value by small-medium enterprises.
- To the general public, Sharing Kitchen demonstrates that sharing economy can happen without information technology. The necessary element is innovative mind, not technology.

The SROI of the public education is HK\$ 4.4 Million divided by HK\$ 0.7 Million. That is 629%.

The SROI of the workfare to the single mothers is HK\$ 0.8 Million divided by HK\$0.7 Million. That is 114% over 21 months. To annualize the number, it is 65%/year, higher than the 50%/year of the average SROI of SEs in Hong Kong.

²⁵ Sharing Kitchen 「共廚家作」 <https://www.facebook.com/sharingkitchen/>

Chapter 2

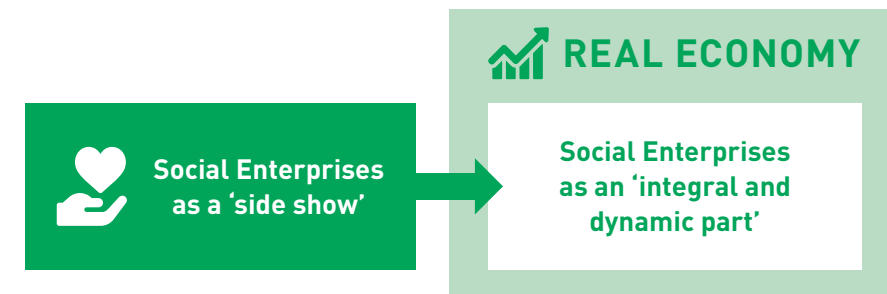
SPOT ANALYSIS ON THE CROSS-OVER OF SE AND CSR PROGRAM

There are certain innate issues with the current corporate CSR efforts per se that may hinder the effective cross-over with social entrepreneurship. A closer look at the promising conditions as well as the rusty side of the play referencing scholarly views and global practices helps to ascertain an unbiased perspective.

Strengths

Social Entrepreneurship as a Government Supported Initiative

Back in 2002 in UK, Patricia Hewitt, the former Minister of Department of Trade and Industry, wrote "...the realities of a 21st century economy mean that social and environmental issues should be increasingly viewed as commercial opportunities, and drivers of business success, rather than as threats. Social enterprises are dynamic, progressive businesses that we can all learn from. I want to ensure that we do more to encourage, grow and sustain social enterprises – to ensure that social enterprise is not seen as a 'side show' to the 'real' economy but rather an integral and dynamic part of it."²⁶



In Hong Kong, the number of SEs is estimated to be 701²⁷ in June 2018. Based on a Facebook research conducted by digital marketing agency Fimmick, there are about 60,000 people (about 1% of Hong Kong population aged over 20) who actively searched on social enterprise related news in 2016.²⁸

²⁶ Great Britain. Department of Trade and industry. (July 2002). *Social Enterprise: a strategy for success*. Social Enterprise Unit.

²⁷ By end 2017, there are 654 entries listed in the SE Directory published by Hong kong Council of Social Services. It represents a 7.2% growth from 2016. Based on a linear projection, there should be 701 SEs by June 2018.

²⁸ In a 2016 seminar co-organized by Fimmick and FSES, Willy Lai, Co-Founder & CEO of Fimmick Limited demonstrated the power of digital marketing by using only a few minutes to find the number.

With the addition of new SEs from the Social Innovation and Entrepreneurship Development Fund (SIE Fund), the three SE-related government funds²⁹ provide seed money to about 70 new SEs per year.

Reputational Capital and Media Exposure

Brand building is another key success factor for a business to thrive in sales and profit margin. A strong brand generates reputational capital³⁰ through media exposure. There are quite a few widely accepted distinct advantages of a strong brand: easy recognition, low perceived risk, less price sensitivity, higher customer loyalty. Corporates that are able to build authentic brand stories on CSR efforts is convincing to consumers who aligned with their values of making the society or the world a better place. The Fimmick and Sharing Kitchen cases mentioned earlier are good examples illustrating reputational capital in the local context.

The opposite effect of negative reputational capital can be illustrated by the case of Perrier in the 1990s. Perrier was once the leading sparking water brand in the US, holding 80% of the US imported bottled-water market and close to 6% of the total bottled-water market.³¹ In 1990, benzene was found in the bottled water sold in South Carolina and the company recalled 70 million bottles in the US and Canada while claiming that it was an isolated incident. When similar contamination was discovered by Danish and Dutch officials, the company performed a worldwide recall and claimed that benzene naturally occurred in the

CO2 that made its water “sparkling” and was usually filtered out. Perrier experienced a substantial market share lost and share price drop because of the incident. Six years later, Perrier’s sales was still at only one-half of its 1989 peak, and the company had to spend large amounts of money on increased advertisement, free samples, and other marketing and promotional expenditures in an attempt to recover its market share.³²

Businesses with a recognizable socially responsible reputation appeal to the public and differentiate themselves from competitors. Yet the CSR claim has to be authentic. If consumers find out that it is just a marketing gimmick after all, it would be a tough task to turn around the perception of skeptical consumers.

²⁹ Enhancing Employability for People of Disability through Small Enterprise Project (3E) from Social Welfare Department; and Enhancing Self-Reliance through District Partnership Programme (ESR) from Home Affairs Department.

³⁰ Jackson, K. T. (2004). *Building reputational capital: Strategies for integrity and fair play that improve the bottom line*. Oxford University Press.

³¹ Greenhouse, S. (1988, October 30). Perrier’s New American Assault. *The New York Times*. Retrieved from: <https://www.nytimes.com/1988/10/30/business/perrier-s-new-american-assault.html>

³² Caesar-Gordon, A. (2015, October 28). Communications Case Study: Lessons to learn from a product recall. *PR Week*. Retrieved from <https://www.prweek.com/article/1357209/lessons-learn-product-recall>

Problems

A recent assignment exercise for a group of master level students is used here to illustrate the current problem situation of corporate CSR articulation and reporting.

In 2017, Fullness Social Enterprises Society (FSES) conducted an analysis on 20 Sustainability Reports with findings as follows:

1 Social Impact articulation in simple numeric forms

Many reports lack the articulation of impact in numbers, especially when revealing efforts related to community involvement. The reports may explain in great length why the company’s presence has made a difference. However, the biggest problem is the inconsistent use of data and numbers. There are usually some numbers in certain parts of the report only. It makes people reading the report skeptical about the parts that are not provided with numbers.

2 Scholarship amount

When the granting of scholarship is mentioned, many reports do not state the exact amount.

3 Charts

Many charts are presented in a misleading way with the scale not starting at zero.

4 Sustainability

Many reports explain that the reason of CO2/energy/water consumption increases are just referring to the increase in corresponding scale of operation. Usually no per unit number is provided. This makes people suspect that even per unit consumption has increased, which may not be true.

5 Volunteering

Many reports do not clearly state the perimeter of their statistics. For example, one of corporations does not state since which year it has started counting the volunteer hour. These types of ambiguity reduce the credibility of the report.

6 Fact or Prediction

Sometimes it is hard to tell whether a number is a fact or just a prediction/appropriation. For example, a new system can reduce energy consumption by XXX in one year.

7 Awards, Recognitions, Milestones

For sustainability efforts rendered, many companies try to use awards/certificates/recognitions as evidence to support their work. However, they do not explain the relative standards behind these achievements. More importantly, it is seldom explained how these achievements could be translated into numbers.

8 Eco-friendly

Many companies emphasize how employees are encouraged to be eco-friendly in the office but they do not explain whether there are measures in place to make employees comply, or the magnitude of change/improvement over time.

9 Good Example: Cathay Pacific (CX)

CX has done a good job to frame good reports but many others have not done enough to contextualize their number.

10 Lack of Evaluation

Even when numbers and results are provided for the actions taken, there is a lack of evaluation/benchmarking in how good or not good enough the results are in relative terms. This is a crucial problem because a number is insufficient to explain why the related actions/involvements are significant and irreplaceable. Honest evaluations project the heart and soul to a report. (Closest example is Hong Kong and Shanghai Hotel Group as it shows a sense of candidness.)



Exercise:

Brainstorm the possible areas of improvement and substantiate with solid arguments?

The lack of social impact measurement and value articulation in many Hong Kong companies is just the tip of the iceberg. The fact of the matter is the lack of yardstick data which can illustrate the monetized value of the community investment, like the Social Value Bank³³ in UK. The ability to represent the social contributions in monetary term helps corporates to make decisions on their CSR efforts and focus.

Strengthen Social Entrepreneurship Cross-over with CSR

It is indeed intriguing to understand the possible reasons behind the different shapes of ambiguities listed above. If SE operators, in collaboration with corporate CSR initiatives, could expressively bring the CSR contributions and impacts upfront, it would be highly beneficial to a sustainable long term relationship. And in turn, it would commendably turn problems into opportunities.

SE is a hybrid organization using business skills as a means for achieving social mission. Quite a lot of them will measure and report their social impacts including benefits to the socially disadvantaged and the volunteer hours. On the other hand, most NGOs only report their outputs instead of impact in their annual reports.

Opportunities

Social Entrepreneurship as a Tool for Poverty Alleviation and Capacity Building

In 2010 Cameron rolled out ‘The Big Society’ initiative in UK. The core element of the initiative was to promote and enable social entrepreneurs to take up more social welfare responsibilities while the government could reduce the welfare budget in the post-financial tsunami period. However, there was strong resistance to the initiative. One of the reasons was that the UK government could not argue the potential benefit of the initiative with evidential hard numbers because the information was not collected and the government did not have them.³⁴

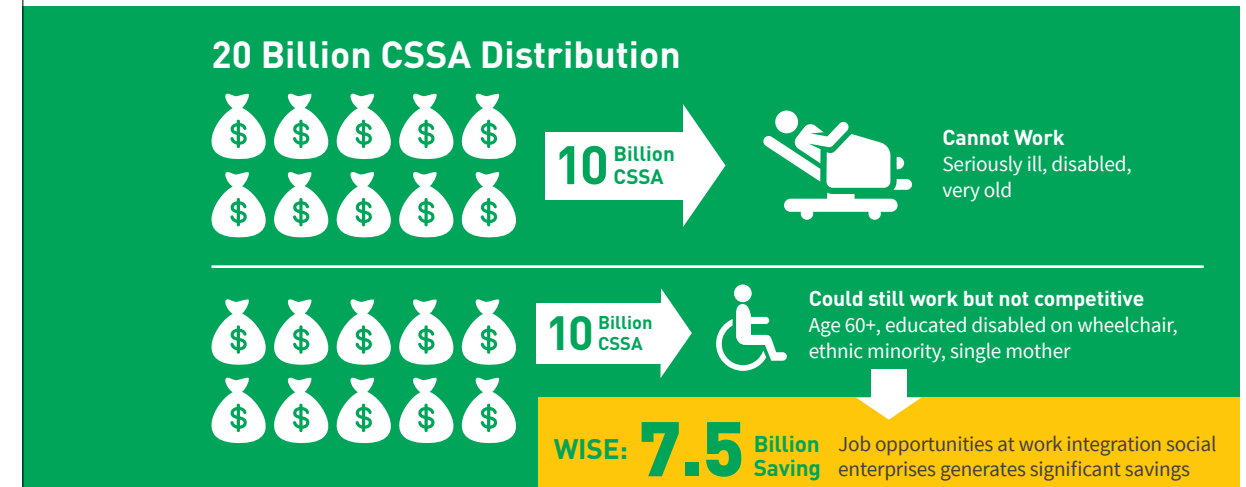
In Hong Kong, every year the government provides around HK\$20 Billion to about 500,000 applicants of Compre-

hensive Social Security Assistance (CSSA) Scheme. About half of the provision (HK\$10 Billion) is given to CSSA applicants who do not have the ability to work (examples: children, the very old elderly, seriously disabled or long-term sick). The other half of the provision is given to applicants who have the ability to work but not competitive in the job market (example: out-of-job young-old segment aged 60 or above but still very healthy, the educated disabled but on wheelchair, the ethnic minorities who neither speak nor write Chinese, the single mothers who have to take care of young children and could only work from 10am to 3pm when the children are at school). If all of these applicants

³³ Trotter, L., Vine, J., Leach, M., & Fujiwara, D. (2014). Measuring the social impact of community investment: a guide to using the wellbeing valuation approach. HACT: London, UK. p. 14-15

³⁴ Kee, C.H., Kwan, C.H. & Kan, C.K.C. (2016). Comparing the Key Performance Indicators of the Social Enterprise Sectors among Hong Kong, United Kingdom, and Korea, HK: FSES, p.65-66.

can work in Work-Integration-Social Enterprise (WISE), then theoretically only HK\$2.5 Billion is needed because the cost-effectiveness of WISE is four times³⁵ of the CSSA. There could well be a saving of HK\$7.5 Billion per year.



The WISE empowers the socially disadvantaged by building their capability, expanding their social network, and generates workfare for their work. These human/social/financial capitals enhance their self-confidence. CSSA does not have these empowerment effects.

Corporate CSR efforts and resources can be regarded as enablers to further facilitate WISE empowerment to the socially disadvantaged beneficiary. Apart from simple donation, corporate CSR intervention can be very creative and can take many forms. To name a few:

(i) Simple procurement that generate business revenue to SEs;

- (ii) Interactive activities using the expertise of the SE beneficiary groups, at the same time to understand and connect with them;
- (iii) Creative volunteering opportunities for staff with procurement and interactive activities;
- (iv) Creating shared value by incorporating the SE beneficiary’s work into the business function.

The list above is of course far from exhaustive. Ample opportunities exist if there could be effective dialogue and exchange between corporates’ CSR management and SE operators. It is essential that stakeholders at both ends are proactive enough to look out for prospects of bridging.

³⁵ Ditto

Threats

The mounting pressure to dress up CSR as an iconic discipline adhered to the core business initiative and at the same time contribute to the delivery of positive impact is easier said than done.

CSR is not a mandated practice for Corporates. When trying to embrace the broad vision of CSR, CSR programs are often initiated and run in an uncoordinated way by a variety of internal managers, frequently without the active engagement or blessings of the senior management.³⁶ Poor coordination and a lack of logic connecting various programs could hamper the expected/well-intended social impact.

There are also some common deficiencies on the SE side. First, it is hardly an easy task for small scale SE operators to share the business world view of corporate CSR executives and vice versa. It is a challenge to enable both ends to speak

in the same language. Business mindset coaching and training is inescapably necessary to improve the dialogue.³⁷ A platform to facilitate regular bridging and dialogue between SEs and corporates is non-existent. Although there are periodically held events for such exchange, there is a lack of systematic approach in place and thus rendering such bridging efforts mostly piecemeal. It is totally rested in the capable hands of individual SE operators to develop creative/innovative solutions to make it happen. The ability for the SEs to supply their products in abundance to corporates is another challenge. The limited operation/production capacity is sometimes a hindrance to growth and sustainability to some SEs.

³⁶ Rangan, K., Chase, L., & Karim, S. (2015). *The truth about CSR*. Harvard Business Review, 93(1/2), 40–49.

³⁷ A collection of 14 one-page corporate pitch summaries are included in Appendix (I) of this booklet. It is the result of three capacity building training sessions to over 20 SEs, as one of the core initiatives of Tithe Ethical Consumption Movement (TECM) 2018 in Hong Kong.

SPOT Analysis on How SE can help CSR

STRENGTHS

Compared to NGO Sector in Hong Kong:

- The SE sector is leading in **Social Impact Measurement (SIM)**, including Social Return on Investment (SROI), and the adoption of **Design Thinking** to generate new products
- The SE sector is more proficient in getting **media exposure** and recruiting **knowledge volunteers**

OPPORTUNITIES

With SIM data, CSR managers can identify projects with better **cost-effectiveness**:

- The projects can cover more beneficiaries
- The same benefits to more participants with the same amount of funding

SEs can play the role to guide CSR efforts to **transit into CSV** projects

PROBLEMS

CSR lacks **SIM data for evaluation** of impact:

- Whether the program beneficiaries actually lead a better life
- Whether there is effective use of funding for the projects

Many NGOs area still reporting output instead of quantifiable outcomes or impacts

THREATS

There are many types of **social impact reporting** and some of them are quite **unreliable**:

- When different assessors report very different results on social impact for the same program in the same organization
- Some assessors regard social impact as just output measurements

Goals Setting

Prepare **CSR** efforts for bigger **contribution to** the mainstream **Business** and the **Society**

Actions Planning

Acquire SIM and Design Thinking knowledge	Arrange Community of Practice for Partners
Train Community Investment Partners on SIM	Compare SIM results of different projects
Ask Partners to include SIM and EAV forecast in proposals	Track SIM improvement of projects over the years
Ask Partners to include SIM and EAV results in reporting	Present SIM portfolio in CSR Reports
Measure Knowledge Volunteering	Develop an integrating index for the portfolio

Excursus

WHAT IS SOCIAL IMPACT MEASUREMENT (SIM)?

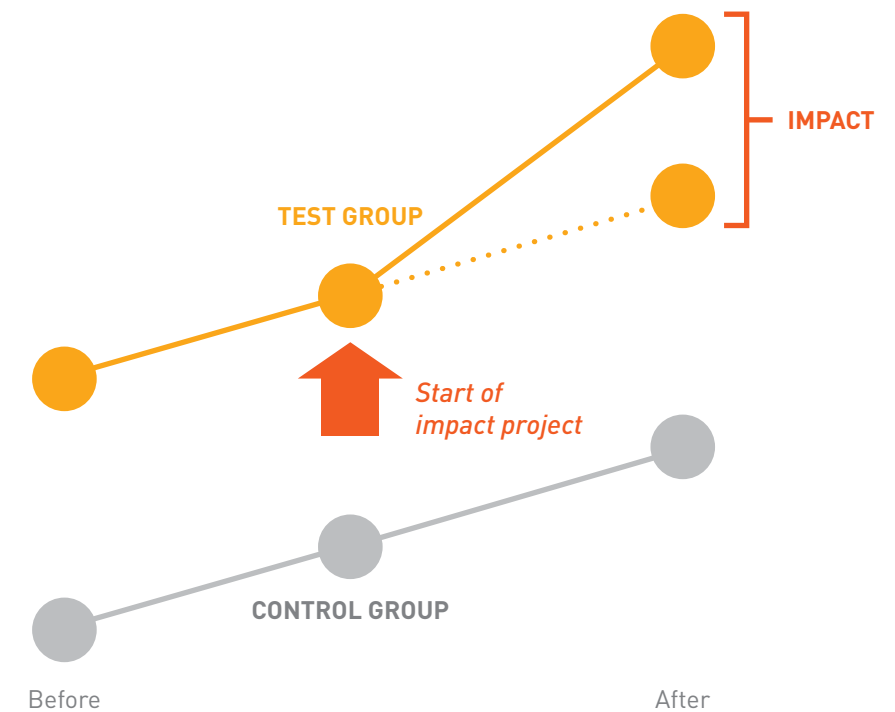
This following section is a detail discussion on the notion of Social Impact Measurement (SIM), a model proposed by Fullness Social Enterprises Society (FSES) as part of its body of knowledge in 2013. FSES keeps applying and updating the SIM model with new projects and context. The SIM model will be part of the core training material of FSES Academy for the Jockey Club Fullness Social Impact Measurement Coaching Scheme (for SEs and NGOs). The SIM model will be shared with key managers of NGOs and SEs in Hong Kong to facilitate the articulation of social Impact.

Social

According to the Merriam-Webster on-line dictionary, 'Social' means 'of or relating to human society, the interaction of the individual and the group, or the welfare of human beings as members of society.'³⁸ In short, 'social' is either human, or a group, or the society.

Impact

'Impact' means "an impinging or striking especially of one body against another".³⁹



³⁸ social. 2018. In Merriam-Webster.com. Retrieved from: <https://www.merriam-webster.com/dictionary/social>

³⁹ impact. 2018. In Merriam-Webster.com. Retrieved from: <https://www.merriam-webster.com/dictionary/impact>

Measurement

‘Measurement’ means ‘a figure, extent, or amount obtained by measuring’.⁴⁰ Adding the meanings of the three words, Social Impact Measurement (SIM) can be defined as the extent of an impinging made by a project on targeted beneficiaries. The numeric expression of the social impact is the primary deliverable of the SIM. The numeric expression of the state of the control is another deliverable. However, the numeric expressions are thin descriptions. The narrative expression from the beneficiaries concerned provides a much thicker description on what had happened and why it happens.

Drucker (1995) “Profit us to strengthen nonprofits”:

Two-thirds of the first offenders paroled in Florida into the custody of the Salvation Army are not indicted for another crime for at least six years.

Yet a prisoners costs at least twice as parolee.

Source⁴¹: Drucker, P. (2012). *Managing in a time of great change*. Routledge.

Social Impact Measurement (SIM)

Measuring the intangible is difficult but not impossible. One of the workarounds is using proxy. Then the challenge is shifted to how accurate the proxy can represent the original intangible. In some cases, the proxy is the cost of the alternative which provides similar social impact. The main challenge of using proxy is how accurate the proxy can reflect the actual impact. The philosophical argument is that if someone argues that the proxy is inaccurate, then he/she should propose which proxy is more accurate. If agreement is reached that the newly proposed one is better and well-substantiated, then the newly proposed one should be used. If he/she cannot propose such an alternative, that the current proxy is already the best one available. Through this process of replacing with better proxies, we will find a good enough proxy in future. Here, we propose one of the best ways to capture impacts and its related value is by applying the Donald Kirkpatrick four-level model (DK model).

⁴⁰ measurement. 2018. In Merriam-Webster.com. Retrieved from: <https://www.merriam-webster.com/dictionary/measurement>

⁴¹ Drucker, P. (2011). *Managing in a time of great change*. Routledge. (p.240)

Introducing Three Most Popular Methods to Measure Social Impacts



There are quantitative surveys to measure the average feeling of the beneficiaries, plus semi-structured interviews to understand what has happened to the beneficiaries. It is an approach commonly adopted by social workers.



Roberts Enterprise Development Fund (REDF) first developed this method in 1996. The REDF SROI method focuses on ‘monetizing’ the social value created. Since a lot of the activities and elements cannot be monetized directly, usually proxies will be used to estimate the monetary value.

The appropriateness of the proxy and the credibility of the estimation have to be supported by a transparent audit trail on the assumptions and decisions taken. Since this approach focuses on funder perspective, it is favored by funders and business person. It is because with a single number, it is easy for them to pick the projects with the highest SROI, and they can also track the improvement of SROI over years.

The major weakness of SROI is reliability. It is considered ‘un-reliable’ because different assessors may pick different proxies for the same project. In addition, some assessors do not disclose the assumptions so the results cannot be challenged. Due to these credibility problems REDF eventually abandoned the method.



This method is based on Donald Kirkpatrick’s PhD thesis in 1954. The contribution to practice is the inclusion of both the beneficiary perspective and the funder perspective. The assumption is that human changes will take place only if his affective reaction is positive (Level 1), then he accepts new knowledge, skills, or attitude (Level 2), and finally he develops new behaviors (Level 3). Hence the beneficiary perspective has 3 levels.

The funder perspective is done by providing the SROI of the project or/ and the unit cost per beneficiary (Level 4) which is calculated by the total cost of the project divided by the number of beneficiary. Hence the funder perspective has 2 types.

The DK Model has been used by multinational corporations, like Hewlett-Packard, in early 1990’s in people development programs for its two unique functions of measuring results as well as guiding the human change process. The human change process is usually characterized by the Theory of Change (TOC).

In 2013, FSES adapted the DK Model and applies it to Social Impact Measurement (SIM) within the work context of SEs.

Examples in applying the DK model on Social Impact Measurement (SIM)

1 EXAMPLE ONE CU-EMBA Alumni Seminar

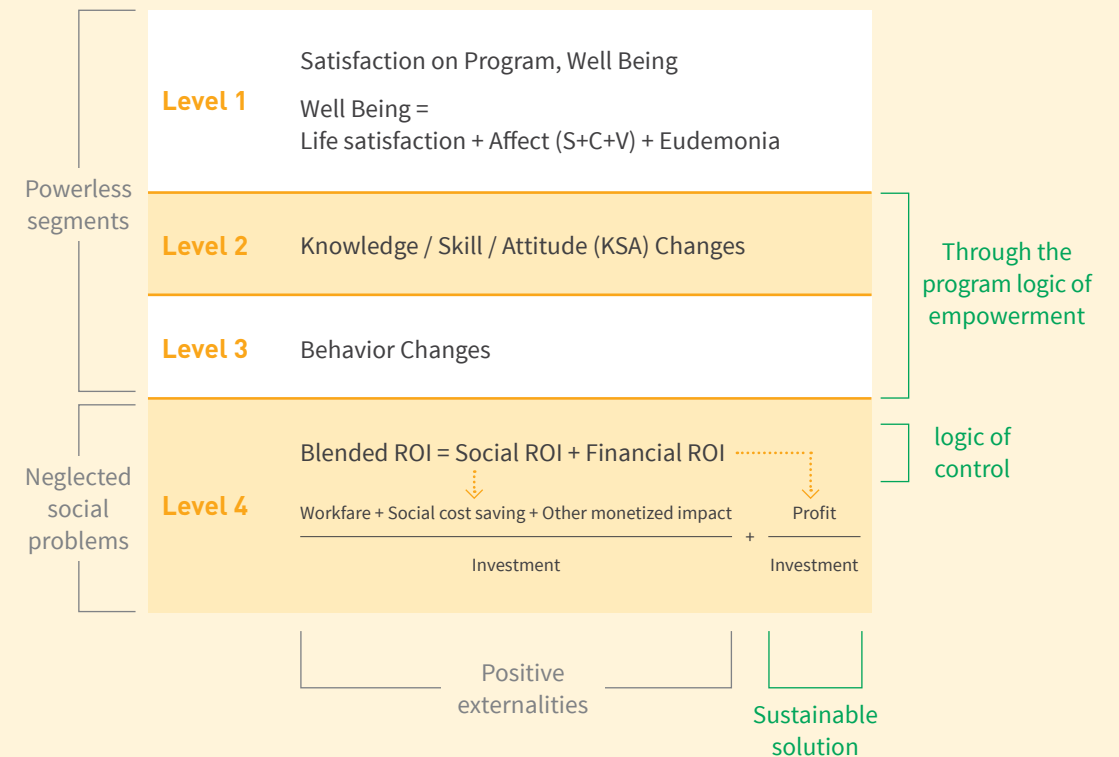
The impact and value created after a SIM seminar conducted by FSES in November 2018 to a group of EMBA alumni of the Chinese University of Hong Kong (CU-EMBA).

From the feedback of the seminar, almost all of the corporate executives (CU-EMBA alumni) participated are interested in: (i) case sharing examples of what other companies are doing; (ii) social impact measurement and the articulation of social impact in specific numerical terms.

Measuring the Impact of a CU-EMBA Seminar on 'Social Impact Measurement' based on Donald Kirkpatrick Model

LEVEL	SCALE 1-5	% OF RESPONSE WITH RATING 4 OR 5	PARTICIPANTS' COMMENTS
1 REACTION			
a) Overall Satisfaction	4.4	Overall Satisfaction 97%	'Fruitful night'. 'First time to hear this topic, very informative.'
b) Seminar Satisfaction	4.5	Seminar Satisfaction 100%	'70% of participants like the case studies'
2 KNOWLEDGE CHANGE			
a) Pre	2.0	Knowledge increased 76%	'Understand SIM's importance and how to apply it'
b) Post	4.1	Learning improves my job 97%	'Numeric analysis is more effective'
3 BEHAVIOR CHANGE			
a) Apply learning on the job	4.1	Apply learning on the job 74% (10 alumni say that they will apply SIM on their community investment projects)	'Volunteering hours can be monetized and included in SROI'
4 FINANCIAL IMPLICATION			
'Social impact can be and should be measured to justify the funding application'			

Donald Kirkpatrick 4-Levels Model



2 EXAMPLE TWO Dawn Market in Tin Shui Wai

The role model of using the DK Model is the Dawn Market in Tin Shui Wai, because it can nearly fill up all the 16 data fields in the table below.

Four Levels x Four Columns of Description

	A Quantitative	B Qualitative	C Benchmark	D Journalist
L4: Financial	SROI	CE's reaction	HKSE sector SROI	Funder's reaction
L3: Behavior	No. of good friend	Mrs Wong's story	US Mean number	Friend's Credit Line
L2: Learning	Competence score	Mrs Chan's comment	Poverty Line \$	Daily income \$
L1: Feeling	Well-being score	Sister Wah's comment	HK Mean score	Better be a hawker

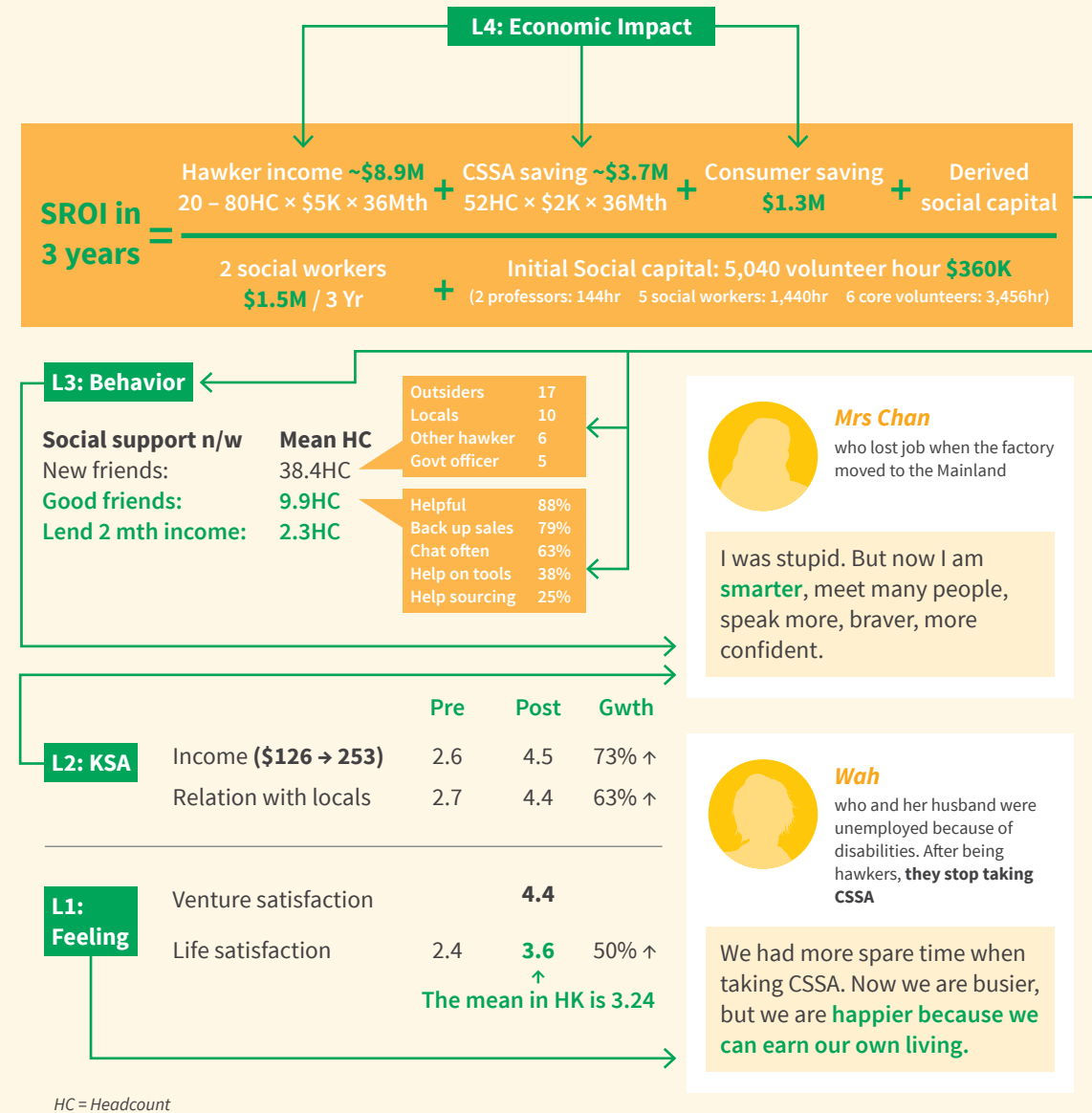
There are four types of descriptions in each level.

- First Type** the pre and post numeric measurements.
- Second Type** the comments collected from interviews. This is preferably done using Grounded Theory Method (GTM)⁴² to unravel results and insights from unexpected comments within the dynamics of what had happened.
- Third Type** the benchmark or industry standard.
- Fourth Type** the journalist way of presentation that average reader can understand.

⁴² Grounded Theory Method is a research methodology which operates inductively, and "Grounded Theory is simply the discovery of emerging patterns in data"
Walsh, I., Holton, J. A., Bailyn, L., Fernandez, W., Levina, N., & Glaser, B. (2015). What grounded theory is... a critically reflective conversation among scholars. *Organizational Research Methods*, 18(4), 581-599.

Dawn Market (天光墟) in Tin Shui Wai (天水圍)

Community Development Alliance: 80 hawkers in 2009 - 2012



Mixed Methods + Benchmarking + Journalist Articulation

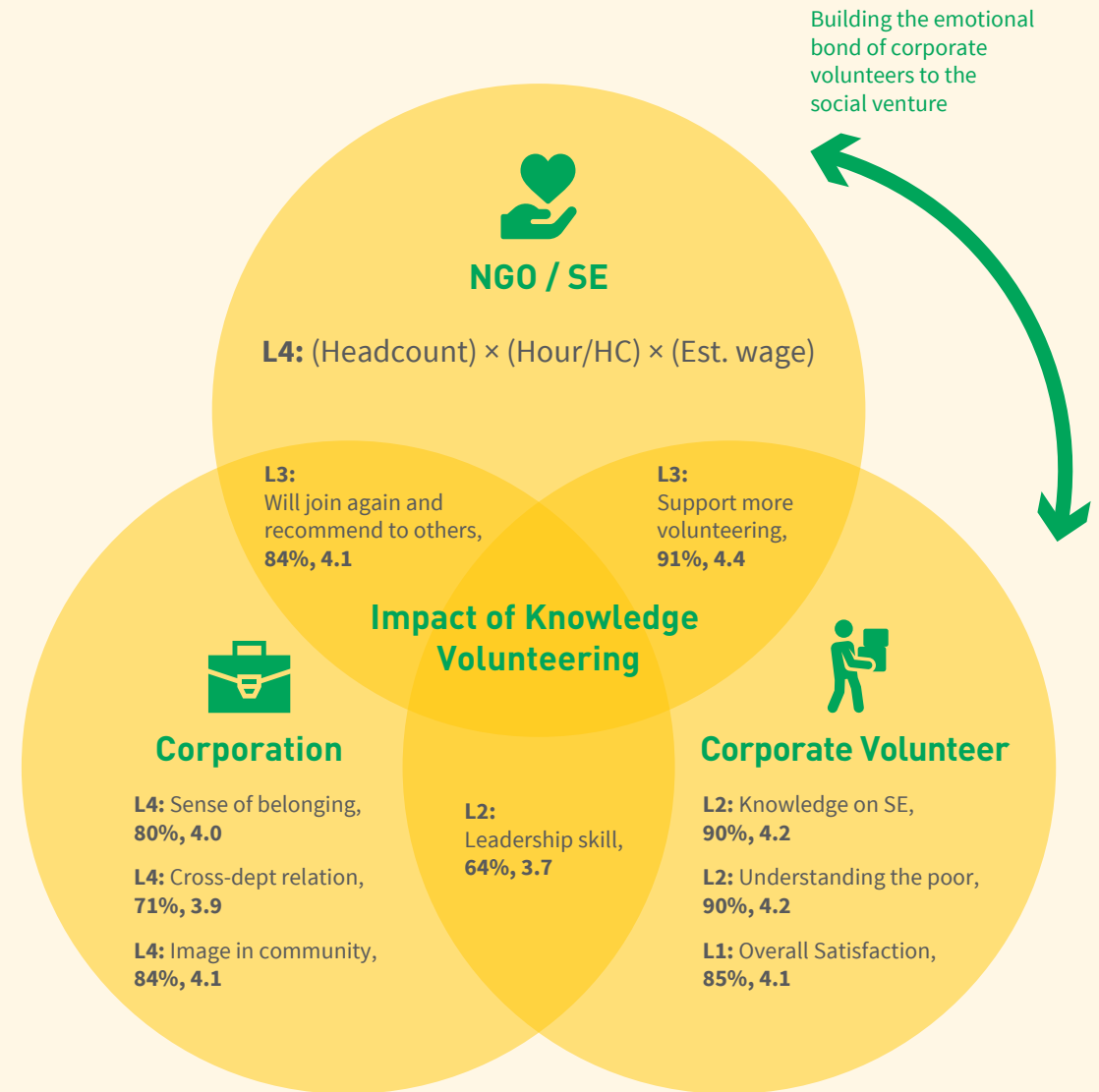
3

EXAMPLE THREE

Knowledge Volunteering of a major property management company in Hong Kong

Measuring the Impact of Knowledge Volunteering

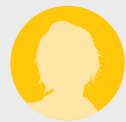
	Strongly Disagree	Neutral	Strongly Agree
1 You are satisfied with the volunteering experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Your understanding of the poor increased	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Your understanding of the NGO or social enterprise increased	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 The experience improves your leadership skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 The experience improves your friendship with other volunteers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 The volunteering improves the image of your organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 The volunteering increases your sense of belonging to the organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 You will join similar volunteering job again	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 You will recommend your friends to join the volunteering	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



4 EXAMPLE FOUR The results of FSES Social Entrepreneurship School Education (SENSE) Program

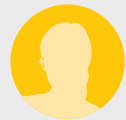
The project includes four types of activities. Teacher Training, Assembly Talk in schools, Social Enterprise Workshop, and Social Enterprise Training Camp. The numeric SIM results of the four activities are shown on the right. The narrative comments are shown below.

Teachers' feedback after attending Teacher Training



Ms Lam Deputy Principal

I appreciate the social entrepreneurship demonstrated and the transformation of the beneficiaries.



Ms Ma Teacher

The experience of the SE Workshop and their sharing change my perspectives on the elderly.



Ms Yau Deputy Principal

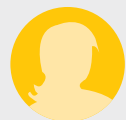
The reflection on my transformative experience is we have a 'fixed mindset' which can be broken down through experiential learning. Then we will have a wider perspective and a 'growth mindset'.

Students' feedback after attending an Assembly Talk



I did not know much about social enterprises, I thought most of them are losing money and relied on government funding to operate. But the fact is different. I heard many innovative ideas which I had never thought of before. It makes me feel that there are a lot of opportunities out there to explore.

Students' feedback after attending an SE Workshop



They (SEs) help each other. Their world is full of love. After listening to their story, I want to help them too.



I would like to work in this environment, because I can influence others and be influenced. I can help others and others can help me.

Students' feedback after attending an SE Camp



At the very beginning, I thought that social enterprises are some stupid people who don't know how to make money or they just want to feel good of themselves. Now I understand that there are many ways to earn money while helping the needy with a true heart.

Teacher Training

126 teachers spent
1,000 man-hours

Assembly Talk

15,000 students
92 Schools
12,500 man-hours

SE Workshop

24 SEs with
multiple sessions

SE training camp

53 SE ideas from
516 students

Level 4 Unit Cost

\$4,000,000 / 15,000 students = \$267 per student

Level 3 Behavior

99% teachers will support ethical consumptions and recommend to friends

98% teachers will apply what is learned in the class

87% students are willing to help the vulnerable groups

92% respondents are willing to take actions to help the vulnerable groups

92% students are willing to help the vulnerable groups

89% change perspective on the vulnerable groups

94% change perspective on possible solutions to social problems

Level 2 Learning

67% teachers have a better understanding of social entrepreneurship

66% teachers understand better how social entrepreneurship can help develop students further

80% students have a better understanding of social enterprise

67% students have a better understanding of social enterprise

66% students have a better understanding of the vulnerable groups

81% more understanding of social enterprise

Level 1 Reaction (Scale of 5)

Overall satisfaction is 4.47

126 teachers from 73 schools trained
Total 1,000 man-hours

Overall satisfaction is 4.06

15,000 students from 92 schools attended
Total 12,500 man-hours

Overall satisfaction is 4.39

7,033 students from 79 schools participated
Total 14,000 participation man-hours

Overall satisfaction is 4.02

516 young social change makers from 68 schools trained
Total 25,000 training man-hours

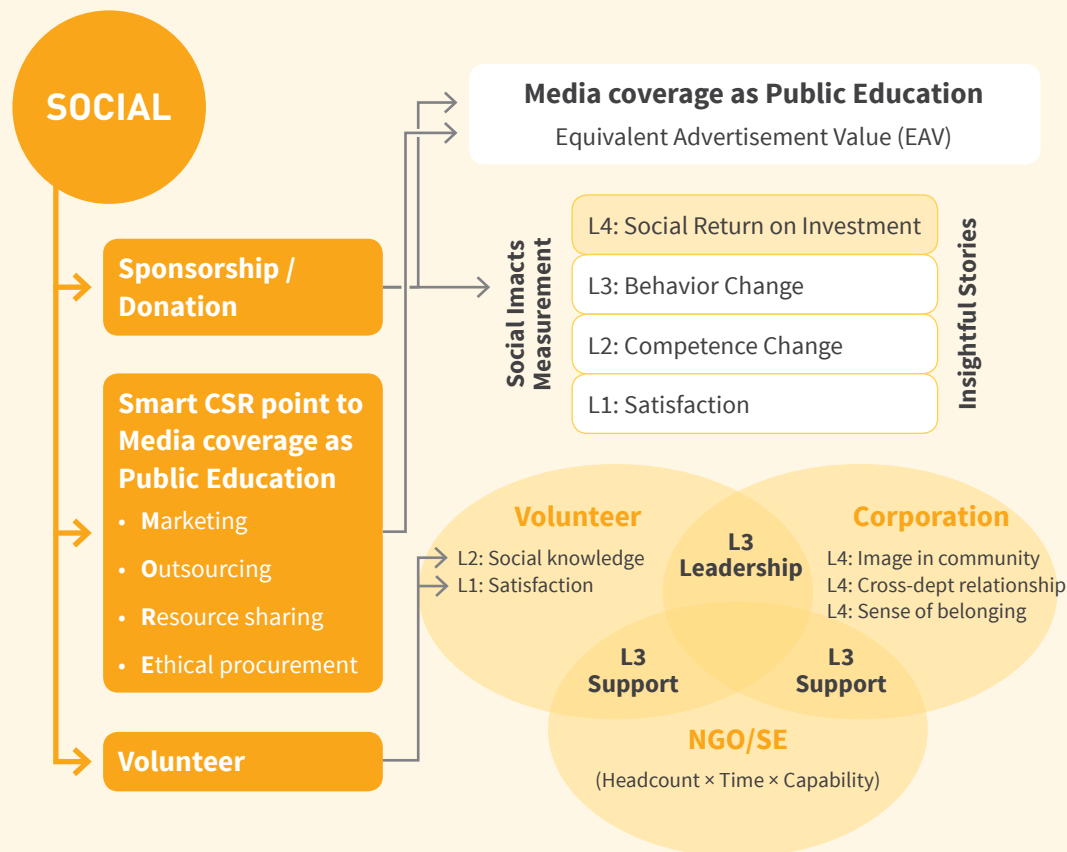
Corporates are Keen to Learn and Do More

In order not to lag behind, a lot of corporate executives are actively looking for ways to jump onto the bandwagon of CSR-SE collaboration.

In 2017, the 1,826 listed companies donated HK\$16.3 billion in total.⁴³ It is 0.075% of the 21,709 billion revenue of all listed companies.⁴⁴ CSR programs usually have three types of activities: corporate volunteering, community investment for solving social problems, and sponsorship of meaningful events that may result in media coverage and public education.

Instead of giving money, some smart CSR programs using the **MORE** approach to help the NGO partner or SE partner to achieve their goals by providing Marketing access, Outsourcing business process to the partner, sharing Resource like venue and facilities, and procuring Ethically which means buying the services or products from NGOs or SEs.

Main CSR Programs



⁴³ Yujing, L. (2018, October 10). Hong Kong-listed companies donated US\$2.1 billion to charity last year, an increase of 28 percent on 2016. SCMP. Retrieved from: <https://www.scmp.com/news/article/2167930/hong-kong-listed-companies-donated-us21-billion-charity-last-year-increase-28>

⁴⁴ HKEX (2018) HKEX Fact Book. HK:HKEX. Retrieved from: https://www.hkex.com.hk/-/media/HKEX-Market/Market-Data/Statistics/Consolidated-Reports/HKEX-Fact-Book/HKEX-Fact-Book-2017/FB_2017.pdf?la=en

Corporations' Internal Review on the Alignment between CSR and Business

Corporate Branding	<ul style="list-style-type: none"> Consumers and citizens are aware of and appreciate the efforts and the CSR programs.
Knowledge Volunteering	<ul style="list-style-type: none"> Employees are benefited from volunteering due to exposure to diversified stakeholders including the socially disadvantaged, professionals from NGOs, consumers, and colleagues from other department. Their leadership potential can also be exploited in complex community service projects.
Earn Respect in Core Business	<ul style="list-style-type: none"> The CSR projects are correlated to the core business and are well-received and trusted by stakeholders.
Money Well Spent	<ul style="list-style-type: none"> The CSR program should include innovativeness, impactful, sustainability, scalability.

Corporations' Focus on Community Investments

Relevance	<ul style="list-style-type: none"> Whether the project fits the corporation's interest in community investment? Whether the project can create the expected social impacts?
Social Impacts	<ul style="list-style-type: none"> Is the project making a difference? Does the project bring forth a better life for the program beneficiaries? Are there any positive external benefits to the lives of others individuals, families, organizations, or the community?
Cost-effectiveness	<ul style="list-style-type: none"> Is the project an effective use of funding?

Questions about Social Impact Measurement

- a) **What is the role of the funding organization in SIM?**
Just like any consumer who would like to make sure that money is well spent.
- b) **What are the selection criteria of a reliable agency of SIM?**
Check the agency's track records and reputation.
- c) **How to evaluate whether the proposed outputs/outcomes are relevant/effective ones?**
The most appropriate way is to ask the grantee to propose.
- d) **Any remedial actions to take if the interim/final SIM results are not relevant/significant?**
Conduct a post-mortem analysis to identify pitfalls, allow the possibility of commissioning another agency to take over the job.
- e) **How to determine the scope of SIM for various programs?**
Ask the operator to propose and review the justifications.
- f) **How to determine the direct and indirect beneficiaries, and the internal and external stakeholders of a SIM?**
It is better to avoid indirect beneficiaries whenever possible, because it can be subjective to set the limit on what should be counted.
- g) **How to determine whether a longitudinal study is good for SIM?**
It depends on the resources (money and time) available.
- h) **What is an appropriate sample size of a SIM?**
It depends. For academic research, usually a minimum of 30 participants.
- i) **How to quantify qualitative performance?**
Use a Likert scale.
- j) **How to translate the program outcomes into monetary terms?**
Find a proxy which has a market value.
- k) **Is it appropriate to compare the performance of similar programs?**
Yes, just like the comparison of stocks performance within the same industry.

CSR manager's consideration on whether to adopt SIM to report their work

Decision Statement: Choose the Method to Present Community Investment Results

CRITERIA	Wt	ALTERNATIVES		
		(A) Outputs and Stores	(B) Impacts and Cost-effectiveness	(C) Social Return on Investment
Articulation of Social Values created	H	M → (HM)	H → (HH)	H → (HM)
Recognition by Stakeholders	H	H → (HM)	H → (HH)	H → (HH)
Availability of Capable Partners	M	H → (MH)	L → (ML)	L → (ML)
Minimum additional cost for SIM measurement	L	H → (LH)	L → (LM)	L → (LM)
Overall Score				
Potential Problems		Lagging behind in the industry	Resistance from the existing Partners	Partners buy SIM reports
Preventive and Contingent Actions				
Choice				

Potential Problem Analysis on Adoption of Social Impact Measurement

Potential Problem	Impact	Probability	Preventive/Contingent Action	Cost	Y/N
Selection of SIM partners	H	L	1) HKJC is funding FSES to train NGOs on SIM	\$0	
			2) Invite SIM experts in the selection panel	\$0	
			3) Ask potential partners to provide previous SIM reports	\$0	
Evaluate SIM results	H	M	1) CSR department to be trained on SIM	\$\$	
			2) Invite SIM experts in the evaluation panel	\$0	
			3) Fund those partners without SIM capability to buy services from SIM consultants	\$\$\$	
Scoping SIM in projects	M	M	1) CSR department to be trained on SIM	\$\$	
			2) Hire SIM consultants to help the scoping	\$\$\$	

Select the SIM Consultant

CRITERIA	WEIGHT	MIX METHOD	SROI	DK MODEL
Measurement Method				
Academically Valid	Must			
Academically Reliable	Must			
Appropriate Narrative	HW	10		
Can be the Mainstream	HW	10		
Organization / Personnel				
Academic Competence	MW	6		
Credible Publications	MW	6		
Track Record				
History of Practice	LW	3		
Clients	LW	3		
Score				
Risk				
Choice				

Along with the increase in demand for SIM, the market may well be flooded with a lot of less experienced consultants. Eight criteria are listed above for reference in selecting the SIM consultant. As a minimum requirement, the method suggested by any potential consultant should at least be academically valid, with reliable and transparent data collection process.

The other highly wanted (HW) requirement is that the method could provide a convincing narrative that can express complex stories in an easy to understand presentation. This is especially true to the funder who provides the resources for the project and the beneficiary, and the other related dimensions of the beneficiary. If the Hong Kong government or some big funders takes the lead to adopt certain method(s), it will well become an industry standard. It is always a good idea to adopt the mainstream practices so that later the SIM results can be benchmarked with others.

The medium wanted (MW) requirements relate to the capability of the consultant, who is required to conduct the measurement and defend the method and results in front of academics and funders. Professional, commercial and academic research experiences and competence are required. Publications and similar previous job experiences are indicators to reflect the competence.

Media Exposure as an Expression of Impact

Media exposure in SE/CSR cross-over serves two dual WIN-WIN purposes:

- 1 The publicity strengthens both the corporate brand and the SE brand. The enhanced reputational capital of success stories supported by SIM results uplift confidence for both sides of cross-over.
- 2 A story well-told educates the internal and external stakeholder groups (Internal – corporates/government funders and SE operators; and External – beneficiaries, consumers and media) to change attitude and behavior towards taking actions to support socially good deeds. The ripple effect of such public education could be, enhanced CSR and CSV efforts in poverty alleviation and environment protection; further development of employees’ volunteering engagements; voluntary participation in ethical consumption; repeated interest in publicity coverage; or even nurturing of social entrepreneurial spirits.

For any of the purposes achieved, there could be positive contribution to societal betterment. There is a lot more meaning carried with media exposure for CSR and CSV efforts. The table below shows a Potential Opportunities Analysis (POA) on how to increase media exposure on SE development that facilitates consumer support to procure services and products from SEs which in turn will use the income to hire the socially disadvantaged.

Since the nature is ‘Doing Good’, some top-grade celebrities will participate in the events voluntarily. Due to the presence of the celebrities there are free media exposures with Equivalent Advertisement Value (EAV) of about HK\$800,000, while the cost of the whole event is only HK\$100,000. The key is to build the relationship with the celebrities.

The second type of media exposure is the series of interviews of the social entrepreneurs and/or the beneficiaries. In this case, three radio stations are interested. The content can be the founder story, beneficiary story, turnaround story, innovations, controversial topics, and truth of myths.

The third type is the paper media and online media. Since these are visual exposures, numbers, photos, charts, and title of the stories can attract readers. The last type is paid advertisement, which usually could provide concession rates for NGOs.

POTENTIAL OPPORTUNITIES ANALYSIS				
Goal	Opportunities	EAV	Promotion	Cost
EAV HK\$4.8 Million	Celebrity	\$0.8M	Relationship	\$0
	Radio program	\$2.4M	New content	\$0
	Other Media	\$1.1M	Rhetorical	\$0
	Advertisement	\$0.5M	Negotiation	\$100K

Balancing Profit and Social Welfare: Ten Ways to Do It⁴⁵

	VARIANT	GOAL
Variants of profit maximisation	Simple profit maximisation (1)	Maximise profit
	Enlightened profit maximisation (2a)	Maximise profit through contributions to social welfare
	Constrained profit maximisation (2b)	Maximise profit so that social welfare outcomes stay within an acceptable range
Variants of multi-objective firms	Hierarchical goals with priority to profit (3a)	Maximise profit, then maximise social welfare contributions without adversely affecting profit
	Weighted combination of goals (3b)	Maximise a weighted combination of profit and social welfare contributions with weights that vary based on preset criteria
	Complementary goals with equal priority given to profit and to social welfare (3c)	Maximise both profit and social welfare contributions equally
	Hierarchical goals with priority to social welfare (3d)	Maximise social welfare contributions, then maximise profit without adversely affecting social welfare
Variants of social welfare maximisation	Constrained social welfare maximisation (4a)	Maximise social welfare contributions so that profit outcomes stay within an acceptable range
	Enlightened social welfare maximisation (4b)	Maximise social welfare contributions through profit
	Simple social welfare maximisation (5)	Maximise social welfare contributions

(Smith & Lankoski 2018)

⁴⁵ Smith, N. C. & Lankoski, L. (2018, June 19). Balancing Profit and Social Welfare: Ten Ways to Do It. *INSEAD Knowledge*. Retrieved from: <https://knowledge.insead.edu/responsibility/balancing-profit-and-social-welfare-ten-ways-to-do-it-9421>

To conclude the discussion on SIM and its relative importance to SE/CSR cross-over, two comparison tables developed by FSES characterizing the results of community investment are attached. It is important to articulate social impact to funders especially when the government is the funding source of the programs. The results shown in the comparison are presented in simple numeric terms, easily understandable and are actually quoted extensively by industry and government officials. They are examples of public education and reputational capital for the stakeholders involved. The result helps to build confidence for corporates to stride into community investment (CSR) and clears a lot of misunderstandings that may have clouded their decision before.

Comparing and Integrating Results of ESR⁴⁶ and 3E⁴⁷ Program⁴⁸

	ESR	3Es	Total
Period of data	2007 – 2013	2007 – 2013	—
Grant given (HK\$)	HK \$156M	HK \$52M	HK \$208M
Number of SEs	144	75	219
Average grant/SE	HK \$1.08M	HK \$0.69M	HK \$0.95M
Socially disadvantaged/ disabled employees	2,064 (FT + PT)	541 (FT)	2,605
Workfare (HK\$)	HK \$64.0M	HK \$40.5M	HK \$104.5M
Workfare/SE (HK\$)	HK \$444,444	HK \$540,000	HK \$447,169
Annual SROI	41%	78%	50%
Wage/month/employee (HK\$)	HK \$2,584	HK \$6,238	HK \$3,343
Survival rate at 5th year	77%	75%	75% – 77%
Media life span	N/A	9.3 years	~9.3 years
Accumulative SROI over 9.3 years	382%	724%	446%

⁴⁶ ESR stands for Enhancing Self Reliance through District Partnership Programme. It is an initiative sponsored by Home Affairs Department of Hong Kong SAR Government and have funded over 200 successful SE projects since its inception in 2007.

⁴⁷ 3E stands for Enhancing Employment of People with Disabilities through Small Enterprise Project. It is an initiative funded by Social Welfare Department of Hong Kong SAR Government.

⁴⁸ Kee, C.H. (2013). Social Return on Investment (SROI) of Enhancing Self Reliance (ESR) through District Partnership projects. FSES. Retrieved from: https://www.thinkers.hk/ourdb/files/ourdb@fses.hk/fses_june_Article.pdf

Kee, C.H. (2013). Social Return on Investment (SROI) of “Enhancing Employment of People with Disabilities through Small Enterprise Project” (3E). FSES. Retrieved from: https://www.mindvan.com/ourdb/files/ourdb@fses.hk/fses_august_Article.pdf

Comparing the Key Performance Indicators of the Social Enterprise Sectors among Hong Kong, United Kingdom, and Korea⁴⁹

KPI	UK (Led by DTI)	Korea (Led by MoEL)	HK (Led by HAB)
Scale of the SE Sector	<i>Based on CIC-registered SEs</i>	<i>Based on registered SEs</i>	<i>Based on registered SEs</i>
	Total 11,230 SEs (7/2015 data) Total Revenue £2.083 billion, 0.11% of GDP (2014 data)	Total 1,082 SEs (9/2014 data) Total KRW\$952 billion, 0.07% of GDP (2014 data)	Total 527 SEs (2015 data) Total HK\$1.5billion, 0.06% of GDP (2014 data)
	<i>Based on assumed SEs</i>	<i>Based on assumed SEs</i>	<i>Based on assumed SEs</i>
	Total 62,000 SEs (2007 data) Total £24 billion, 1.45% of GDP (2007 data)	N/A	N/A
Financial Self-Sustainability	<i>SEs at break-even/ profitable</i>	<i>SEs at break-even/ profitable</i>	<i>SEs at break-even/ profitable</i>
	73% of SEs (2013 data)	14% of SEs (2012 data)	62.9% of SEs (2014 data)
	<i>Market toughness benchmark</i>	<i>Market toughness benchmark</i>	<i>Market toughness benchmark</i>
	SME life span: 7.2 years	SME life span: 6.3 years	SME life span: 3.7 years
Social Impact	<i>Social return on investment</i>	<i>Social return on investment</i>	<i>Social return on investment</i>
	N/A	N/A	Annual SROI: 48% Cumulative SROI: 446% over 9.3 years median life span
	<i>Workfare content in price</i>	<i>Workfare content in price</i>	<i>Workfare content in price</i>
	N/A	17%	Average 16.7% (2014 data)

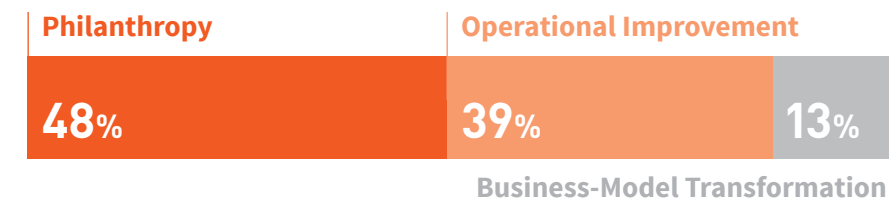
⁴⁹ Kee C.H. Kwan, C.H.T. & Kan, C.K.C. (2016). *Comparing the Key Performance Indicators of the Social Enterprise Sectors among Hong Kong, United Kingdom, and Korea*. FSES.

Chapter 3

APPLYING DESIGN THINKING TO FORMULATE CSR PROGRAMS WITH SOCIAL IMPACT

According to a Harvard Business School research regarding the CSR practice of 142 companies, CSR practices are explained in three generic initiatives of (i) pure philanthropy focus that creates value primarily for the society; (ii) operation improvement in social or environmental areas that creates more value to the society than to the firm; and (iii) transforming existing business model to address social or environmental challenges altogether and create shared value.

Apparently, the widely accepted ideal of creating shared value – economic and social – by CSR efforts is not the norm, there are often multifaceted implementation that runs between the three types of practices.



Corporates appear to be quite agreeable to align CSR practices to the purposes and values of the stakeholder groups, yet not so much to total integration of CSR into business strategies and practices.⁵⁰

When SE operators try to build long term collaborative relationship with corporates, it is important to think in the mindset of corporates' CSR executives. To understand target corporates' usual and preferred practices is a required stakeholder management journey for the SEs to embrace.

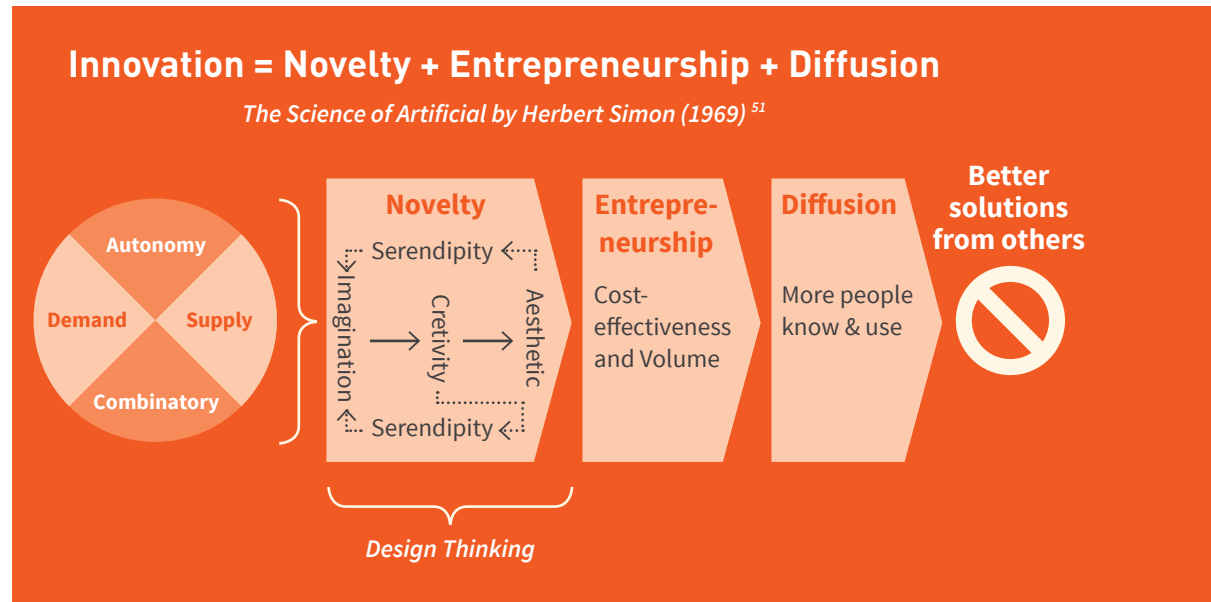
Design Thinking (DT) comes into play to facilitate the crossover of SE-Corporate collaboration. DT is a systematic way to evaluate, design and solve problems with its roots sprang from the 1950s. The term is popularized in the 1990s and since then DT has been widely applied to multiple disciplines as an important toolkit to inform innovative and creative thinking.

⁵⁰ Rangan, K., Chase, L., & Karim, S. (2015). *The truth about CSR*. Harvard Business Review, 93(1/2), 40–49.

Innovation

Invention is creating a new thing, which may or may not have economic value. Innovation is more of a ‘business’ term. The simple definition of innovation is ‘a new solution with better result’. It can be a new feature of the product, or a new process, or a new usage of the existing product. In the business context, ‘better result’ usually means economic benefit.

If it is ‘a new solution with worse result’, then it is ‘innovatively dump’, as it logically means financial loss.



Novelty is the first stage of innovation. New ideas may come from the users or suppliers, or by combining existing ideas, or by eureka. The new ideas are only imaginations until they are being created physically so that they can be seen, or felt, or operated, or produce some results. Then the artifacts are put into an iterative process to improve its look and feel or functions. Sometimes, luck is needed to generate ideas during this improvement process.

Entrepreneurship is the second stage of innovation. It may also be called ‘Commercialization’. The purpose is to improve the cost-effectiveness, or price-performance to enable the product to sell in volume.

Diffusion is the final stage. This is the marketing effort to reach the target/mass consumers.

Finally, all innovations have their expiration date when there are substitute products emerged which perform better.

⁵¹ Simon, H. A. (1969). *The sciences of the artificial*. MIT press.

The 3 components of Design Thinking

The three components are User Needs, Novel Solution, and Trial and Error Process.

User Needs

The output of Design Thinking is an artifact made by human (as producer) for human (as user). The artifact is useful if it meets the needs and wants of the user, or useless if it does not. Artifacts have functional attributes and aesthetic attributes. In times of scarcity, the functional attributes are more important, while in times of abundance, the aesthetic attributes are more important.

There are three types of needs. First, spoken needs are what can be identified through survey or interviews. Second, unspoken needs are what the user want but will not voice out in public.

For example, one may like to watch pornographic movies but may not admit it in an interview by a female researcher. Third, unaware needs are what the users have not expected, but find they want them after the artifact appears in front of them. For example, consumers will not describe something like iPhone in the survey on consumer needs for mobile phone, before iPhone is produced. The results of these surveys on user needs and solutions from existing providers should be concluded as a Point of View. If the surveys are in-depth, the result is probably a Unique Point of View.

Novelty

The starting point of developing novelty is to imagine the new solution. The imagination can take four approaches which can be remembered as **add, subtract, multiply and divide** (+, -, x, /). The first approach is adding a new component or feature. For example, Hewlett-Packard adds the scanner function into the printer, then adds the copier function, and finally the fax function.

The second approach is removing some features or constraints so that the cost is cheaper or the response is faster. Both Uber and Airbnb ignore the legal constraints as well as the consumer protections and the associated costs for providing taxi-like services or hotel-like services.

The third approach is crossing over with other types of solution that is different. The concept of Creating Shared Value (CSV) by Michael Porter is a cross-over between business and human service organizations (HSO), that is, a cross-

over between the second sector and the third sector.

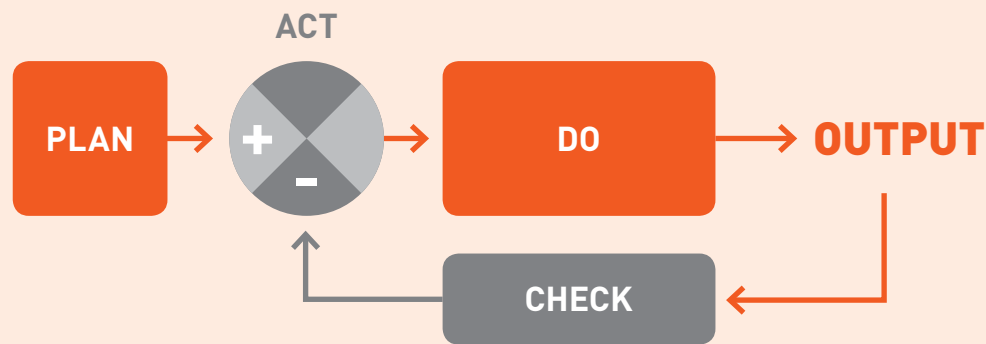
The fourth approach is reframing what the solution should be. Hong Kong government evaluates the SE funds granting schemes by a lot of financial measures and operation data. All these financial and operating data reflect the civil servants and the grantees are doing their best, but they tell nothing about whether the public expenditure is well spent. Until FSES worked out (reframed) the Social Return on Investment (SROI) of the two SE granting schemes’ value impact of 450% in 2013, the money is recognized as well spent. In essence, it means that for every one dollar the government granted to SEs, the socially disadvantaged will receive benefits worth \$4.5 dollar. This is to reframe the evaluation from pages of thick data to a single number on the cost-effectiveness of the impact.

Trial and Error Process

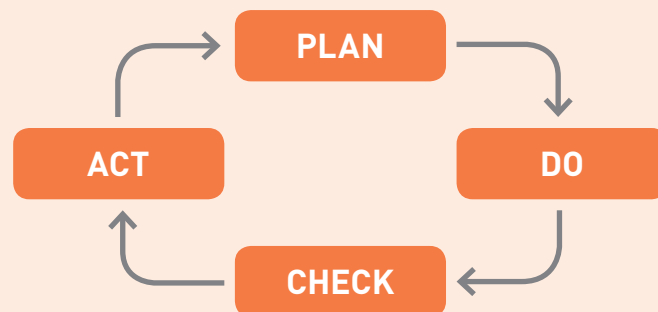
This is traditional wisdom. In the 19th century, this wisdom became the Control Theory in which the deviation between the target and the system output feedback into the system's input so that the output would be adjusted accordingly until there was no more deviation between the target and the output. In 1970's, the control theory evolved into the Plan-Do-Check-Act (PDCA) process in Total Quality Management. The 'Plan' is the target, The 'Do' is the output. The 'Check' is on the deviation. The 'Act' is the feedback based on the 'Check' into the input of the system.

In Design Thinking, the thinking on novelty is the 'Plan'. The process of creating the initial artifact called 'Prototyping' is the 'Do'. The engagement of stakeholders to provide their opinion on the artifact is the 'Check'. To re-design and re-create the prototype is the 'Act'. Finally if the prototyping just uses bare-enough cost, then it is called "Lean". If the PDCA has gone smooth within weeks or a few months, then it is called "Agile".

A Control System



A Plan-Do-Check-Act Cycle



Social Impact Measurement (SIM) increases the success rate in applying funding

In the business sector, investor will buy stocks which have a track record of making profits, or have a trustworthy CEO/management that provides attractive financial projections. The higher the profit, the higher the price the investor will pay. As long as profit is good, the investors do not care about the cost structure.

But in the social sector, the practitioner who apply funding from donor seldom provides the SIM results of previous projects, or provides a forecast of the SIM of the current project applying for funding. At present, this is not a problem as nearly all NGOs will not provide the data. Hence, even when knowledgeable donors intend to look for applications with SIM results, there are only applications showing output data and some primitive satisfactory outcome data.

As social impact measurement is getting more popular in the social enterprise sector, the funders or donors will have choices. They can pick the applications with the highest cost-effectiveness.

Social Impact Measurement (SIM) based on the DK Model assists the Theory Of Change (TOC)

The Donald Kirkpatrick (DK) model is based on the holistic view of human behavior related to affective, cognitive, and behavioral aspects. These three aspects are the first three levels of DK Model.

If the product of NGOs or SEs could enable 'a changed human life', then it requires the service target or beneficiary to have behavior change (e.g. getting rid of addiction). The behavior change will happen only when there is cognitive change in knowledge, skill, or attitude. The service target will learn the competence only when they find the learning process enjoyable. This 'Satisfaction → Cognitive → Behavior' process is characterized as a Theory Of Change (TOC). If a social service project exhibits SIM results based on DK Model, then it is already expressing its TOC framework.

Hoshin as a kind of Strategic Plan

Organization: <i>Where</i> Period: <i>When</i> Owner: <i>Who</i> Version: <i>Which</i>				
Situation Analysis				
<ol style="list-style-type: none"> 1 The course design is similar to the 'Management for Social Enterprise' by HKU-SPACE, which requires 13 sessions each 3 hours, and the course fee is \$7,100/pax 2 The Impacts will be measurement by Donald Kirkpatrick Four Level model 3 				
Shared Planning				
<p>Mission To train young ex-offenders to startup small businesses</p> <p>Goals The social impacts created is so good, that next proposal is also approved</p>	Strategy	KPI	IxP	Owner
	a) The learning is joyful due to the course design	>4.3	H, H	
	b) Learners acquire core skills for startup planning	>3.5	H, H	
	c) Learners write/submit business plans for funding Able to secure start-up fund	>20% >15%	H, M H, L	
	d) The earning in the first 3 years of the successful entrepreneurs as compared to the total program cost	>33%	H, L	
	e) Media coverage (EAM) on the program	>0.1M	M, L	
	f) The learners join the alumni activities	>50%	M, L	

KPI Key Performance Index
I Importance
P Probability

The word 'Hoshin' is a translation from Japanese into English. The original root of this Japanese word is from the Chinese phrase 'fang zhen' (方針) which means the small compass that points to the right direction as the holder of the compass move forward.

Nowadays, Japanese uses this word to illustrate a one-page strategic plan business canvas. By putting all the strategic planning elements into one page, the readers can have a holistic view of the logic linkages amongst the elements. Furthermore, by being one-page, there is a higher probability that the readers can remember all the

strategies. The purpose of a plan is to remind that there is a need of change of behavior from the routine. If the reader cannot remember the changes required, the plan is useless.

The 'I' in the column 'IxP' is the importance of the strategy in realizing the mission. The 'P' is the probability of success of the strategy. By listing out 'I' as 'High, Medium, or Low' (H, M, L) and the same for 'P', the strategies score is well prioritized. For strategies that score ML, LM, LL, they should be deleted so that resources can be focused on the HH, HM, and MH.

The Targeted 4 Levels of Impact as the Strategies in the Plan

In Strategic Planning, there are three steps: Situation Analysis, Goals Setting, and Actions Planning. In other words, we will pick actions which can contribute to the realization of goals. For example, if we want to train young ex-offenders to start up their own small business, then we need at least four strategies:

- The first strategy is to ensure their learning experience is a joyful one so that they will sit through the whole training.
- The second strategy is to ensure they can understand/grasp the core business skills.
- The third strategy is to ensure they apply the learning to write the business plan and submit the plan to the various funding organizations.
- The fourth strategy is to ensure the success rate of the funding application so that the unit cost of each successful entrepreneur is reasonable. A benchmark is the fee (\$7,100) of

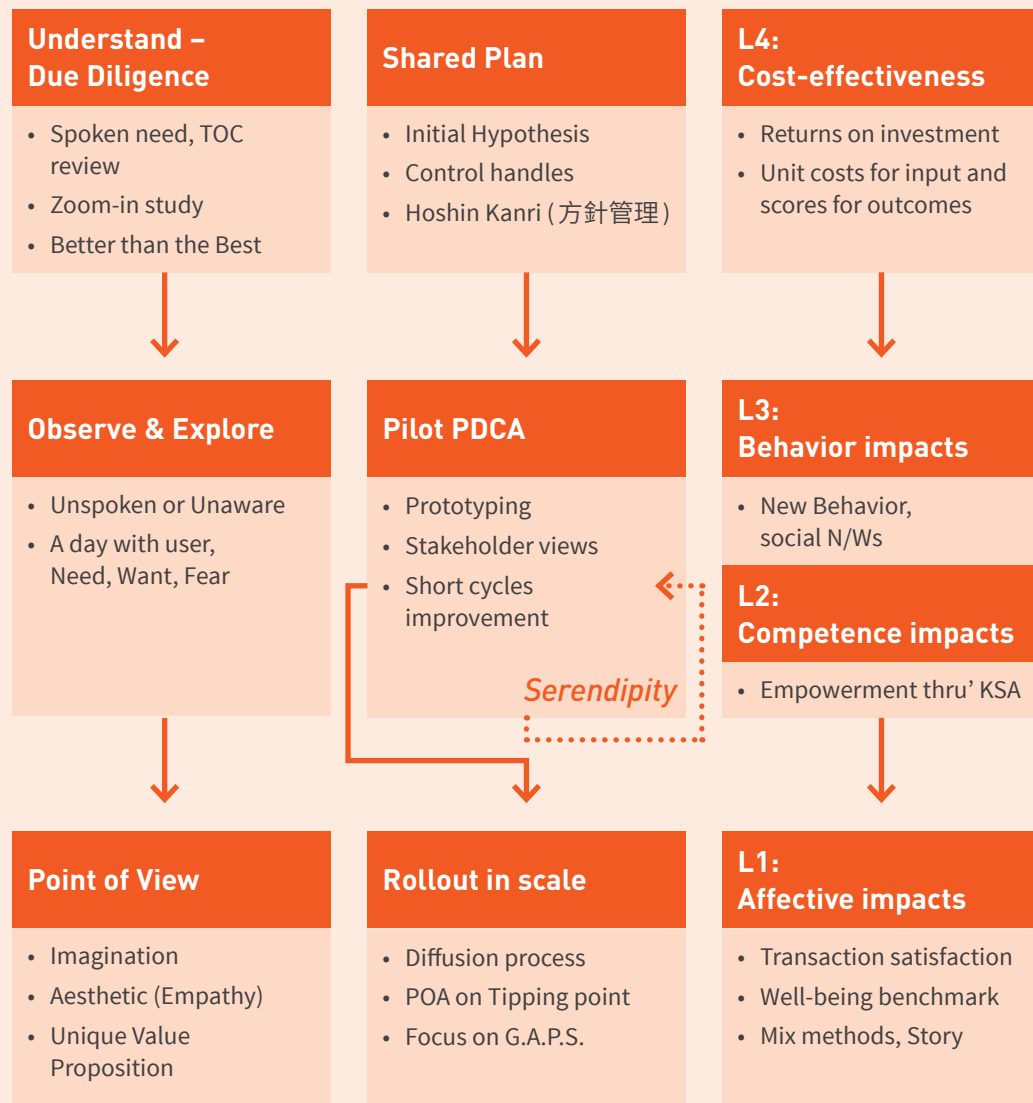
the 39-hour course of 'Management for Social Enterprises' in HKU-SPACE. An even better measurement is that the total money earned by successful entrepreneurs is much more than the total training fee. This is the SROI way of justification.

There can be additional strategies as listed below:

- The fifth strategy is to plan for free media coverage on successful stories. These kind of stories in the media can be viewed as a kind of public education. In case there are many stories, then these stories can be compiled into a booklet as a knowledge product for subsequent learners.
- The sixth strategy is to build an alumni network so that they can have synergistic mutual help, support, or cooperation amongst their business.

Integrating Social Impact Measurement, Design Thinking and Hoshin Planning

Value Proposition → Value Delivery → Value Communication



Good idea is Not Good Enough ← Better than the Best ← The Best is Far from Perfect

* GAPS Analysis of Goals, Actual or Abilities, Past or Perceptions, and Standards
 KSA Knowledge, Skills and Attitude
 POA Potential Opportunities Analysis

Writing Proposals to solicit Corporate CSR Cross-over

The year 2018 marks the seventh year of the Tithe Ethical Consumption Movement (TECM) organized by FSES and sponsored by the Home Affairs Bureau. In 2017, FSES piloted a capacity building program to train selected SEs on management skills. The program was very well received. In TECM 2018, much stronger capacity building elements are incorporated into TECM targeting more SE operators. The capacity building initiative has a two-prolonged objective.

- 1 Uplifting of Management Skills:** A series of management seminars are organized relating to management skills relevant to SE operation. There are also additional coaching sessions to advice individual SEs to tackle imminent marketing and management issues.
- 2 Corporate bridging:** Focus specifically on writing and pitching proposals to funders and corporate sponsors.

From the SPOT analysis, it is apparent that both corporates and SEs are looking for opportunities of collaborative cross-fertilization for social good and social impact.

To illustrate the learning outcomes of this year's capacity building program, it is best to share the work of the SEs based on a suggested stakeholders mapping template. The key facts related to individual SEs are discussed and refined thoroughly to help them to focus their effort in understanding their relevant stakeholders.

Stakeholders Mapping

The company does "a lot of things for reasons besides profit motive. We want to leave the world better than we found it."

– Tim Cook, CEO of Apple

Prioritize & Focus	Identify Key Target Corporations	Stakeholders' interest (research)	Shaping WIN-WIN stories	Potential Scenarios	Timeline/ Next steps
Best if single focus	Do your homework on the key targets	Do your homework on the key targets	How do you want to shape the story?	Visualizing on paper	An opportunity (good deed) not be missed
Who are you? Your Key Business Needs?	Funders/ Charities/ Foundation Corporates...	Recent interest Previous work Publicity	Specific VALUES in a few strong statements	Actionable plans (on how to engage) Plan A Plan B	Unreservedly easy to fulfill outright
Your Social Mission Your Work	Why you fixate on your particular target corporate(s)	Corporate beliefs, resources, interests. Related stake-holders interests are/could also be fulfilled	Social impact (Best if SROI cited in numeric terms) CSR/Sustainability Stories Reputation	Action steps: Participation format \$\$ People Time	Add some sense of urgency. It is now or never!!!

Chapter 4

CASES OF SE AND CORPORATE CROSS-OVER PROGRAMS BASED ON DESIGN THINKING



+852 2157 2181
info@wedoglobal.com
www.wedoglobal.com
wedoglobal

WEDO GLOBAL, founded in 2011, aims at building a platform for people from different ethnicities to interact with each other for achieving the purposes of diversity and inclusion.

The Founders of WEDO GLOBAL, Bosco Ng and Eva Wong, have the vision of creating harmony amongst people of diverse backgrounds. According to Wong, “We would like to walk with ethnic minority youth together, to empower them through skills development and employment opportunities for them to share their cultures and traditions. They can become the role models of their communities to create bigger impacts. Gradually, they set examples of how ethnic minority can contribute to the society as an active citizen.”

WEDO GLOBAL is a self-sustainable social enterprise and one of the largest social enterprises providing ethnic minority tours in various districts in Hong Kong. Apart from educational tours, they provide total solutions to corporates, including multicultural training, team building activities and corporate social responsibility (CSR) programs. Through the activities, bonding and understanding between staff members is established. At the same time, knowledge and awareness towards different cultures and related social issues also claim benefits towards the staff development.

Some recognitions of WEDO GLOBAL

- The Hong Kong Youth Service Award 2017 (Founder of WEDO GLOBAL)
- SIE fund and The Peninsula Social Enterprise Incubation Fund 2016
- Global Final 12, Global Social Venture Competition 2015 (USA)
- Granted Social Enterprise, DBS Foundation 2015 (Singapore)
- Grand Award, Social Venture Competition Asia 2015 (South Korea)
- Granted Social Enterprise, DBS Social Enterprise Advancement Grant 2014
- Awardee, PolyU Microfund 2012, The Hong Kong Polytechnic University
- One of the first 20 social enterprises in Hong Kong to receive the Social Enterprise Endorsement Mark (endorsed by City University of Hong Kong and Hong Kong General Chamber of Social Enterprises)



Situation of Ethnic Minorities in Hong Kong



Growing Ethnic Minority Population

Ethnic minority is a relative concept. In Hong Kong, it refers to non-Chinese population. Excluding foreign domestic helpers, the highest ethnic minority population would be South Asians, including Indians, Pakistanis, Nepalese, Bangladeshis and Sri-Lankans.

Due to historical reasons, a number of South Asians came to Hong Kong as Police or for business during the British colonial time. After Hong Kong returned to China in 1997, they have been permitted to stay behind in Hong Kong as a recognition of their contribution to the development of the territory.

According to the 2016 Population By-census⁵² conducted by Hong Kong Census and Statistics Department, the number of South Asians increased significantly by 71% over the past 10 years, their population has reached 84,875 in 2016, which constitutes to 1.15% of the whole population in Hong Kong.

With the rapid increase of ethnic minority citizens in Hong Kong, they are not only the potential customers but also potential workforce who may support the future development of Hong Kong.

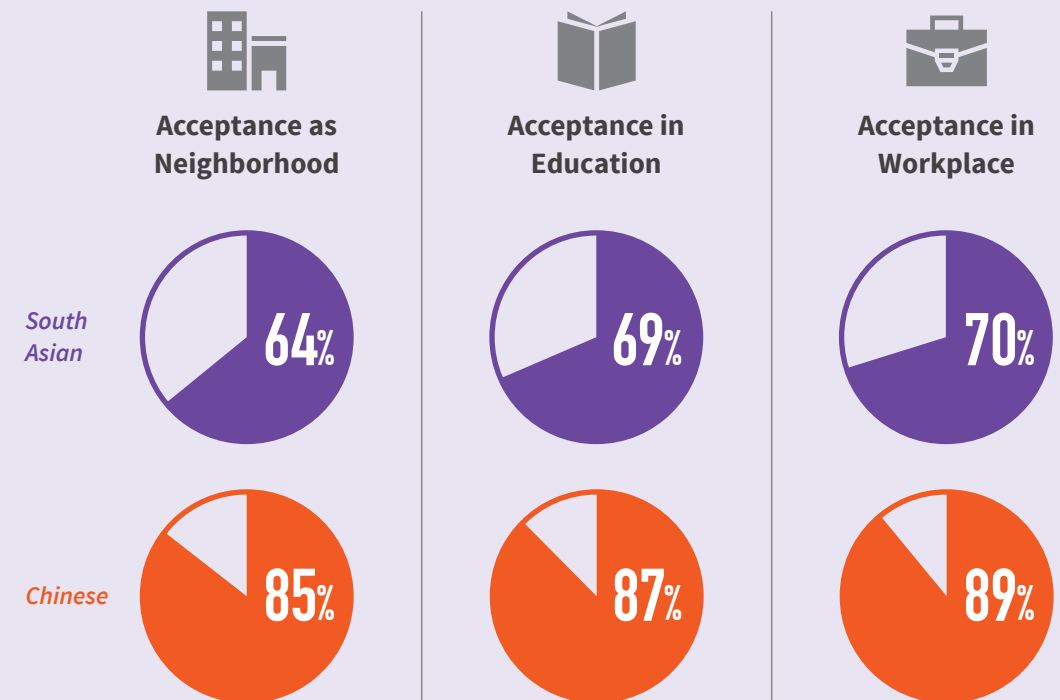
⁵² Hong Kong Census and Statistics Department. (2016). 2016 Population By-census. Retrieved from <https://www.byccensus2016.gov.hk/tc/press-detail24.html>

High Poverty Rate

Before HKSAR government policy intervention, South Asians have a rather high poverty rate of 25.7%. Amongst the wider South Asian population in Hong Kong, the poverty rate of Pakistanis is most severe with a poverty rate of 56.5%, implying that one out of two Pakistanis is living in poverty. The poverty rate of Nepalese and Indians are at 17.4% and 14.8% respectively.⁵³

Low Acceptance Level in Society

However, the growth of ethnic minority population also creates conflicts and social issues. According to a racial acceptance survey conducted by Unison,⁵⁴ the acceptance level of local Chinese towards South Asian is 18-21% lower when compared to the acceptance level towards local Chinese, in areas of neighborhood, education and workplace.



⁵³ Hong Kong Census and Statistics Department. (February 2018). *Hong Kong Poverty Situation Report on Ethnic Minorities 2016*. Government of Hong Kong Special Administrative Region. Retrieved from: <https://www.povertyrelief.gov.hk/pdf/Hong%20Kong%20Poverty%20Situation%20Report%20on%20Ethnic%20Minorities%202016.pdf>

⁵⁴ Hong Kong Unison. (2012). Racial Acceptance Survey Report. Retrieved from <http://www.unison.org.hk/DocumentDownload/Researches/R201203%20Racial%20Acceptance%20Survey%20Report.pdf>

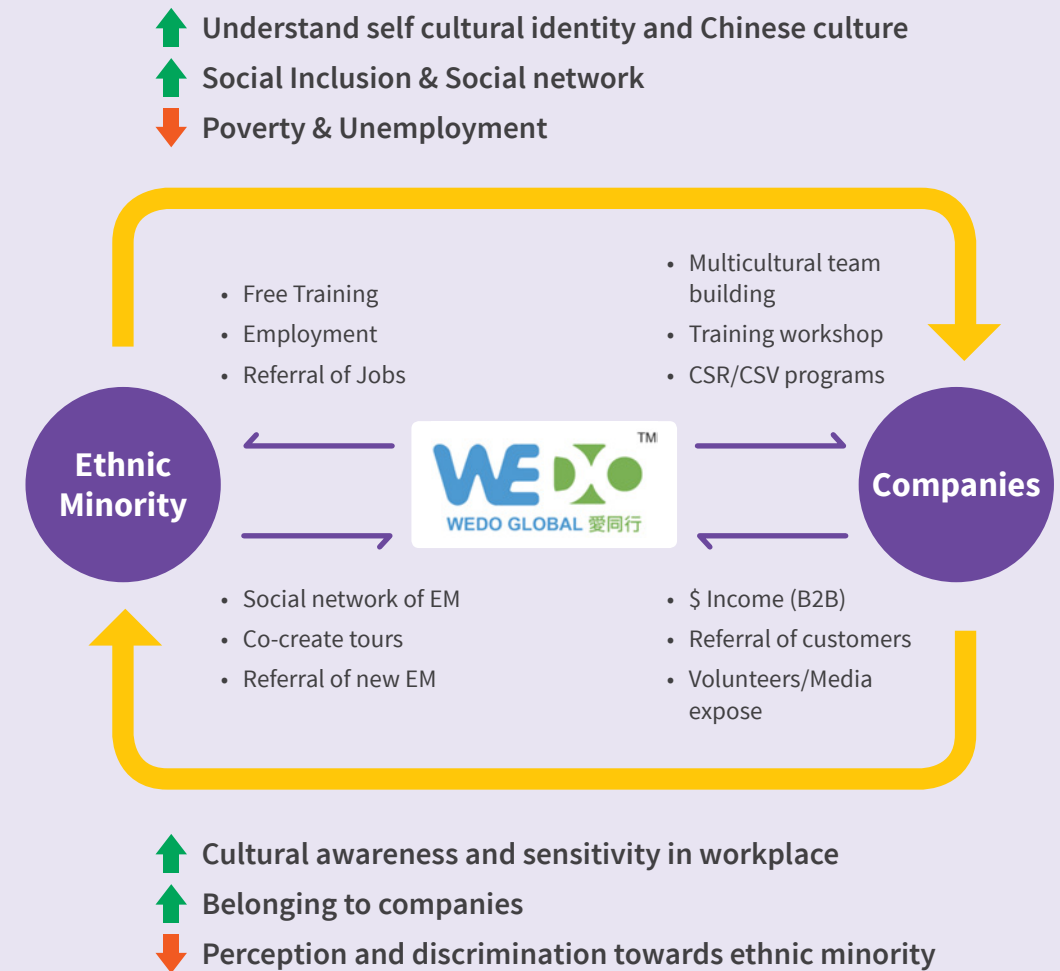
Language and Cultural Barrier

A considerable proportion of South Asian children are born and raised in Hong Kong, others may come to Hong Kong with parents at very young age. Education, especially learning Chinese, is one of the major challenges to South Asians when blending in. Both South Asian children and adults alike, are less proficient in reading and writing Chinese. As they grow up, the use of Chinese (written and spoken) continues to pose a major challenge, both in study or at work.

Theory of Change

If there is a multi-cultural environment that can create more understanding and collaboration among Chinese and non-Chinese ethnic minorities (i.e. training, co-creation, network building, overseas learning); and empower the participants through skills development, community involvement and global as well as cultural exposure, the non-Chinese ethnic minorities will be able to develop a sense of social inclusiveness. They are inspired and motivated to build up confidence, tackle challenges and build a multi-cultural Hong Kong together with their Chinese peers.

If ethnic minorities can be engaged in the community through different activities, they can grasp a better understanding and connection with different stakeholders. Building awareness about cultural diversity within the community is a foundation of a multicultural and integrated society.



SE-Corporate Collaboration

As a social enterprise, WEDO GLOBAL believes in synergy in creating shared values with companies, communities and non-governmental organizations to create cross-sector impacts. Through applying the design thinking procedures, WEDO GLOBAL focuses on human-centered design to create innovative and customized programs.

Creating Shared Values

According to Michael Porter and Mark Kramer’s article in Harvard Business Review on the notion of creating shared value, “Companies could bring business and society back together if they redefined their purpose as creating shared value—generating economic value in a way that also produces value for society by addressing its challenges. A shared value approach reconnects company success with social progress.”⁵⁵

In recent years consumers are more aware of the overall values provided by companies, including branding, products or services, and their impacts to the society and environment. CSR may be familiar to many companies and they have set various goals to have broader influences on their long-term success.

Applying Design Thinking Model

*Design thinking is a human-centered approach to innovation that draws from the designer’s toolkit to integrate the needs of people, the possibilities of technology, and the requirements for business success.*⁵⁶

— Tim Brown, CEO of IDEO

Design thinking is a great tool to start SE-Corporate collaboration. Through human-centered design, it is easy to understand various stakeholders in the collaboration. The design process starts with three simple yet key questions:



Desirability



Feasibility



Viability

⁵⁵ Porter, M. E., & Kramer, M. R. (2011). *Creating Shared Value*. *Harvard Business Review*, 89(1/2), 62–77.

⁵⁶ IDEO U (Official Website). *Design thinking is a process for creative problem solving*. Retrieved from <https://www.ideo.com/pages/design-thinking>

Start Here



Desirability

What is desired by the target group?
(e.g. Ethnic Minority)

What are the desired outcomes
by the corporate?



Feasibility

What is technically feasible
for SE and corporates?



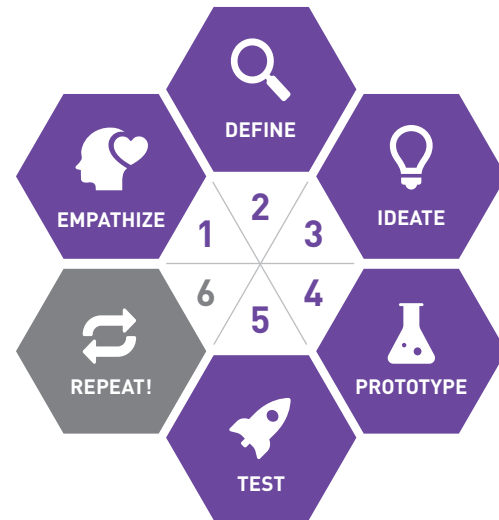
Viability

Is the idea financially viable for
both SE and Corporates?



*Best Available Solution for
SE-Corporate Collaboration*

Roles of Social Enterprise and Corporate CSR Managers in Design Thinking Procedures^{57 & 58}



Design Thinking	Roles of Social Enterprise	Roles of Corporate CSR manager
EMPATHIZE	<ul style="list-style-type: none"> Understand the need of corporate Understand the need of community stakeholders Engage the corporate staff to learn about related social issues through training / experience 	<ul style="list-style-type: none"> Coordinate internal staff to understand the social issue and related community stakeholder
DEFINE	<ul style="list-style-type: none"> Define the objectives of the CSR / CSV program Assign core team members in the social enterprise and corporate Define the objectives and expected outcomes for the project 	
IDEATE	<ul style="list-style-type: none"> Involve stakeholders in community to co-create meaningful programs Set preliminary budget for the program 	—
PROTOTYPE	<ul style="list-style-type: none"> Formulate ideas with core team members from SE and corporate Select feasible idea and finalize budget 	
TEST (implement)	<ul style="list-style-type: none"> Site visit / rehearsal of program/ pre-training (may or may not happen) Revise ideas if necessary 	<ul style="list-style-type: none"> Coordinate internal staff to co-organize the program Prepare CSR/CSV program
REPEAT (feedback loop)	<ul style="list-style-type: none"> Conduct a review meeting to discuss the outcomes of program and future collaboration 	

⁵⁷ The Hasso Plattner Institute of Design at Stanford (2010). An Introduction to Design Thinking PROCESS GUIDE Retrieved from: <https://dschool-old.stanford.edu/sandbox/groups/designresources/wiki/36873/attachments/74b3d/ModeGuideBOOTCAMP2010L.pdf>

⁵⁸ IDEO, D. K. (2015). The field guide to human-centered design.(P.14)

CASE 1

WEDO GLOBAL AND DBS BANK

Collaboration with DBS Bank

WEDO GLOBAL and DBS Bank (Hong Kong) Limited share the vision to embrace diversity and inclusion. DBS Bank also supports social entrepreneurship with the belief that SEs can create bigger social impacts with social mission and sustainable business model.



The activities co-created include (i) cultural team building activities with a group of DBS Bank staff team; (ii) sustainable volunteer programs for ethnic minority children; and (iii) mentorship and co-branding events. It marks a great success and example for the multiple-win situations for corporate-social enterprise collaboration.



Cultural Team Building Activities

In 2016, 65 colleagues from the DBS Bank participated in the multicultural team building and training organized by WEDO GLOBAL. With the theme of “Diversity and Inclusion”, WEDO GLOBAL Cultural Ambassadors (from different cultural backgrounds) who had gone through WEDO GLOBAL’s training shared their cultures and the common challenges they had encountered. Through interactive sessions, DBS bank colleagues could have direct dialogues with people from different cultural backgrounds. In total, 445 training hours were provided to DBS Bank colleagues to enhance their empathy, team bonding and cultural sensitivity.



“Our continuous support to SEs never stops! Joining hands with SEs not only fosters social changes, it also helps improve our customer services mindset. Through the multicultural workshop by WEDO GLOBAL, we have understood the needs of people from different backgrounds. We were also inspired on how to provide better caring services to build a more inclusive community.”



Empathy Training and Volunteer Programs

In 2017, colleagues from DBS bank in Hong Kong participated in the Ethnic Minority Cultural Tour organized by WEDO GLOBAL. They were able to have direct interactions with ethnic minorities to understand the situation and stories of ethnic minorities in Hong Kong. They learned and experienced the Indian culture with the guidance of WEDO Cultural Ambassadors. This is an empathy exercise and taster program for volunteers to build up relationship with ethnic minorities.



After the tour, DBS Bank recruited corporate volunteers to conduct regular volunteering sessions with WEDO GLOBAL for a group of ethnic minority children studying in kindergarten in 2018. The aim is to create a unique and sustainable experience for both the ethnic minority children and the DBS Bank Team. It is a rare yet valuable opportunity for ethnic minority children to interact with Chinese big brothers and sisters to learn about the Chinese cultures for their better integration to the society. The theme of the activities is around cultures and festive seasons. It is an unconventional learning experience for both the ethnic minority children and the corporate staff.



Mentorship and Awareness Building Initiatives

WEDO GLOBAL is one of the mentees of the DBS Social Enterprise Mentorship Program in 2017-18. Senior management of DBS Bank shared their expertise and experience with WEDO GLOBAL to help equip its business management skills and strengthen its social strategies. DBS also created the “DBS x HK01 Live Kind Campaign”,⁵⁹ which comprised a series of online videos and web articles. In the WEDO GLOBAL’s episode, popular HK singer Eman Lam joined the WEDO GLOBAL’s Wanchai tour to experience the Sikh culture. The video received over 250,000 views on Facebook and YouTube in a month.



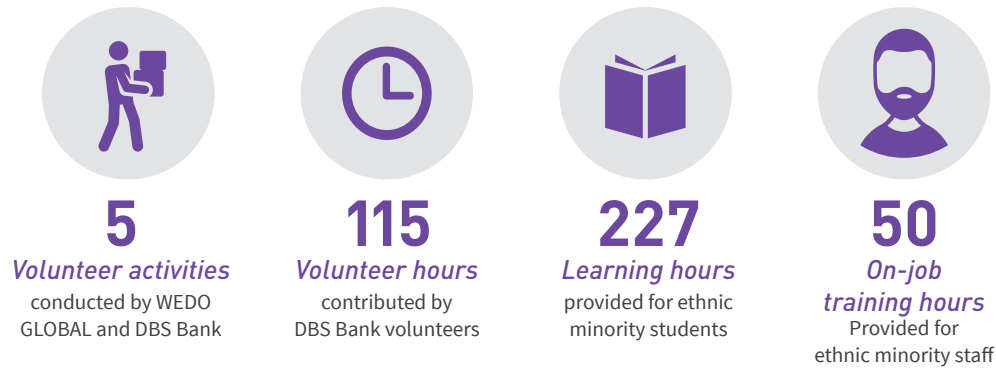
《DBS x HK01 Live Kind 想像不一樣》
WEDO GLOBAL 少數 · 多數



⁵⁹ 蘇健進 (2018-05-21). WEDO GLOBAL x DBS Bank “Live kind” campaign. 【文化共融】· 入廟見人 · 與少數族裔來一次真摯交。 Retrieved from https://www.hk01.com/社區專題/183586/文化共融-入廟見人-與少數族裔來一次真摯交流?utm_campaign=DBS_2018&utm_source=fbpost+community&utm_medium=Social OR <https://youtu.be/BX4ocwOk4uU>

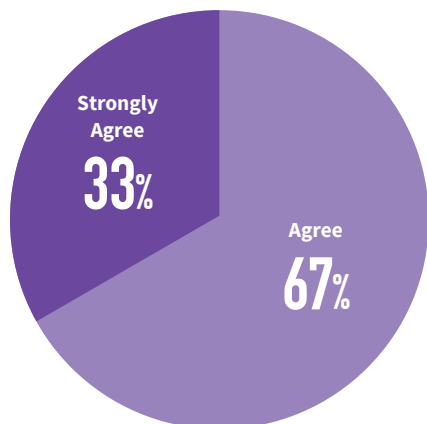
Social Impact Measurement of WEDO GLOBAL × DBS Bank Volunteer Programs (2017-2018)

Quantitative measurement

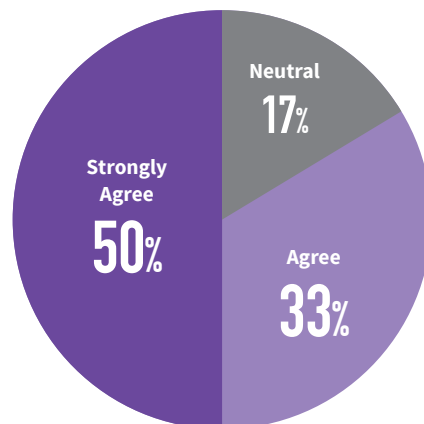


The results from the evaluation forms collected from DBS bank volunteers show that all of them agree that the volunteer activities enhance their understanding towards multi-culture in Hong Kong.

I have enhanced my understanding towards multiculturalism in Hong Kong after the cultural experience

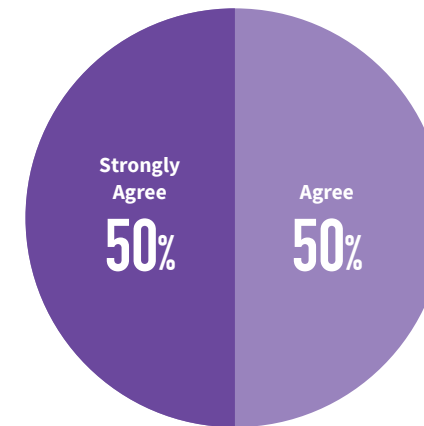


After the experience, my understanding towards ethnic minority becomes more positive

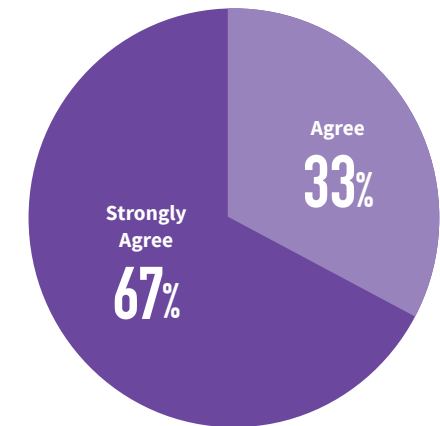


They also agree that they want to meet more ethnic minorities in the future and support the company to promote diversity and inclusion.

I hope to get to know more ethnic minorities in the future



I support corporates to promote Diversity & Inclusion

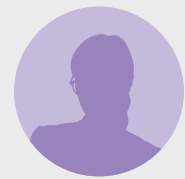


WEDO GLOBAL AND DBS BANK

Qualitative Measurement

Through interviews with stakeholders, soundbites reflecting the impact of the SE-Corporate collaboration are captured. The learning and changes are analyzed through the lens of Donald Kirkpatrick Model.⁶⁰

LEVEL 1 Affective	LEVEL 2 Awareness	LEVEL 3 Behavioral change	LEVEL 4 Results (ROI)
-----------------------------	-----------------------------	-------------------------------------	---------------------------------



DBS Bank's volunteer

In our daily life, we don't have much chance to meet people from different cultural backgrounds. Through this program, **LV 1** some memorable moments touched us from knowing the ethnic minorities. **LV 2** We also learnt more about their culture, e.g. Sikhs year bracelet and the meaning of Sikh. During the Sikh temple visit, we had to guess the meaning of an Indian word, yet at last we found out that even the WEDO GLOBAL's Indian ambassador didn't know the answer. **LV 3** That makes us realize that ethnic minorities, even they grow up in Hong Kong, do face challenges in learning not only Chinese, but also their mother language.



DBS Bank's volunteer

LV 1 Glad that we can contribute to the society in our workplace by participating in the corporate volunteering program. After joining WEDO GLOBAL's program, **LV 2** we can better interact with ethnic minorities and recognize that they are not much different from us. **LV 3** We shared these valuable stories and experiences with our family and friends too.



Principal from the kindergarten

LV 4 Before, it is hard for us to bring them outside as we don't have enough staff ratio. With the organization of WEDO GLOBAL and engagement of DBS Bank volunteers, we are able to provide our students with more outdoor experiential learning. They provide the students with Chinese cultural experience that can enhance their integration into mainstream society.

⁶⁰ Kwan, C.H., Kee, C.H., Chan, K.F.J. & Ng, C.H. T. (2016). Introduction to Social Impact Measurement, Hong Kong Context. Chapter 5: The beneficiary-centric approach to SIM. FSES. (P.16-17)

CASE 2

WEDO GLOBAL AND HKBN

Collaboration with Hong Kong Broadband Network (HKBN)

WEDO GLOBAL collaborated with HKBN in 2017 to provide Cultural Learning Experience for less resourceful youths aged from 13-17. Over 15 HKBN volunteers received a volunteer training conducted by WEDO GLOBAL to understand more about the multicultural development in Hong Kong. After that, the volunteers provided feedback to perfect the tour design and arrangement. A total of 184 participants joined the tours. They had a chance to learn more about multicultural education via fun and interactive tour, which enhanced their knowledge and awareness on cross-cultural understanding and inclusion.



OBJECTIVES OF THE SE-CORPORATE COLLABORATION

For less resourceful youths

- Increase cultural awareness through direct interaction
- Enhance cultural knowledge and understanding about ethnic minority
- To directly interact with ethnic minorities living in Hong Kong

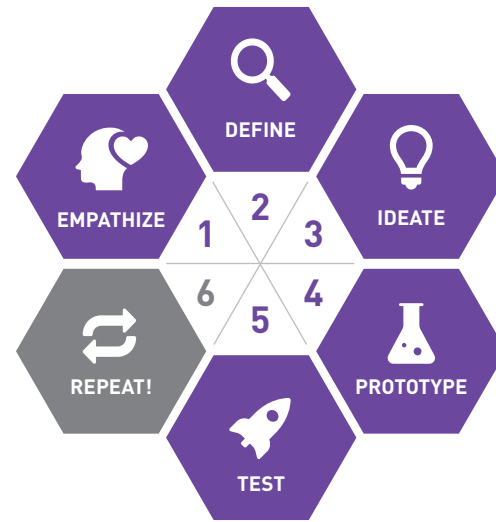
For HKBN volunteers

- Gain cultural experience through cultural volunteer training
- Contribute to motivate under-privileged youths in learning about different cultures
- Contribute to make Hong Kong a more multi-cultural city

For ethnic minorities staff from WEDO GLOBAL

- Gain work experience and exchange with HKBN talents
- Interact with local Chinese and have chances to share their culture
- Employment opportunities as cultural ambassadors and project assistant

Applying Design Thinking Process



Design Thinking	Roles of WEDO GLOBAL	Roles of HKBN
EMPATHIZE	<ul style="list-style-type: none"> • Need of HKBN: Talent development & empowerment of volunteers, contribution to the society • Need of community: Cultural learning experience for less resourceful youth • Training program for HKBN volunteers to understand about ethnic minority living in Hong Kong 	<ul style="list-style-type: none"> • Coordinate volunteers to understand the social issue related to ethnic minorities living in Hong Kong
DEFINE	<ul style="list-style-type: none"> • Define the objectives and outcomes of the CSR program: Provide cultural learning experience for less resourceful youth and train up ethnic minority staff of WEDO GLOBAL • Assign core team members in WEDO GLOBAL and HKBN 	
IDEATE	<ul style="list-style-type: none"> • Involve Kowloon Mosque and partners in the community to support the program • Set preliminary budget for the program 	—
PROTOTYPE	<ul style="list-style-type: none"> • Formulate finalized program design and budget • Provide feedback to revise the program for a better learning experience for secondary school students 	
TEST (implement)	<ul style="list-style-type: none"> • Actual delivery of program • Capture social impact data after each tour for report 	<ul style="list-style-type: none"> • Coordinate internal staff to co-organize the program • Prepare CSR/CSV program report
REPEAT (feedback loop)	<ul style="list-style-type: none"> • Conduct a review meeting after each tour to discuss the outcomes of the program 	

Social Impact Measurement of WEDO GLOBAL ×HKBN Volunteer Programs (2017)

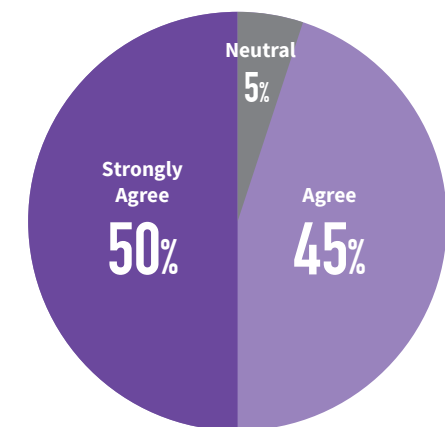
Quantitative measurement

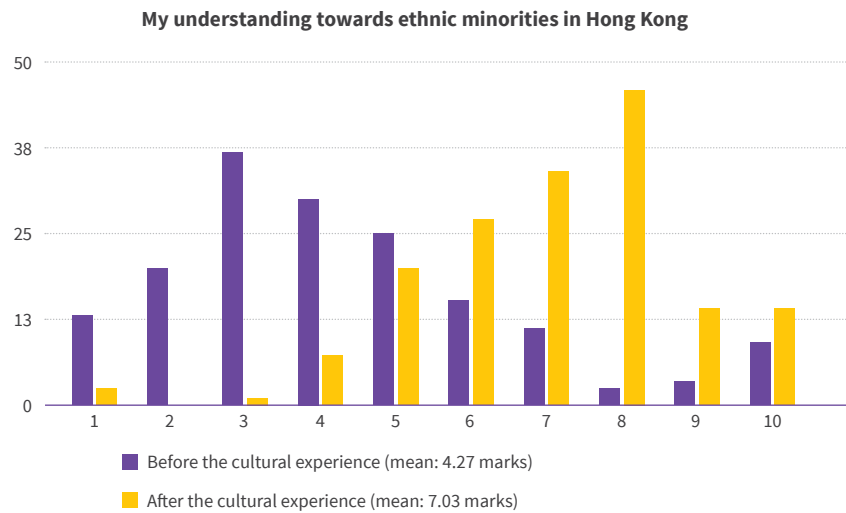


Social Impact Measurement

After each tour, evaluation forms are given to the participants to collect their feedback about the tour. 165 evaluation forms were collected (total participants: 184 participants). The results were analyzed and Social Return on Investment (SROI) was calculated as follows.

I have enhanced my understanding towards multiculturalism in Hong Kong after the cultural experience





Qualitative Measurement (Ethnic Minority Cultural Ambassador)

Again, the learnings and changes of participants were analyzed through the lens of Donald Kirkpatrick Model.



Ilyas, WEDO GLOBAL Cultural Ambassador

It was a very **LV 1** meaningful and fruitful experience to conduct the HKBN x WEDO Multicultural Experience Tour. I was able to share my culture and traditions with others. I had an opportunity to share my experience and answer questions from the participants as well as **LV 2** to learn from the HKBN Talents who offered great help during the tours. With their supports and fresh ideas, I was able to further enhance my tour guiding skill and crowd control skill. **LV 3** Most importantly, their humbleness and motivation to keep improving and providing help to the needy impressed me a lot. Hence, the learnings played a major part in changing my attitude towards work. **LV 4** This was also the contributing factor for my team to nominate me to join the Hong Kong Social Enterprises Outstanding Employee Recognition Scheme 2017. The meaningful tours brought changes to the participants, and their positive feedbacks made it all worthwhile.

WEDO GLOBAL SOCIAL IMPACT MEASUREMENT (SIM) (CSR PROJECT WITH HKBN 2017)

INPUT	PROCESS	OUTPUT
<ul style="list-style-type: none"> Project budget HKBN volunteers WEDO GLOBAL staff Community partners Preparation materials 	<ul style="list-style-type: none"> Training for HKBN volunteers Ethnic minority staff job training Cultural experience for less resourceful youth 	<p>Beneficiaries:</p> <ul style="list-style-type: none"> Less resourceful youth : 184 Ethnic minority staff: 2 HKBN volunteers: Training for 15 Talents WEDO GLOBAL: HK Social Enterprise Employee Recognition Scheme HKBN: Awardee of SE Supporter+

OUTCOMES

Level 1 Affective	<ul style="list-style-type: none"> 98% participants felt more positive towards ethnic minorities after the tours
Level 2 Awareness	<ul style="list-style-type: none"> 95% participants agreed that the tours enhanced their understanding of multicultural development in Hong Kong Understanding of ethnic minority in Hong Kong: Before the tours (4.27 marks) After the tours (7.03 marks) 84.4% participants increased their understanding of ethnic minorities in Hong Kong
Level 3 Behavior	<ul style="list-style-type: none"> 89.8% participants hope to know more about ethnic minorities 87.4% participants hope to take action on problems faced by ethnic minorities



APPENDIX

- (I) 14 Examples of ONE-Page Proposal to Corporates/Funders
- (II) Supplementary Exercise 1:
An examination question to calculate the Social Return on Investment in a Master Level course in Socially Responsible Marketing
- (III) Supplementary Exercise 2:
Cost-effectiveness Evaluation of Social Venture – the Big Society in UK

APPENDIX I

14 Examples of ONE-Page Proposal to Corporates/Funders

The following cases are summary illustrations of the learning outcomes used by 14 SEs for actual pitch to corporates.

They are included in the 2018 TECM Kick-off Ceremony Booklet and can be downloaded via TECM website.

The Down's Kwan Ngai Service Team



香港唐氏綜合症協會
The Hong Kong Down Syndrome Association
1-3A, G/F, Wing Hing House,
Fuk Loi Estate, Tsuen Wan, N.T.
2611-9747
2611-9752



Committed to Train People with Disabilities to Succeed in Open Employment

The Down's Kwan Ngai Service Team is a non-profit Social Enterprise who creates job opportunities for people with disabilities to contribute to the society by providing car beauty services.

Social Impact



Support the disabled in employment:
180 Apprentices;
26 Employed workers



85% of the revenue is for the salary of workers with disabilities and other training subsidies



Enhance working skills, empower them and change their life

Achievements in the Past 16 Years

New Territories South Regional Police Headquarters and Operational Base

Cooperated since: Year 2013
No. of vehicles: 26
Frequency of service: 520 Washes/Month
4 employees; 10 apprentices

Fuk Loi Estate and our community

Cooperated since: Year 2002
No. of vehicles: 65
Frequency of service: 400 Washes/Month
2 employees; 20 apprentices

Hong Kong Disneyland

Cooperated since: Year 2015
No. of vehicles: 34
Frequency of service: 208 Washes/Month
3 employees

Social Mission

Enhance job capabilities of people with disabilities to land a job in the market and eventually improve social integration

1 Vocational Training

2 Internship at work

3 Trainee in SE

4 Employed in the job market

Use Our Service!

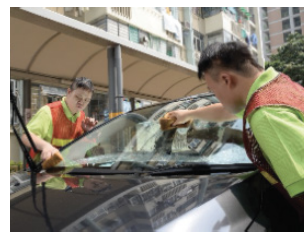
PLAN A

Purchase our car cleaning service

- Buy monthly car cleaning service voucher for your company vehicles
- Buy monthly car cleaning service voucher for your employees as a staff benefit

PLAN B

Allow us to provide car cleaning service and vocational training at your company building car park



The Down's Kwan Ngai Service Team was certified as a Social Enterprise (Intermediate) on 27 November, 2014.



The Salvation Army Senior Citizens Talent Advancement Project Tung Tau Centre



Joyce Ho
Marketing and Development Manager
The Salvation Army
2783-2216
joyce_ho@hkt.salvationarmy.org

Provide diversified courses for people of age 50+ to explore their strengths and potential, and develop their wonderful "Third Life"

Smart Age Innovation Adventure Project

Creative Idea

Integrate new technology, 3D printing and creative thinking to help elderlies cultivate an innovative mindset for problem-solving



Social Impact

- Aim at enhancing the quality of life of 100 elderlies who live alone
- Energized 20 retired people
- Developed social innovative ideas (e.g. cleaning dentures, simplified clothes dryer, home workout bands)



Corporate Collaboration

Activity: Workshop on Innovative Problem Solving

Workshop Content

1. Sharing the invention of retirees
2. Introducing 3D printing and its execution
3. Understanding elderlies' limitation with life & in the community
4. Developing creative solution and daily life "Invention"

Target: 15-20 corporate employees (of any age)

Employee participation: Utilize their industry knowledge and work experience to develop creative "Invention" with the retiree

Social Impact

- ✓ Stimulate employees' creative problem-solving skills
- ✓ Develop 6-10 original products to enhance the life of elderlies who live alone
- ✓ Understand the practicality of 3D printing in daily life and the potential of elderly

Duration of the program: 3 days
(Adjustable according to the need)



Hong Kong Youth Talent Institute (HKYTI)



Elvis Ku
2153-3940
elvisku@elchk.org.hk

- Assists non-engaged youths on career and life planning
- Train up those with an artistic potential to be performers and coaches
- Provide professional performance service and talent training course

Established since: Year 2014

Parent Organization: Evangelical Lutheran Church Social Service - Hong Kong

Social Impact

- Create job opportunities for non-engaged youths
- 60% of the revenue as their salary
- Enhance their working skills and confidence
- Assist them in planning their career
- Change the negative impression of the public towards non-engaged youths

Important Figures (2016 September - 2018 August)

- Benefit >100 Youths
- Generate \$1,000,000 salary for the youths
- 60% Youths became clear on their career paths
- 8 Youths have established their own company

Past Experience

Sun Life Financial

- Corporate training by the youth coaches
- Enhance team spirit in the company through interactive drama

Dutch Lady

- Cooperate on brand promotion activity for 3 consecutive years
- Provide services including theme song creation, gymnastics choreography and teaching tour

- Promote positive and social-responsible image for the brand

Hospital Authority

- Provide dance courses for the employees
- Train employees for performance in mass events
- Enhance the team bonding

Service Scopes

- Dancing (choreography, performance and training)
- Corporate Training (team building, communication)
- Shooting (MV and mini movie production, event shooting)
- Songwriting (melody and lyrics)
- Event production (light and sound coordination)
- Drama (performance and teaching)

Corporate Collaboration

PLAN A

Interactive drama corporate training service

- Distinct training led by our trained youths
- Customized theme (incl. Communication skills, team building, creative thinking) according to the needs of the company
- Service duration is 2-4 hours for 20 employees to make some breakthrough in a relaxing atmosphere
- Benefit 2 youths by increasing their income and confidence

PLAN B

Subsidize and participate in youth's talent training course

- \$20,000 subsidy for a 20-hour talent training course with 10 non-engaged youths and 10 employees
- Develop youths' talent and working skills
- Employees will understand more about the youths
- Performance collaboration by the youths and the employees



Nature Bathing

De-stress and Restore in Nature



naturebathinghk

Year established: 2017

Founder & Background: William Tsang, a registered social worker with >16 years of experience in youth work

Nature Bathing offers Nature Play programs for urban citizens to de-stress and uses revenue from paid programs to finance free programs for students from low-income families. Participants de-stress themselves and learn to help others de-stress through the Ambassador Program.



Social Impact in 5 Months (Mar - Aug 2018)



400+ Individuals participated



↑ 2 points in "Happy Index" (A 5-point scale)



20+ Nature Play Programs



2 Youth Ambassadors Trained up

Nature Play Program

What is it?

- Nature games
- Mindfulness practices
- 5 senses experience
- Life reflections

What does it do?

- De-stress the mind & body
- Enhance social relationships
- Life reflections
- Environmental conservation



Social Issue

- 74 cases of student suicide in 2 years (8/2015-10/2017)
- 1 in 2 secondary school students shows symptoms of depression
- >30% of Hong Kong citizens suffer from emotional distress

Social Innovation

- Utilizing the restorative power of nature as a stress reliever and mood booster
- Inspiring urban citizens to connect with nature and use it as an approach for self-care
- Cultivating environmental awareness by nature play and mindfulness practices

Proposed Collaboration

Sponsor & Volunteer

Co-create nature play programs for students from low-income families; engage by volunteering

- ➔ sponsor 15 students and invite 15 corporate volunteers to join a Forest Adventure together



Reference case: Rotaract Club CWB

- 15 students from Principal Chan Free Tutorial World & 15 volunteers from Rotaract Club CWB visited Tai Po Kau Nature Reserve for a full-day program
- Results from questionnaires showed a 2-point increase in Happy Index and 2-point decrease in Stress Index (on a 5-point scale)

Learn & Give

Promote team bonding & environmental awareness, foster innovation and let employees de-stress with Nature Play

➔ Corporate Team Building Program

Each program will support 30 students to join a Costal Exploration

➔ Learn-at-lunch workshop

Each workshop will support 15 students to go Firefly watching



St. James' Settlement GroundWorks



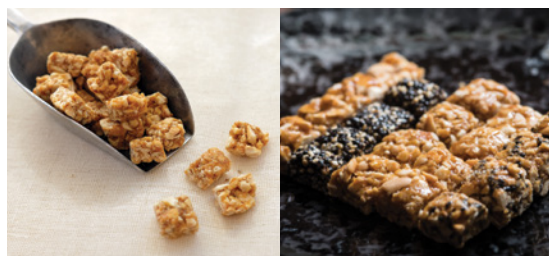
Blue House, 74A Stone Nullah Lane, Wanchai, HK
 2116-1106 / 8235-4375
 groundworks@sjs.org.hk

*Community Production. Support local agriculture.
 Take from the nature. Make good use of them.*

Aim at promoting healthy eating and helping grassroots labor to achieve employment

Cumulative Social Impact

- Social Return on Investment (SROI) 1:7.27
- Farmers, locals, customers and the community gain
- Create job opportunity for labor with dignity
- Succeed in establishing community production model



Handmade candy biscuits produced with heart

Forms of Collaboration

- Product retails with online promotion
- Product processing with selling spots provided
- Exhibition and gift package pre-order
- Production classes and farm visits



Seasonal food with natural ingredients

Public Education and Appreciation



Organic vegetables consumed at the best season



Unit 507, 5/F, Tin Ching Amenity and Community Building, Tin Ching Estate, Tin Shui Wai, N.T.
 3464-0935 (Shop); 2612-2261 (Catering service)
 Café Sunny 天晴茶座

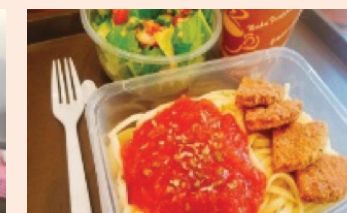


Founded in 2015, the first catering service social enterprise of Po Leung Kuk. Aim to provide training and job opportunities to the underprivileged and people with disabilities in the community to equip themselves, enhance their self-esteem and eventually transform them to be self-sufficient.

Current Service



Provide residents of Tin Shui Wai with healthy and affordable catering service



Provide customers from different districts with meal box, party snacks delivery and workshop

Social Impact

- Prepare more than 20 underprivileged citizens and people with disabilities in the community for open employment by providing training and job opportunities
- Strengthen the Social Network of the underprivileged and people with disabilities and increase the Social Capital in the community
- Around 45% of the revenue as the salary of employees (according to the Census and Statistics Department, that of normal fast food restaurant is 25%)
- Enhance working skills, self-esteem and self-identification of the underprivileged and people with disabilities in the community
- Achieve social integration and mutual care at the workplace

Proposed Corporate Collaboration

PLAN A

Frequently order our party snacks delivery service, meal box and barbecue packages during staff picnic or corporate events.

PLAN B 「愛心遍圍城」

Volunteer and join us to give out meal box produced by Café Sunny to the needy or the elderly who live alone in Tin Shui Wai.

PLAN C 「細味·睿智」

Attend our workshop instructed by local women or staff with disabilities to make traditional or regional snacks for elderly. Talk to the elderly and learn to appreciate them.

PLAN D 「共融·共享」工作坊

Attend our workshop instructed by local women or staff with disabilities to make and eat festive or regional snacks. Deepen the mutual understanding and enjoy the festival.



Shop No. 149, Third Street, Sai Ying Pun, HK
2857-7072 9532-9328
www.animalse.hk

Reduce the no. of pets suffering from Euthanasia due to aging or disabilities.

Provide job opportunities to the underprivileged (underemployed youths and recovered people from mental illness).

Promote integration between society and animals.

Our Mission

Provide old-aged pet recovering service for the 510,000 pets in Hong Kong.



Social Impact

- Trained 15 underprivileged employees in 3 years from the year 2015-2017 and generated HK\$580,000 salary
- HK\$3.2 in every HK\$10 serves as the salary for the underprivileged employees
- Trainees are employed as vet beauty stylist, vet assistant and pet shop assistant

Our 8-year Experience

- Serve 100 pets every year, 80% are dogs and 20% are cats
- Prolong the life cycle for 21 months for old cats and dogs of age 7+
- Carried out professional weight monitoring exercise for a 10-year-old cat to reduce 20% of fats in two months and regain health
- Improved the walking posture for 90% of the pets which suffered from arthritis through physiotherapy
- 100% satisfaction rate from the pet owners



Our Proposals

- Choose our cat and dog voucher service
- Join the Animal SE Club
- Make it as a staff benefit for your employee's pets
- Attend a workshop on caring and nursing of old aged cats and dogs
- Provide us with a rental venue
- Collaborate and design plans for cats and dogs' transportation
- Fund us to expand our team



1403 Eastern Commercial Ctr,
397 Hennessy Road, HK
3568-5193
www.hoholife.com

Established in the year 2013, HOHOLIFE aims at selecting good quality, creative and fashionable products for silver age people, so as to keep them active in social life and help them enjoy retired life with dignity and be cool.

Social Mission

We want to break stereotypes towards ageing and create a more accepting and positive age-embracing environment for our community. With suitable assistant tools, elderlies can attain our goals – “ageing in place” and “active ageing”.

Social Impact

- Promoted “Active Aging” and our creative silver age products to over 20,000 people
- Employ 10 retirees as “Silver Age Ambassador” to share their “Active Ageing” stories and promote elderly re-employment

Our Business

- Sell products in mainstream department stores, chain retail business and online shopping platforms.
- Develop marketing plans targeting silver age people, provide brand crossover and consultant service on old-age facilities for organizations



Experience on Corporate Collaboration

Dragon Airline

- Sell the panda magnifier designed and produced by us on their flight
- HOHOLIFE donates one magnifier to St James' Settlement's elderlies in need for every magnifier sold (benefit >80 elderlies)

Hong Kong Central Library

- Provide consultation and execution plan to on old-age-friendly facilities to install around 100 racks for walking sticks to readers in need
- Enhance children's understanding towards to needs of elderlies (benefit >5000 elderlies)

The Commercial Press

- Hold talks about prevention of elderlies falling down and silver age travel
- Enhance public understanding of elderly needs and eventually improve the life quality of the elderlies (benefit ~100 elderlies)

Corporate Collaboration

PLAN A

Collaborate to develop technological products, Micro-smart-GPS tracking device, for elderlies which suffer from Alzheimer's disease to prevent them from getting lost.

Estimated impact: save \$100,000 expenditure derived from the “lost and found”

Social Impact in Corporate Collaboration

1. Ensure the safety of 200 elderlies with Alzheimer's disease and prevent them from getting lost during the first phase of Micro-smart-GPS tracking
2. Achieve an inclusive society by helping young employees and their children understand the needs of elderlies through the elderly visiting program

Benefits to the Corporate

1. Enhance the corporate image of being socially responsible and become more elderly-friendly among consumers
2. Receive a discount on elderly products and reduce employees' pressure by showing care for the elderlies

PLAN B

Carry out old-age-friendly projects

1. Establish old-age-friendly facilities and provide a better customer experience to the elderlies.
2. Improve corporate image by producing creative and practical daily life products such as magnifier and walking sticks as commercial gifts.
3. Provide talks for employees (on information of elderly-care, swallowing difficulties and Alzheimer's disease). Volunteer in elderly houses through us.





A Subsidiary of the Mental Health Association of Hong Kong

Social Mission

To help the underprivileged and people with disabilities to succeed in employment and integrate into society with dignity at work by developing multi-business.

Social Impact



100+ Disabled employees are hired



200+ Internship positions are provided



HK\$80 million on cost in society is reduced

Business Scopes

- Convenience store, online shops, offline shops and direct sales of rehab products
- Marketing promotion service, publication of the free magazine
- Catering service
- Cleaning service and more.



Corporate Collaboration

Join our Organizational Consumption Projects (since 2013)

- 40 corporates, organizations and bodies are joining
- Currently offering discounts to 360,000 corporate employees and underprivileged members upon purchases in Cheers Co-op (physical store) or Cheers Point Net (online shop)
- Enjoy our procurement service to search, order and deliver products with good quality and economic price for annual gift package, voucher, cash coupon, food and beverages and more.
- Enhance the mutual understanding through the customers interacting with staff

Corporate Collaboration Social Impact

- Every HK\$5,000 purchase generates 10 working hours for our underprivileged employees
- Foster social integration

Benefits to Corporates

- Be nominated to get the "Caring Company" logo
- Receive Certification of Social Procurement and may list it on the annual report of the company



Jordan, Fortress Hill, Tsuen Wan, Ma On Shan
3188-8064
www.hkfairtradepower.com
shop.hkfairtradepower.com
info@hkfairtradepower.com

Social Mission

- Ensure a fair return for producers, and build stable and sustainable trading partnerships for their livelihood
- Foster collaborations between producers and consumers to enhance mutual help and mutual benefit
- Raise consumer awareness of social and environmental issues by advocating ethical consumption, and their understanding that consumption could make a difference

Business Scopes

- Sell 300+ fair trade products (food, natural care products, art crafts)
- Hold talks on fair trade education and DIY workshops
- Provide corporates and organizations with products certified in international fair trade with ethical, sustainable, organic or natural source

Social Impact



Improve life quality of 350,000+ underprivileged producers in 30+ countries or area yearly



Educate 10,000+ people yearly



Hold 50+ fair trade events yearly



Corporate Collaboration

1. Prepare festive gift package for corporates (made 200 fair trade, environment-friendly and sustainable gift packages for one single company)

Collaborated partners:
Hong Kong Convention and Exhibition Centre, Morgan Stanley, Hong Kong Cable Television and more

2. Hold fair trade DIY workshops for corporates to support fair trade through daily life topics and improve the bonding between workers and members

Collaborated partners:
The Wharf (Holdings), Ernst & Young, Target and more

3. Provide corporates and organizations with quality, sustainable and clear sourcing products for long-term internal procurement

Collaborated partners:
Delifrance, Hospital Authority and more

Proposed Corporate Collaboration

1. Purchase fair trade gift packages for your company's festivals, annual events, or in your office
2. Take our DIY workshops as a gathering activity for your staff
3. Enhance your corporate image by fulfilling corporate social responsibility





gl.sjs.org.hk
 sjsgreenladies
 sjsgreenlittle



A Social Enterprise under St. James' Settlement

Dedicated to promoting reusing of fashion and emphasizing talents development to create social change and a better society.

Green Ladies: Since 2008
 Green Little: Since 2016

Social Issue

- Low acceptance and a deep-rooted negative impression on reusing secondhand fashion in Hong Kong
- Middle-aged women are undervalued in the labor force due to age, family and industry development, making them difficult to find a job

Social Innovation

- Run with a consignment business model to encourage women to be a consignor and give fashion a second life
- Shops act as eco-platforms to highlight the beauty within the secondhand fashion and change the general public's perception towards it
- Empower and provide middle-aged women with job opportunities and seasonal training
- Unleash their potential and abilities which are bounded by the age
- Green Little also encourages parents to let children become consignors and learn to cherish through consignment and donation



Social Impact

Environment Protection

- 10,208 frequent consignors*, 14,000+ accumulative registered consignors
- 138,962 reused clothes every year
- 72% of customers think they have become more environmental-friendly #
- 107,000+ people have visited the store every year
- 45+ organizations have participated in different types of environmental protection activities

Women Employment

- Life satisfaction rate 8/10 (average of people in Hong Kong is 6.27/10)
- Employed 50+ middle-aged women and 4 are managers
- Average hourly rate is \$70.8, a double of the minimum wage
- Provide 600+ hours for training annually to improve their skills and confidence

* Recorded from 2014 April to 2018 March who has consigned for 2 times or above as a habit
 # Research results from 2016 by Policy 21

Corporate Collaboration

- Collect secondhand ladies and children fashion
- Carry out secondhand fashion recycling event frequently in the company
- Upcycling workshop on fashion
- Little manager experience activity
- Training and role-play activities to employees' family and children to promote environmental protection, reusing and recycling, and how to run a boutique

Home Market

A Registered Non-profit organization



Room C, 1/F, South Ocean Building,
 286-300 Cheung Sha Wan Road, Kln
 3987-7800 2720-0137
 joannekee@homemarket.hk
 www.homemarket.hk
 homemarketHK

Social Mission

We run chain stores to care for the underprivileged and relieve poverty. We sell food and daily necessities at most affordable prices to underprivileged people including elderly, low-income families, people with disabilities, new immigrants and ethnic minorities.

Business Scopes

Home Market is a pioneering poverty relief project that comprises a chain of not-for-profit convenience stores selling food and daily necessities at prices close to the costs to underprivileged people. We employed the disabled and rehabilitated offenders to help them integrate into the community.

Social Impact



Provide **330 elderly houses**, social organizations and non-profit organizations with bulk purchase and membership services



Serve **5,000+ people** every day



Served 160,000+ people in which **90%** are low-income citizens and age 65+ elderly, 10% are the disabled, new immigrants and ethnic minorities



Employ **14 disabled and rehabilitated offenders** to help them integrate into the community and become self-sufficient

Corporate Collaboration Experience and Expected Social Impact

- Collaborated with 190 grocery suppliers for 6 years and established a stable supply for low-income people
- Started working with different NGOs including S.E.P.D (Support the Employment of People with Disabilities) to establish two Home Market; Helped Food for Good to carry out voluntary work on food distribution and elderly care in different districts

Proposed Corporate Collaboration

Gather power from Education, Commercials, Social and Government sectors to promote ethic consumption in Hong Kong

1. Increase the no. of stores
2. Promote care between neighbors and carry out community-oriented activities
3. Collaborate with "green" organizations to give out free meals in different districts and carry out elderly care voluntary activities





Room 1, 23/F, Wah Sing Industrial Building,
12-14 Wah Sing Street, Kwai Chung, N.T.
5547-0026 angelchild2013@gmail.com
angelchild.com.hk

Social Mission

- Promote understanding and educate the public about Autism.
- Enhance the working and social skills of people with Autism to succeed in open employment.

Business Scopes

Sell home-made healthy food made by parents of children with Autism. We ensure the products are of less oil, sugar, salt and with no preservatives, trans fat and man-made food dyes.

Social Impact

Promote healthy eating and help people with Autism to integrate into society through employment and developing their talents.

Corporate Collaboration Experience

- HSBC - Interest Class
- Heep Hong Society - 5 Youths with Autism have completed the internship
- Fortress Hill Methodist Secondary School - 3 Youths with learning disabilities have completed the internship
- iGroup (Asia Pacific) Limited - Cookie making
- Culture Power Charity Foundation - Charity handmade New Year Gift Package



Proposed Corporate Collaboration

- Join our food making workshop and job experiencing activity
- Purchase our products and catering delivery

Benefits to the Corporates

- Make food making workshop as an employee benefit, send food to other social organizations to boost company image
- Purchase our food and gifts for clients and employees to enhance relations with clients and team spirit

Corporate Collaboration and their Social Impact

- Train and employ 6 youths with Autism every year and assist them on job seeking
- Arrange 5 trainee positions for youths with learning disabilities



Essence Hub



Kelvin Chan
2415-0128
eh@elchk.org.hk
3/F, 204 Prince Edward Road West,
Kowloon



Encourage retired people to pursue a healthy and meaningful lifestyle

Established in 2014, Essence Hub dedicates to enriching the lives of the golden-aged (age 50-65) and the community by introducing a healthier, quality and meaningful lifestyle. We wish to conserve the heritage and wisdom of the community and pass them down through generations.

You need a new track for the second part of life

- The population in Hong Kong is ageing. In 2036, 1/3 of the population would be elderly. The need for old-aged people and the shrinking labor force is a serious social issue.
- There are 220,000+ golden-aged people who have left the labor force from the management position or professional sectors. They are important social capitals and need a chance to exercise their talents. (statistics from 2017)

Course and activity

- Stretching exercise
- Artistic photography
- Dim sum cooking
- Eco-craft making
- City tour
- Health and fitness
- Information Technology

Social Mission

- Foster physical and mental health
- Provide elderly with a platform
- Contribute to society

Innovative ideas

Golden-aged Real-Life Library

- Golden-aged people sharing their life experience to inspire the youths and promote cross-generation experience sharing
- 70 members from 40+ career background in our team

Share the space with golden-aged people

Make use of their talents. 70% of our tutors are golden-aged people.

Social Impact (2014-2018)

- Trained 24 golden-aged tutors to carry out 361 courses and activities for the community
- Contributed 1500 teaching hours to the community and served 12,000 people
- Golden-aged Real-Life Library team has provided 30+ times of sharing to 2,400 youths

Proposed Corporate Collaboration

PLAN A Sponsor and become a "Real Life book", enrich the experience of grassroots students

- \$15,000 subsidy for 120 grassroots students to enjoy Golden-aged Real Life Library on campus
- Inspire students on career and life planning
- Foster cross-generation communication
- Train corporate employees to become a "Real Life Book" by golden-aged people
- Understand the ageing population and Active Ageing

PLAN B Value the golden-aged and let them hold your employee/client activities

- Sponsor 15 targeted beneficiaries and 15 employees to participate together
- Course and activity: Office Stretching, Golden-aged cooking class, photography studio, guided tour and more
- Let golden-aged people contribute to society with their talents by providing diversified learning activities and interest classes
- Become golden-age-friendly corporates

SE SUPPORTER AWARD SCHEME

The purpose of the scheme is to facilitate cross sectors collaboration between SEs and corporates. The scheme also encourages corporations to incorporate their support to SEs and ethical consumption through relevant CSR programs. Through the nominations by respective SEs, supporting SEs are recognized with their initiatives of SE partnership and social inclusion efforts. Two examples of the awardees are presented below:



AXA × People On Board

AXA Hong Kong starts to work with People On Board in 2014. The “Young Wizards Smart Savings”, is a collaborative game is jointly designed by AXA and People On Board. The board game aims at instilling concepts of good saving and spending habits in our children in an affluent society. AXA offers professional knowledge in market positioning, promotions and sales, while People On Board exercise creativity in designing interactive games to facilitate quality time between parents and children.

New World Development Company Limited (NWD) × YM Balloon

NWD has frequently engaged YM Balloon at trainers of balloon art in its staff activities. Staff and Volunteers also visit under-privileged groups together with YM Balloon as part of learning and practicing the social concept of community inclusion.



SE-Corporate collaboration is one of the main objectives of the Tith Ethical Consumption Movement (TECM) in 2018. The bridging and bonding between SEs and corporates enables better use of talents and resources advantage for synergy and success stories in societal betterment.

1 An examination question to calculate the Social Return on Investment in a Master Level course in Socially Responsible Marketing

You are responsible for the corporate social responsibility (CSR) program of a local listed company focusing on developing residential projects. Last year, your CSR budget was HK\$10 million for three types of activities.

- 1 First, you are given grants, each worth HK\$ 1 million, to 5 organizations to start up social enterprises to address local housing issues. Each social enterprise has 5 employees from socially disadvantaged groups. On average the annual wage of these employees is HK\$100,000/person. The average life span of these social enterprises is 9 years. In order to align with the current government practices, you will only count the social impacts in the first 6 years.
- 2 Second, you have used HK\$ 4 million to sponsor various NGO projects aiming at solving the housing issues in Hong Kong. The equivalent advertisement value (EAV) was about HK\$ 5 million.
- 3 Third, the company provides paid leave to employees for volunteering. Last year, there were 500 employees claiming the one day leave for knowledge volunteering which worth HK\$2,500/day to the society. On the other hand, each day costs the company a loss of productivity of HK\$ 2,000/day/employee.

Calculate the Social Return on Investment (SROI) for the CSR programs last year.

2

Cost-effectiveness Evaluation of Social Venture – the Big Society in UK ⁶¹

The most visible legacy of David Cameron’s “big society”, a £1.5bn taxpayer-funded scheme that encourages teenagers to get involved in their communities, is under scrutiny amid evidence that it is failing to deliver value for money. The National Citizen Service (NCS), which was launched in 2011, brings together young people from different backgrounds for a program of personal and social development. It offers a three- to four-week part-residential program where 15- to 17-year-olds work in teams building life skills, taking on challenges, making friends and contributing to their community. Almost £1bn of the budget for its current program, which runs until 2020, has yet to be spent, prompting frenzied bidding for contracts among organizations that provide activity placements during school holidays. But the commissioning process has experienced problems. The NCS Trust, which oversees the service, recently dropped a claim to recover £780,000 against one provider, Engage4Life Ltd, which went into liquidation in December 2015. Last year the House of Commons public accounts committee concluded that the service “may no longer be justifiable” if it failed to meet its targets for increasing the number of participants or achieve its long term societal aims at a cheaper cost per head. According to the committee, the trust paid providers about £10m in 2016 for places that were not filled. As of last December, just £200,000 had been recovered. The NCS, which was supposed to find 101,000 places for young people aged 16 to 17 in the last financial year, confirmed to the Observer that it had fallen short of this target. “Alongside our network of providers and partners, we have achieved our highest annual participation number to date, with just under 100,000 young people participating in 2017, which equates to 98% of our participation target,” an NCS spokeswoman said. The organization has also seen some senior members of staff leave. Natasha Kizzie, its director of marketing, left last month. Several others have joined a consultancy called Simpact CIC which advises clients on how to bid for contracts. An NCS spokeswoman said it was recommissioning its partner network to “help grow scale and impact in the years ahead”. She said: “The NCS recommissioning tender process will be fair, open and transparent for all interested parties. As with any public procurement we operate under strict regulations and take our responsibilities seriously. Everyone will receive the same information; and be asked to bid on that information alone. All suppliers will be asked to sign a conflict of interest form as part of the tender process.” The NCS said that nearly 400,000 young people had benefited from its services, making it the fastest-growing youth program in more than a century.

It said an independent evaluation confirmed that for every £1 spent on its summer program, NCS delivers between £1.15 and £2.42 of benefits back to society, while separate research found that it helped foster greater understanding and integration among 16- to 17-year-olds from different backgrounds. But Cat Smith, Labor’s shadow minister for voter engagement and youth affairs, said closer scrutiny of the service should be a government

priority, given that youth services had seen their funding cut by more than £400m over the past six years. “The NCS provides great opportunities for young people, but we cannot allow this government to turn a blind eye to its failings”. “The public need to know that every penny is spent effectively and that NCS providers pitching for new contracts this year will do so in a fair and transparent manner.”

How will you evaluate the social venture?

⁶¹ Part of the information is extracted from the following news article in The Guardian. Financial doubts surface over Cameron’s ‘big society’ youth programme (2018, April 14). *The Guardian*. Retrieved from: <https://www.theguardian.com/society/2018/apr/14/financial-doubts-over-national-citizen-service-david-cameron-big-society-youth-programme>

Publisher:



Sponsor:



香港特別行政區政府
民政事務局
Home Affairs Bureau
The Government of the Hong Kong Special Administrative Region



