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TITLE OF WORK PROJECT

**SROI WITH THE EXAMPLE OF PACO DE ARCOS BASKETBALL**

STUDENT FULL NAME

SIMONE VILLANO PETROSINO

Work project carried out under the supervision of:

PROFESSOR PEDRO BRINCA

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## **Abstract**

This thesis investigates the Social Return On Investment (SROI) framework within the context of Paco De Arcos Basketball Clube, probing the multidimensional impact of sports, particularly basketball, on societal well-being. The objective of the research is to advance a proposal for the Paco De Arcos organization with the goal of increasing their SROI value which could be generated by basketball engagement emphasizing physical, mental, and educational benefits. Focused on Sustainable Development Goals (SDGs) 4 and 10, the research unveils an innovative approach merging English language courses with basketball training underlining the potential of sports initiatives for the society.

## **Keywords**

**SROI, SDGS, BASKETBALL, SPORTS MANAGEMENT**

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## **Introduction**

In an era where social impact can be evaluated through metrics that go far beyond monetary value, Social Return On Investment (SROI) analysis has emerged as an essential tool for organisations all over the world. The convergence of economic, social, and environmental values has triggered a paradigm shift in assessing the true impact of endeavors, prompting a closer examination of the holistic benefits generated beyond monetary gains.

This thesis digs into the dynamic landscape of SROI within the context of sports, specifically exploring its application in the context of basketball through the lens of the appreciated Paco De Arcos Basketball Clube.

The desire for accurate measurement as well as acknowledges every aspect of value creation generated by initiatives like employee services programmes was the driving force behind the development of SROI in the social sector. The SROI framework became a beacon as organisations looked beyond traditional cost-benefit analyses, capturing the unreported benefits and societal gains that resulted from work integration initiatives.

Furthermore, the SROI methodology's development, especially with support from organisations like the New Economics Foundation and the SROI Network in Europe, has widened the scope of this evaluation technique. A comprehensive measure accounting for social, environmental, and economic costs and benefits, the SROI framework has gained traction across a variety of policy domains and organisational structures, bridging the gap between profit-driven entities and non-profits governmental bodies. In the context of sports, where the transformative power of physical activities transcends individual achievements to catalyze societal progress, the application of SROI holds immense promise. The intrinsic value of sports, especially within the domain of basketball, extends beyond monetary quantification, encompassing a myriad of social, physical, mental, and educational benefits.

This thesis begins with an exploration of the Paco De Arcos Basketball Clube focusing into its multifaceted initiatives and endeavors creating social value generated by basketball engagement. By employing the SROI framework, this research seeks not only to quantify but also to amplify the understanding of the social capital fostered by the club, underlining the profound impact of its programs on individual well-being, community cohesion, and sustainable societal growth.

## **1. What is SROI?**

The term Social Return On Investment was framed by the Roberts Enterprise Development Fund for the first time in San Francisco as an effort to capture and monetize the complete value generation of its employee's services programs. The organization's goal was to offer an accurate and adequate system for the financial calculation of the unreported advantages of work integration initiatives, which then could be compared against program spending to produce a more realistic cost-benefit analysis.

The use of SROI framework has been grown in the last years provoking a development in the technique, especially in Europe, by the New Economics Foundation and the SROI Network.

The authors of the SROI network have also come up with an accurate definition: "Social Return on Investment (SROI) is a framework for measuring and accounting for a much broader concept of value; it seeks to reduce inequality and environmental degradation and improve wellbeing by incorporating social, environmental and economic costs and benefits."

SROI is a tool which could help organizations understand how much they are creating with a specific project or initiative; SROI is about value rather than money. The framework is suitable for any type of organization: profit, non-profit and governmental; and it can be used for a whole organization, a project, or an isolated activity. The method may be applied to

evaluate the project's realized outcomes or to forecast and predict the amount of social value that will be generated by a specific project or activity. It is often being utilized across a wide range of policy areas to measure social value and to justify public investment by public agencies and charities.

### **1.1 SROI in sport industry**

Social Return On Investment (SROI) can also be applied to projects or activities related to the sports industry assessing the value created for the social community. The SROI framework can be quite useful to numerous sport programs such as sports events and tourism, sport youth development and community sport facilities. These programs can be evaluated according to the SROI method to assess the value created for young athletes, community, and the whole society rather than the monetary value generated from the investment. SROI is able to offer a transparent and conservative approach to social impact valuation for sport and physical activity, which involves stakeholders in identifying outcomes that occur as a result of activities; it is about how the change is being created by measuring outcomes using monetary values to represent them. This enables a ratio of benefits to costs to be calculated: a ratio of 2:1 can indicate that an investment of 1\$ delivers 3\$ of social value. There are two different types of Social Return On Investment: the first one is called Evaluative which is conducted retrospectively and based on actual outcomes that have already taken place. On the other hand, SROI could be Forecast which instead is a tool to predict how much social value will be created if the project meets their intended results.

Evidence supporting the broader social consequences of sport and physical exercise has become increasingly desired for by policy makers in the sport and leisure sector in the twenty-first century. An increasing body of research indicates that participating in team-

sports and physical exercise has beneficial net effects on both people and society. The greatest and most convincing evidence is in the field of medicine, where it is generally agreed that physical exercise and sport have primary as well as secondary positive effects on physical and mental health.

Moreover, there is also strong evidence about participation in sport activities enhances individual well-being, like happiness and fulfillment in life. This could also improve the whole society reducing crime behavior for young people and promoting social bonding. In conclusion, it has been found evidence supporting the practice of sports having positive effects on educational outcomes such as physiological and cognitive benefits.

An example of the SROI framework applied for sport initiatives can be found in the “Understanding Residents' Social Return on Investment from Hosting a Major Sport Event: The Case of the 2010 Vancouver Olympic Winter Games”: the aim of the research was to understand residents' from hosting a sport publicly funded event and how it could generate a positive social return on investment (SROI) for Vancouver's residents.

The SROI framework can also be used by football clubs, for example, Manchester United Football Club conducted a SROI analysis to measure the social value created on their community; they were able to assess the social value on their initiatives such as well-being programs and community outreach activities with the aim of improving employment rates, reducing crime-behavior, and raising the overall level of the community well-being.

## **2. How the SROI value is generated?**

Throughout the world, people love and appreciate playing basketball. According to the International Basketball Federation (FIBA), there are 450 million basketball players and enthusiasts worldwide as of 2019. In order to score points, players on each of the two teams of five players must push a ball through a hoop that is ten feet off the floor.

Basketball can be played both indoors and outdoors because it requires little equipment and is simple to set up anywhere. Additionally, you can begin playing basketball as a one or even two-person team. It is much more than just an exciting game to play; thanks to the sport, people can develop an active and healthy lifestyle: basketball is also considered as a full-body workout with numerous physical, mental, and emotional health benefits. The SROI for a basketball association can be generated by giving back to the community these several benefits that are impacting with the goal of increasing the well-being of people playing the sport inside the organization but also for the whole society.

## **2.1 Teamwork**

The Paco de Arcos Basketball Club can generate value for the society through the many benefits brought by playing the game of basketball. First, practicing a team-sport has been proven as fundamental with many advantages for the growth of young kids: they can socialize and build relations with their teammates as they come together with a common interest and strong passion for the sport. Moreover, being part of a team helps players overcome their shyness since they feel forced to interact with other teammates for basketball purposes, some of whom they might have never met or spoken to, before. Furthermore, being in a sports team creates friendships that will sometimes last a lifetime since the bonding between teammates could represent the key on how successful the team would prove to be. The great Michael Jordan once said to remark the importance of teamwork: “Talent wins you games, but teamwork and intelligence wins championships”.

Working in groups develops many important life skills that are helpful in all aspects of life. Some of these key skills are resolving conflicts, being open to different ideas, learning how to pay respect to authority and teammates. Furthermore, young athletes need to cooperate with

the aim of being successful as a team; working as a team teaches one to keep personal differences aside and focus on what's good for the team. It is impossible to achieve success unless each member of the team is involved. The players learn to look at the bigger picture, as they realize that individual players are less important than the team itself. Lastly, being part of a team should encourage and support one's teammates in difficult times: being a good teammate means to always be there for each other, both on and off the pitch.

Teamwork is the key in having success when it comes to sports, but this holds true for almost every other aspect in life too.

## **2.2 Health benefits**

The game of basketball gives great social benefits to the people practicing this sport, but it is also quite important to underline the health benefits associated to this sport: the game is played with high intensity, and it involves a lot of starting and stopping in both the defensive and offensive end of the court. Basketball is perfect to burn calories and it is estimated that with an hour of playing basketball you can burn 630-750 calories; it helps you develop an active and healthier lifestyle to prevent heart diseases and reduce blood pressure. A study shows that 70-minute basketball sessions played three times per week with the exercise intensity set at 50% to 80% of your heart rate reserve (HRR) helps reduce blood pressure which is a way to measure how intensely you're exercising during a workout or other physical activity.

The game also helps you to build up endurance and muscle and to increase the strength in the upper and lower part of your body. It is key to develop bone density for younger kids and to strengthen your bones and prevent injuries. Moreover, the sport can help you develop and improve balance and coordination. Balance is how your body moves based on the

information collected by the brain and it is fundamental in the game of basketball since you need the ability to coordinate your movements to shoot, dribble and pass.

Lastly, playing basketball is a truly full body workout but with the difference that it is way funnier, and it is key for the younger kids to socialize with their peers and share the passion for the sport with them.

### **2.3 Mental and emotional benefits**

In addition to all the physical benefits involved in the game of basketball, there are also some mental and emotional benefits. While playing basketball, you constantly must think about your next move with very little time on hand: it is important to observe your teammates and opponents to evaluate what action to take and how to react since the game is happening at a fast pace. This helps you transfer these skills to other aspects and to put them into practice in real-life situations. Regular exercise helps to reduce the negative effects of stress and to improve your mood; basketball is a fun way to get some exercise into your lifestyle and improve confidence in yourself for every other aspect of your life. The game of basketball is key to improve your self-concentration and discipline skills; for example, maintaining concentration high for the whole game and respecting your teammates, coach, and opponents. These skills can help you manage your life better and doing more of the things you would like to achieve.

### **2.4 Academic performance**

Although it may not seem correlated, studies show how engaging in physical activities such as team-sports like basketball could be fundamental for the kids' academic performance. It is a way to improve your mental condition since you constantly must think about the next move you are going to take; and it positively affects your educational progress boosting your

soundness and enhancing cognitive processing abilities. Playing a sport can improve your mood by releasing tons of endorphins, it also helps you reduce stress levels accumulated due to the amount of school stuff.

Multiple evaluations conducted throughout the years have demonstrated that students who are involved in sports have higher GPAs than students who fail to do so, according to the National Federation of State High School Associations (NFHS). For example, juniors in college that practice judo acquire discipline. They will be able to concentrate on their studies, develop positive habits, and have an easier time in life. Martial arts, for instance, instruct students on how to be more structured. They teach people how to prioritize things and perform well under pressure.

### **3. The example of Paco de Arcos Basketball Clube**

The key objective of this research is to deliver a business proposal to increase the Social Return on Investment for the Paco de Arcos Clube. The organization is committed to promote basketball, sports, and well-being in the local community by offering a variety of programs and service. Paco de Arcos Club is a sport organization founded in September 2011 with only 50 athletes and they are now recognized as one of the best basketball academies in Portugal; they are proud to be the club with the greatest number of federal athletes in Portugal. In 2023, they have more than 300 young athletes enrolled in the club, and they are divided in numerous teams based on their age starting from under 6-year-old to the senior team. In the 2022-2023 season, the club won their first National title with their sub-14 male team.

The organization have different partners which can choose from different sponsor packages: diamond, gold, silver, ruby, platinum. The club can offer to their partners the possibility to have their banners in the basketball court having also 180 games streamed in different channels such as YouTube. The club have different marketing channels to communicate their

value proposition: they use social media such as Instagram, Facebook, and YouTube where they share information about the games but also videos of matches that everyone can see. Moreover, the organization aim to identify relevant influencers to create awareness and to establish partnerships offering banners and posters in the fields.

The Oerias Basketball International Tournament is an international sport tournament hosted by the Paco de Arcos Clube in Portugal for the first time in 2022; the initiative gained quickly great success since it involves famous international basketball teams coming from all around the world like Spain, Germany, Canada. This tournament usually takes place in June, and it involves competitions starting from the youngest kids to the seniors representing an amazing opportunity for the Paco de Arcos Clube's athletes to show their skills and talent. Moreover, the tournament has also another meaning which is to bring international people in Portugal increasing tourism and having a huge impact on the local society. During the week of the tournament, the kids could enjoy other activities besides basketball such as surfing or going around to visit Portugal. The goal of the club is to organize this international tournament every summer inviting even more teams from all around the world to participate into this global event and to be later recognized internationally with the aim of being then invited to the big international tournaments.

The organization's mission is to expand and diversify their activities in the long-term while ensuring a solid financial sustainability and to contribute to the development of their community applying the SROI framework. At the same time, the club is keen to develop different new ways of teaching basketball to their young kids and to involve their members to innovative activities always promoting an active lifestyle and positive values. Regarding the sports development of the club, the organization is keen to establish Paco De Arcos Clube as

a reference in the basketball development with improving their youth teams to be competitive in all the categories. On the other hand, the club is keen to be a positive agent of transformation in the local community promoting and embracing gender equality, quality education and reducing inequalities; the focus is also on the health and well-being of the athletes and their families. One of the key objectives is to ensure the financial sustainability of the club through revenue diversification and be more efficient regarding the costs. The club wants to strengthen the partnerships with local schools, businesses, and the municipality to support joint initiatives; the ongoing commitment to sustainable growth while contributing to the development of basketball and the local community is the focus of the organization.

### **3.1 Paco De Arcos Clube's sustainable development goals (SDGs)**

The organization is fully committed to respect and incorporate the principles of the 17 sustainable development goals established by the United Nations in 2015. Thanks to these SDGs, Paco de Arcos Clube commits to contribute to the development of the community through positive values such as inclusion, equality and the **health and well-being** of their young athletes but also of their families (SDG number 3).

For example, the kids need to undertake clinical sports medicine tests before starting sports practice, which is fundamental because without it, they could not train or play matches.

Moreover, the organization is committed to provide at least 90 minutes of training per week and at least 480 minutes for athlete-partners and they receive appropriate training to the physical characteristics of each kid. The Paco de Arcos Basketball Clube is proud to offer a clinical department which is composed by professional figures such as physiatrist, physiotherapist, and specialized physical trainers to give personalized support to athletes who need to recover from sports' injuries.

**Quality education** is the sustainable development goal number 4 which ensures inclusive and equitable quality education and promote lifelong learning opportunities for all. The Paco de Arcos Basketball Clube offers individualized training to the kids giving importance to their performance and behavior in school; the organization provides basketball camps during periods of academic interruption, and they also open their trainings every Saturday morning.

The sustainable development goal number 5 which is **Gender Equality** can be considered one of the most important principles of the club which is determined to ensure basketball teams of both genders for all age groups from mini basketball to seniors; making sure that sports facilities are adequately equipped to meet the needs of players without distinction between males and females.

SDG's number 10 calls for **reducing inequalities** in income as well as those based on age, sex, disability, race, origin, and religion. This principle lies at the heart of the organization: offering trainings to more disadvantage communities and giving away 15 scholarships to athletes under the Milton Program which is a program created with the aim of ensuring that everyone is welcome at Paco de Arcos Clube regardless of their financial situation. Moreover, the club carries out joint social responsibility action supporting social causes and participating in donation campaigns.

The last sustainable development goals which the organization applies for their business is **Responsible Consumption and Production** (SDG's number 12) to ensure sustainable consumption and production patterns through various measures. The club is committed to increase community involvement in practices that promote more responsible production and

consumption; for example, the lights are immediately turned off when they are not needed and showers after training are restricted to the shortest possible time to void waste of water and gas in sports facilities.

Moreover, it is fundamental for the organization to raise awareness among managers and athletes to opt for renewable energy resources and to call for the installation of differentiated waste bins in order to enhance recycling.

Overall, one of the general objectives of the club is to support children and young kids from disadvantages areas of the Municipality of Oeiras who attend first, second and third cycle schools contributing to a more harmonious growth and broadening their life perspectives. The club organizes events such as lectures, workshops and clinics on topics such as social inclusion, gender equality, sustainability.

#### **4. The stages of SROI model**

The SROI framework consists in six steps from the evaluation and identification to the outcomes and report. These steps are fundamental to the creation, development and lastly to the implementation of the Social Return on Investment model.

The aim of this research is to deliver a SROI analysis proposing some innovations to increase the social value created by the Paco De Arcos Basketball Clube going through the six steps of the SROI model. The focus of the research will be about the SDGs number 4 and number 10 since the innovation proposal is to increase SROI value through the launch of English courses while conducting basketball training for kids. The club would need to engage in partnerships with university and schools to have the possibility to provide some young students with good level of English and good knowledge of the game of basketball who will be helped by coaches provided by the club. The idea is to launch these courses once per week for kids

already enrolled in the basketball club which would integrate their training week with the English course. The course would start in September, and it would end in May with three different age groups: 6-10 years old, 11-14 years old and 15-16 years old.

#### **4.1 Stage 1. Identify key stakeholders**

The first step of the SROI model is to evaluate the scope of the analysis and to identify key stakeholders, which could be individuals or groups to include or exclude from the analysis. It is also essential to understand the involvement of these stakeholders with the implementation of the activity and the influence with which they are impacted by the activity itself.

In the case of the Paco De Arcos Clube, the first analysis to execute is regarding the frequency of people who engage in physical activity in Portugal but also in the whole Europe to better understand the percentage of stakeholders to include in the analysis.

According to the research of the Eurobarometer in 2013, 41% of European citizens exercise or play sport at least once a week, while a very important proportion 59% never do so. The people with age between 15-24 have the higher percentage of frequency both in Europe and Portugal; the target for our SROI analysis should be young kids, both male and female, with an age from 6 to 16 years old with a good motivation to engage in a physical activity like the game of basketball and to be part of a team. Understanding their motivations and aspirations with the value they place to the program is essential. Moreover, it also includes young kids in need with the aim of reducing income inequalities. To continue our analysis, it is important to consider parents and guardians of these young kids since they play a fundamental role in the decision-making for their children's activities; the perceptions they have about the program are crucial for the success of the program itself.

The stakeholders' identification also includes the basketball association, in our case the Paco De Arcos Clube, since the understanding of the program and the outcomes they would like to

achieve is a starting point to the association which organizes and delivers the program. The club should emphasize their attention to the local community which could include neighbors, community leaders and local business activities located where the program takes place; the support of these individuals can be the key for the success of the program and its perception in the community. Lastly, the government needs to be considered with the aim of understanding the policy environment and the regulations which could impact the program and potential support they could give for sports and education initiatives.

The identification of these key stakeholders is the basis for the SROI framework to initialize and then move to the identification of the resources involved and the mapping of outcomes.

## **Stage 2. Mapping outcomes**

The second step of the SROI model is about developing an impact map or theory of change to show the relationships between the relevant inputs and outputs; it is essential to start identifying the resources involved in the creation, development and delivery of the activity which will make the desired outcomes happen.

The innovation of this SROI analysis is to make a partnership with the Universidade de Lisboa where the university will provide to the club some students with a good level of English of the faculty Sport Sciences. The University's advantage is to provide to their students the possibility to have an experience as basketball coaches in one of the most prestigious academies in all Portugal.

On the other hand, the association can take advantage of this opportunity to offer free Basketball - English courses to all their kids who would like to improve their level of English while still exercise and practice the sport.

In this case, the inputs associated are all the resources allocated to run the program. These could include staff salaries, facility costs (rental or maintenance of basketball courts),

equipment (balls, jerseys), teaching materials. Moreover, it needs to be considered as input the volunteer time that the university students contribute to the cause.

The outputs associated to the program are the summary of the activities involved and what they will achieve; for example, outputs are the number of courses conducted and the number of kids participating in these new courses offered by the association. Furthermore, it needs to be determined the skills and knowledge gained by participants, and this could include both improvement in basketball skills and proficiency in English.

The organization could also recognize any certifications, awards, or achievements earned by the kids during or after the courses.

After outputs, the analysis continues with the description of outcome which are the changes that occur because of the activity's outputs.

The outcomes achieved in our project could be the impact on the kids' English language skills if the proficiency is improved or not: to do so, it would be important to conduct assessments or surveys to determine the level of improvement.

Another outcome can be the evaluation of the progress in basketball skills through assessments, comparing initial abilities with those gained after the courses.

More importantly, participating in these courses can have a huge impact on the career of these young kids which it could be facilitated by the improved English skills or teamwork abilities absorbed throughout the course.

Each of these outcomes, when quantifiable, can be assessed and potentially monetized in later stages of the SROI process. For instance, improved English proficiency might lead to better educational opportunities, which could be valued in terms of potential future earnings or reduced societal costs.

### **Stage 3. Measure and value outcomes**

The third step of the SROI model consists in developing indicators which could be put into action to measure key outcomes deciding which one to include in the research and the ones to exclude because of insufficient evidence. Collecting data is essential to establish a “baseline” position for outcomes which is an imaginary starting point or basis of comparison for something. This “baseline” position is very useful to measure the change or impact generated by the program representing our starting position against which the progress will be evaluated; in our analysis, the “baseline” position could be based on the initial assessments about English level skills conducted before the start of the program. Moreover, this step includes the forecast of each outcome’s duration and the attribution of financial values to outcomes using evidenced assumption or in some cases using “financial proxies” where values are not identifiable.

For our SROI analysis, the development of outcome indicators starts with key indicators to assess the level of English proficiency of young kids using standardized test scores, speaking fluency and their comprehension level; but also, indicators to assess their enhanced basketball skills which could be effectively measured with performance metrics like shooting accuracy, passing skills and physical tests. It is important to prioritize the indicators which are possible to measure in an effective and efficient way having sufficient evidence to gather; also putting attention to assess the feasibility and availability of data for each indicator. Another outcome which could be measured through surveys and interviews could be the social and personal development of the participants of the program and how they were able to recognize improvements in their confidence, teamwork, and social skills thanks to the program. After the measuring of outcome indicators, the challenge is to forecast the duration over which each outcome is going to be realized or sustained; some of these outcomes might have

immediate effects while others could take longer. So, defining the duration is fundamental to assess the long-term impact of the project.

Once these outcomes are well defined, the consequent next step is to assign some monetary or financial value to each outcome using evidence-based approach or financial proxies.

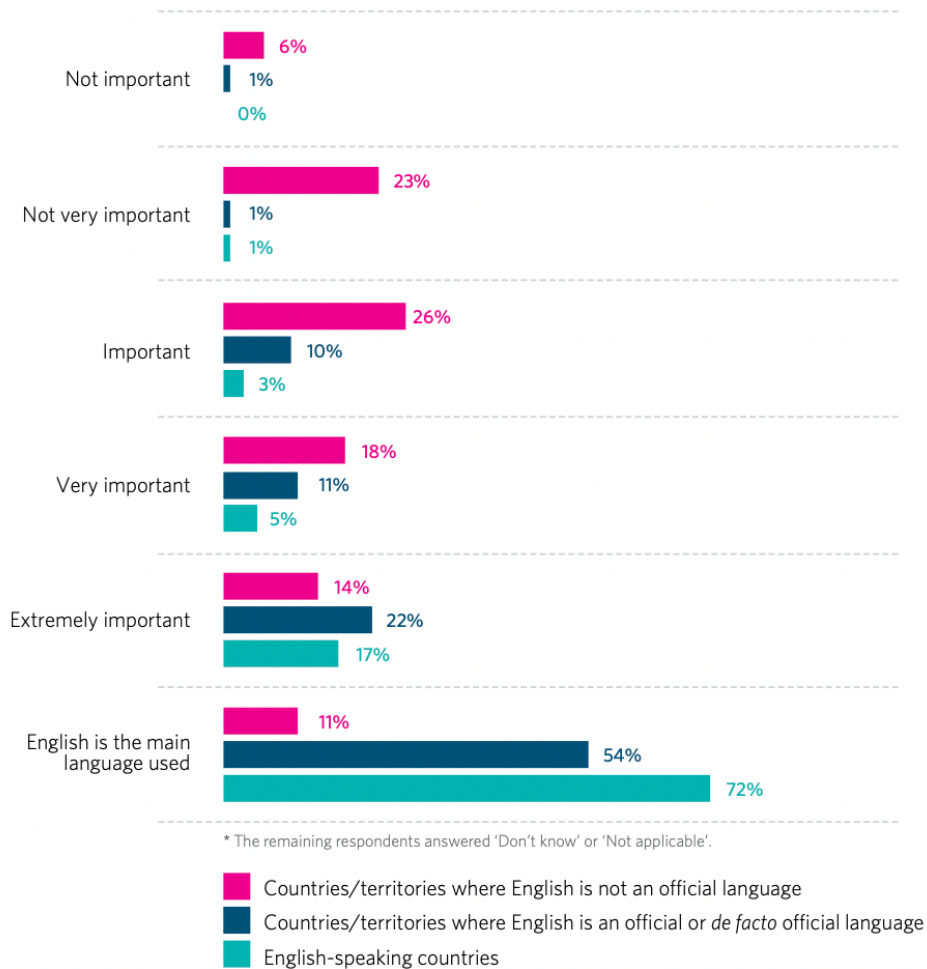
Evidence-based approach is supported on research and evidence which can be quantified in attributing financial values; the credibility of these assumptions is fundamental for having an accurate and reliable SROI calculation. In some situations, the direct financial value of outcome cannot be determined, financial proxies function as estimates or replacements for their monetary value.

When attributing financial values in the context of our research, the potential economic benefits associated with improved English skills needs to be considered. For instance, better English proficiency could lead to higher future earnings enhancing job opportunities.

According to a survey conducted by “Cambridge English”, English language skills in the workplace are important for over 95% of people in countries where English is not the official language: it could be defined as the language of international business.

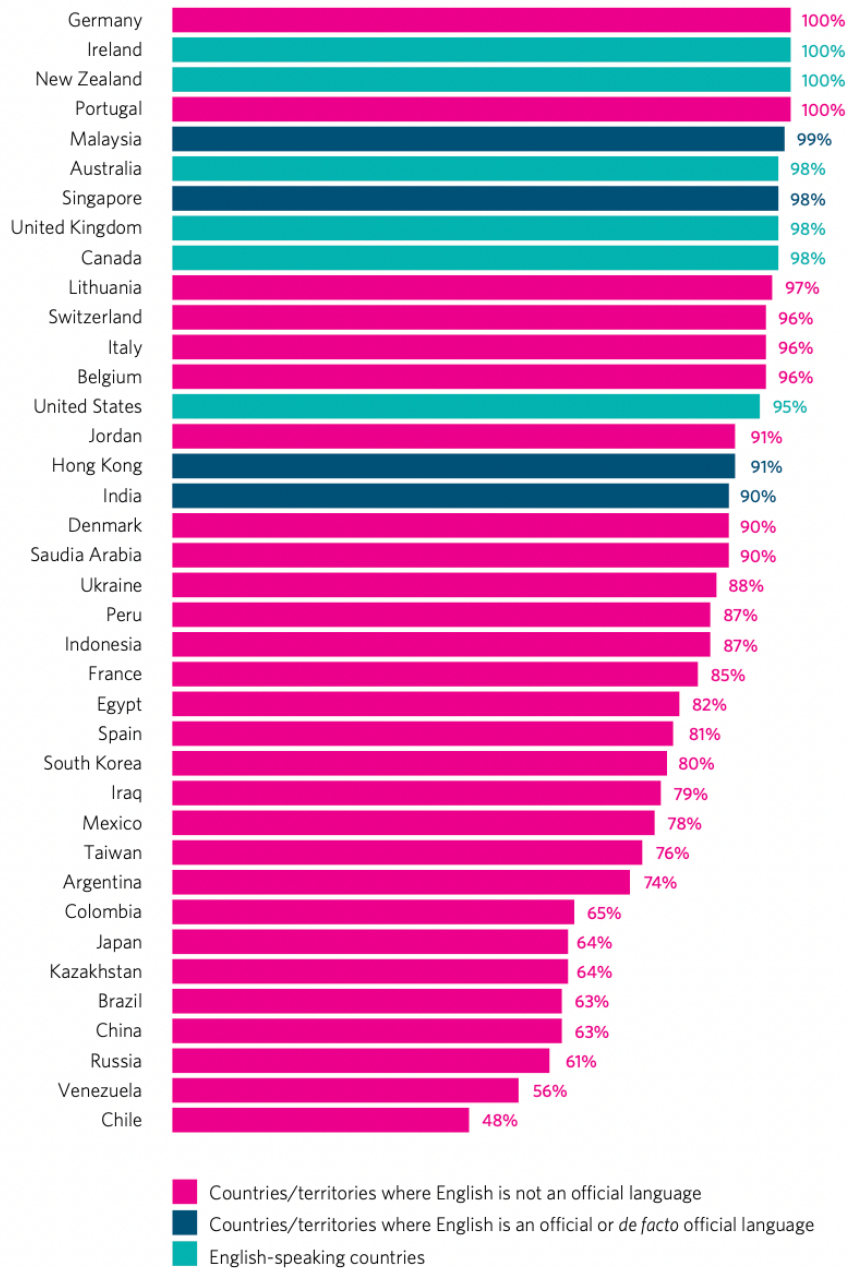
As we can see in the graph below, 69% of employers stated that English is significant for their organization even in countries and territories where it is not an official language. This rose to 97% of all employers in nations where English is an official or de facto official language. Overall, English is very important to most employers in countries where English is not the first language, but they were less likely to say that it is extremely important, or the main language used.

Graph 1: % of employers that said English is important - language status comparison\*



The key finding for our research is shown in the graph below where it is possible to see the percentage of employers that said English language is significant for their organization: for Portuguese people, this percentage is 100% and it underlines the relevance of having a good English proficiency in the work environment.

Graph 2: % of employers that said English is significant<sup>13</sup> for their organisation – country/territory comparison



To properly evaluate the program's social effects, it is key to successfully complete this third step which involves gathering data using both quantitative and qualitative methods to make sure the indicators selected are both quantifiable and in line with the objectives of the project and the stakeholders.

#### **Stage 4. Establishing impact**

The fourth step includes the calculation of “deadweight” which is what would have happened anyway without the project and the calculation of “displacement” which is basically where the activity has simply replaced another. It is important to deduct these two values to establish the impact generated by the project; the “deadweight” is classic basketball courses conducted by the Paco De Arcos Clube without the plus of having the course conducted by a coach who speaks English to the kids. Managing deadweight involves attempting to measure and subtract the observed change that would have occurred anyway without program’s intervention; control groups, surveys and attribution methods are essential to address deadweight in our SROI analysis.

After having deducted the deadweight, the impact can be calculated through the identification of attribution to determine which outcomes can be directly attributed to the activity. In order to effectively compute an attribution to the program, a contribution analysis and logic models must be used to trace how the program inputs and activities led to specific outputs and outcomes. The impact generated by the program can be seen through stakeholder engagement: the feedback of coaches, kids and their parents can be very useful to understand their perspectives about the observed changes. Reflecting on these findings is key to validate the impact and consider some adjustments which could further improve the project’s impact. To maximize effectiveness, continuous evaluation and adaptation are necessary; determining impact includes a thorough evaluation that combines quantitative and qualitative data to link activities directly to changes that are observed, proving the value and efficiency of the English basketball classes offered by the basketball organization.

## Stage 5. Calculating SROI

$$\frac{(\text{Total financial value of outcomes}) - (\text{Attribution} + \text{Deadweight})}{\text{Total financial value of inputs}} = \text{SROI ratio}$$

Calculating the Social Return On Investment involves quantifying the social value generated by the program compared to the resources invested. Using financial proxies, we can identify some monetary social value for the outcomes of the program (Stage 3):

- Improved English level: estimation of **30.000 euros** in potential future earnings thanks to an improved English proficiency.
- Improved basketball skills: estimation of **15.000 euros** in potential sports career opportunities and health benefits (“deadweight”)
- Social development: estimation of **10.000 euros** in reduced social costs and improved community well-being.

The total monetized social value is 55.000 euros, but we must subtract the “deadweight” since improved basketball skills is an outcome which would have happened anyway even without the program: **40.000 euros**.

The total investment for the project can be estimated at **30.000 euros**, considering all the costs needed for the program to start. The SROI ratio can now be calculated: Social value created 40.000 euros divided by the investment cost 30.000 euros is equal to **1.2**. A SROI ratio of 1.2 means that for every euro invested in the program, 1.20 euro of social value was created.

SROI findings are essential since they will impact decision-makers, donors, stakeholders, and the organization itself; describing the ways in which resource allocation, program improvement and future planning can be influenced by the SROI research. Although putting a monetary value on social effect can be challenging, it's crucial to openly document the

methods and assumptions used to guarantee the validity and dependability of the SROI analysis.

## **Stage 6. Reporting, using, and embedding SROI**

The last stage consists in providing a meaningful report which tells the story of change, and its focus is the creation of social value. The report must be created summarizing the SROI analysis with methods, assumptions and results obtained throughout the process; these findings must be accurate and they need to be presented in a clear and accessible way. It is also important that the report contains SROI findings in relation to the initial objectives and that includes relevant information about outcomes to support and inform strategic planning for the future. Lastly, the report must present key recommendations to influence and strengthen SROI in future work projects and to integrate the activity delivered into the business.

The SROI analysis' report for Paco De Arcos Basketball Clube:

### **Executive Summary**

This report contains the findings of the Social Return on Investment (SROI) analysis for the Paco De Arcos Basketball Clube with the objective of creating a program where they offer English basketball courses to their young children. The analysis aims to assess and establish the potential social, economic, and environmental value generated by the program and its impact on the participants, community, and stakeholders.

### **Introduction**

The Paco De Arcos Basketball Clube wants to launch an innovative program offering English courses during basketball training for kids with age from 6 to 16. The goal of this program is

to integrate learning while having fun playing basketball to improve English proficiency for young children of the organization. This report outlines the SROI analysis conducted to evaluate the anticipated impact and value creation of this initiative.

## **Methodology**

The methodology used for the SROI analysis started with the identification of inputs invested in the project such as staff, facilities, equipment, and volunteer time. The outcome of the program must be measured and evaluated such as improved English proficiency and social development. Then, we have assigned financial proxies on potential future earnings and career opportunities for participants, and we employed methods to attribute observed changes directly to the program's interventions. Lastly, we have calculated the Social Return On Investment ratio based on monetized social value relative to the cost of the investment.

## **Key findings**

During our SROI analysis, we have estimated a total investment cost of 30.000 euros in resources allocated to the program; and we have estimated a total social value created of 55.000 euros embracing improved English level, improved basketball skills and social development. From these 55.000 euros, we have subtracted the estimation of 15.000 euros in potential sports career opportunities since they represent a “deadweight” value. Considering our 40.000 euros of total social value created by the program, we finally have calculated our SROI ratio dividing the monetized social value created by the investment cost: our SROI ratio is 1.2 which means for every euro invested in the program, 1.20 euro of social value is generated.

## **Key recommendations**

The SROI analysis shows us the potential for positive impact and the value creation generated by the program. Recommendations include leveraging the findings for engaging with stakeholders and possible investors; these results can be useful to understand if the model is feasible in the long-run and if it can be integrated into daily activities of the business.

## **Conclusion**

In conclusion, the implementation of the Social Return On Investment (SROI) model within the framework of Paco De Arcos Basketball Clube reveals a profound opportunity to not only assess the value generated by sports initiatives but also to catalyze the holistic development of individuals and communities. By analyzing the multi-dimensional benefits of basketball engagement, ranging from physical health to social cohesion and educational enhancement, this research underscores the immense potential of sports programs in fostering societal well-being.

Through the lens of the Sustainable Development Goals (SDGs), particularly focusing on goals 4 and 10, the integration of English language courses with basketball training emerges as a promising innovation. This initiative not only aligns with the ethos of inclusive education and reducing inequalities but also represents a novel approach to skill development for youth within a familiar and enjoyable setting.

The identification of key stakeholders, ranging from athletes and their families to educational institutions and local authorities, underscores the interconnectedness of the club's activities with the broader community. Engaging in partnerships and leveraging resources to support this initiative not only amplifies the social value created but also fosters a more cohesive and empowered society.

In essence, the journey through the SROI model elucidates the transformative potential of sports, particularly basketball, in nurturing not just athletic prowess but also holistic personal development. By embracing innovative approaches and aligning with global sustainability goals, Paco De Arcos Basketball Clube stands poised to not only excel in sports but also serve as a beacon of positive social change within its community."

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