

What is the relationship between IRIS and SROI?

This paper discusses how the SROI (Social Return on Investment) method can be used in conjunction with the IRIS (Impact Reporting and Investment Standards) standardized performance indicators to help an organization understand its impact in a credible and comparable way.

The SROI method provides a clear process for determining which indicators to measure, and the IRIS library provides a set of performance indicators with standardized definitions. Together these tools provide a valuable framework for organizations to use when reporting impact.

How to Measure Impact

In order to evaluate its impact, an organization must first decide which things to measure. Although this may seem obvious, determining which performance indicators to measure inputs, outputs and outcomes requires thought about the way an organization's activities create change, including both the positive change targeted by the organization, and also unintended change.

Furthermore, once the organization identifies a relevant set of indicators, it then needs to define precisely how each will be measured.

Finally, in order for the organization's impact to be better understood in a broader context, the indicators chosen must adhere to standardized definitions.

What is SROI?

The SROI (Social Return on Investment) is a principles-based method that provides a consistent approach to understanding and managing an organization's impact.

In brief, it guides the process by which an entity identifies different stakeholders, asks for their perceptions of important outcomes, develops indicators for those outcomes, adjusts the outcomes for an assessment of what would have happened in absence of the organization's work, and values the impact to arrive at a better understanding of the impact of an organization. The aim of SROI is to account for the social, environmental, and economic value of an organization's outcomes.

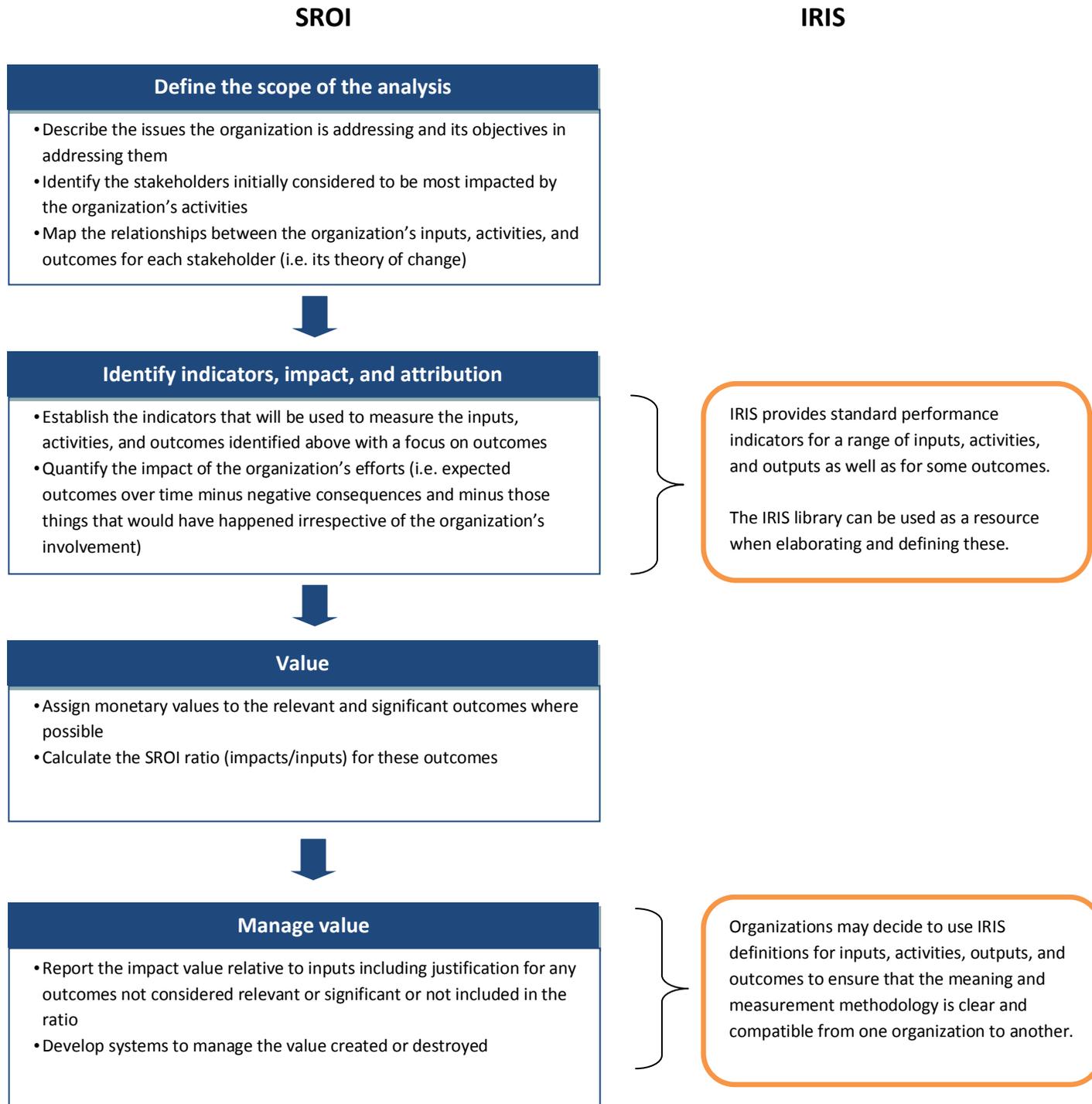
What is IRIS?

IRIS (Impact Reporting and Investment Standards) is a set of standardized indicators for organizations to use when reporting their social and environmental performance. By standardizing the way organizations define indicators, and surfacing which indicators are commonly reported in particular sectors, IRIS enables increased comparability and consistency in the reporting and analysis of impact performance data. Organizations can adopt IRIS by selecting a set of IRIS indicators that are applicable to their work, and reporting performance data consistent with the IRIS definitions for those indicators.

IRIS does not dictate which indicators an organization should use. Organizations are advised to think this through for themselves, which is why SROI principles come in handy.

Using SROI with IRIS

The SROI method is a multi-step process. The diagram below summarizes the different steps in the SROI process and highlights the steps where there is a linkage with IRIS.



SROI, IRIS and Monitoring

The SROI method provides an approach to help organizations determine how to measure value and forecast social returns. When the SROI method is used at the planning stages of an initiative, it can help to assess the potential impact of an investment, ensure alignment among stakeholders, and identify what should be measured once the project is up and running. Ongoing monitoring is important to evaluate progress toward desired outcomes and whether there are any unintended consequences.

Because IRIS is a relatively new initiative, the SROI process may result in the need for indicators not yet available on IRIS. The IRIS platform allows users to suggest new indicators at iris.thegiin.org.

For more information as well as information on resources and service providers see www.thesroinetwork.org and www.iris.thegiin.org