

Smart Air Impact Report 2019

June 2020

Presented by **SEEC LAB**
社创实验室



EXECUTIVE SUMMARY

Report Overview

This report assesses the effectiveness and impact on Smart Air's social enterprise model, including its simple, cost-effective air purifiers; air pollution workshops to educate people and raise awareness about the harms of air pollution; and its free, open-source data and content on air pollution. Although Smart Air is a global company, this report will only assess the social value of Smart Air in mainland China in 2019.

Methodology

The methodology for assessing the impact of Smart Air is to measure the Social Return on Investment (SROI) of Smart Air's activities. SROI is a new approach to measuring and understanding the future financial impact of an organization. While SROI is built on the logic of cost-benefit analysis, it is different in that it is designed to measure the comparable accountability and value of organizations whose results cannot always be easily measured in monetary terms. In the same way that a business plan contains much more information than just the financial projections, SROI provides information about actual and planned changes, and the qualitative, quantitative, and financial information on which to base decisions about social service organizations.

Purpose

Smart Air looks forward to better presenting its economic and social value to the community at large and to potential and existing stakeholders by collating its impact and results. Meanwhile, it is also a systematic review of their work so far, in order to optimize the business portfolio and help them to reach their vision and mission effectively.



About Smart Air

Smart Air is a social enterprise and certified B-Corp that promotes cost-effective, data-backed air filters as a solution to indoor particulate air pollution.

Smart Air provides open-source data and hosts educational workshops across Asia to teach people how to protect themselves from the harmful effects of poor air quality.

About SEEDLAB

Founded at Harvard University as a student-led initiative, SEED for Social Innovation is a community that discovers, trains, and connects China's young social innovators.

As a volunteer-based organization, SEEDLAB recruits faith-based and outstanding youths from top companies and universities, to work with the emerging changemakers in China. Since it was founded in 2014, SEEDLAB has worked with nonprofit organizations, foundations and social enterprises in a variety of professional services, including impact evaluation, strategic planning and campaign development, feasibility studies, communication planning and strategy, and industry research and analysis.

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1 Mission & Vision

Summary

Founded in 2014, Smart Air is a social enterprise, and the 11th certified B-Corp in mainland China. They are dedicated to helping people protect themselves from the harmful effects of air pollution **through education and cost-effective purifiers.**

Smart Air exists to make the world a better place by solving existing problems. Smart Air was created to provide simple, open and honest purifiers and data to air breathers around the world.



When record-high levels of smog hit Beijing in January 2013, PhD student Thomas Talhelm (now an assistant professor at the University of Chicago), who was studying in Beijing at the time, was shocked by how much air purifiers cost.

After some research, he bought a HEPA filter, and strapped it to a 200 RMB fan. After running some tests (actually hundreds) using a particle counter he bought, he discovered that his DIY filter was just as effective as a commercial air purifier.

In May 2014, Smart Air was established. **For the last six years, Smart Air has been shipping simple, effective air purifiers and providing free education and knowledge about air pollution all over the world.**

100% of profit goes back into making clean air, SAY NO to costly air purifiers.

Early on, Chinese customers did not pay much attention to the effects of air pollution, which made it challenging for Smart Air to recruit audiences to attend their air pollution workshops, and thus to spread the knowledge about protecting oneself from poor air quality and making smart choices about buying air purifiers. With the increased awareness of air pollution and the recent outbreak of COVID-19 pandemic, Smart Air's research and products have reached a greater audience.

Smart Air is driven by its mission: to help everyone to breathe clean air, rather than by profit. It is a certified B-Corp, and a member of China's Gold Club Social Enterprises.

Smart Air fulfills its mission in two ways:

- **Educating people about the harmful effects of air pollution and the data behind purifiers, masks, and air quality monitors.**
- **Shipping cost-effective purifiers and other tools that help people avoid the harmful effects of air pollution.**

To date, Smart Air has obtained both corporate partners and supporters around the globe thanks to its extensive research and by sharing open data on air pollution.



63,000+

Air purifiers shipped to 30+ countries



24,000+

In-person workshop attendees receiving education about air pollution



30M+

Readers on blog posts, social media posts



650+

Air pollution workshops hosted in 20 countries



2 Logical Framework (The Smart Air Approach)

Summary

Smart Air's approach to solving the problem of air pollution can be described in a Logical Framework, which summarizes the key elements of Smart Air's model and can establish a foundation for further project monitoring and evaluation.

By listing the activities, outputs, outcomes, and the goal (or impact) it shows the logic of how the activities will lead to the outputs, which in turn lead to the outcomes, and ultimately the goal.

This chapter describes how Smart Air affects stakeholders, including how it helps them choose actions to tackle Air pollution and how it changes their lifestyle.

How is Smart Air helping people in mainland China deal with air pollution?

Through in-depth interviews and questionnaires with various stakeholders, the evaluation project team mapped out the logical framework of Smart Air. In short, Smart Air sells affordable and efficient air purifiers through various e-commerce platforms, publishes online articles and open-data on air pollution, and hosts workshops to share air pollution knowledge and protective measures with individuals and groups.

Air Purifiers: Smart Air sold **2,740** unit to consumers in mainland China via its official website, Taobao flagship store, and social media platforms. Their products provided **6,576** people with clean air.

Smart Air also sold **184** units to corporate clients, mostly used in office spaces, providing **480** employees in total with clean air.



Note: According to the collected data, the average coverage of one air purifier is 2.4 people.

Online Education: Smart Air published **157** articles, blog posts, and trivia responses in Chinese, and have received **86,113** direct views from various online platforms, including its official website (<https://smartairfilters.com>), Zhihu, Wechat, Weitao, Weibo, Youku, and Tencent Videos.



Air Pollution Workshops: Smart Air held **73** workshops in Beijing, Shanghai, Shenzhen, Guangzhou, Chengdu, Zhengzhou, Taiyuan, Kunming, and Dongying in 2019, reaching a total of **3,613** individuals.

Each workshop explains how filters and masks work, and show data that demonstrate exactly how much particulate pollution air filters remove from the air in private homes. Participants also get to build their own air purifiers with HEPA and fans.



Smart Air Impact Report — 2019 —

The following table is a simplified version of the logical framework that shows the stakeholders' results and impact of Smart Air's 2019 activities in mainland China:

| Input | Activity | Output | Outcome | Impact |
|---------------------------------------|---|--|---|--|
| People Money Equipment Venue | Online Education | Published 157 articles/blog posts/trivia responses | Increased knowledge level on air pollution protection | 1. To raise awareness on air pollution protection 2. To reduce the incidence of cardiovascular, respiratory, and pulmonary diseases |
| | | Reached 86,113 direct views online | Raised awareness on air pollution protection | |
| | | 92% of readers are willing to share content | | |
| | Workshops | Held 73 workshops | Increased knowledge level on air pollution protection | |
| | | Registered 3,613 attendees | Raised awareness on air pollution protection | |
| | Supply Chain Management | Collaborated with 2 environmentally-friendly suppliers | Reduced the level of pollution caused by production | |
| | | Produced 2,924 air purifiers | Reduced the cost to obtain clean air | |
| | Air Purifiers (Production and Services) | Sold 2,924 air purifiers | Improved customers' living quality | |
| | Research and Development | Air purifiers and related product development results | Saved production costs | |
| | | | Enhanced product quality among competitors | |

In addition, the Smart Air’s Social Return on investment (SROI) analysis in this report is supported by the logical framework:

It describes how Smart Air carries out the activities that in turn bring about the results changes for each stakeholder.



Evaluation Team Notes

1

Special Workshop

Hosted by SEEDLAB & Smart Air for observations and assessment

We interviewed Smart Air founder, Thomas Talhelm and all seven full-time employees. Additionally, we conducted in-depth interviews with four corporate clients, four workshop partners, and ten readers of Smart Air’s online educational articles.

299

Questionnaire / Surveys

Conducted

Among the 26 interviewees, individuals who frequently read Smart Air content and have purchased Smart Air’s products reflect on how much change has occurred in their daily lives; workshop partners reflect on how effective and useful the events were, and how they affected the community.

3 Social Value

Summary

Using the SROI model, this chapter assesses the social return Smart Air generated in mainland China in the year of 2019. It is important to note that Smart Air’s work and research in mainland China also has influence across the globe. **Due to the limited scope of this evaluation report, this chapter will only describe the social value of Smart Air in mainland China in 2019.**



Figure 1. Smart Air World Map

Using the Social Return on Investment (SROI) tool to monetize the social value of Smart Air

In contrast with traditional commercial value measurements, the social and environmental benefits brought by the investment of social enterprises can seem invisible and intangible, and the return value of investment is less easily quantified.

By using the SROI model, the social and environmental outcomes of Smart Air investments can be more reasonably and accurately summarized and presented in monetary terms, and more clearly describe the value and impact of Smart Air on the community.

Smart Air Impact Report — 2019 —



In 2019, Smart Air invested RMB 3,241,368 in mainland China, covering its research and development costs, human resources and production costs. In terms of the short-term output, Smart Air conducted 73 air pollution workshops with a total of 3,613 participants; published 157 Chinese articles or blog posts on knowledge of air pollution and protection measures, which received 1,817 reposts on Wechat; and sold 2,924 air purifiers to individuals and corporate clients.

With the above activities, in addition to the RMB 3,320,410 that Smart Air input in 2019,

Smart Air has created social value equivalent to RMB 5,780,380 in terms of improving people's health and reducing environmental pollution.

The Impact

**FOR EVERY
RMB 1 INVESTED,

SMART AIR
DELIVERS
RMB 1.78 OF
SOCIAL VALUE**

Smart Air has a SROI value of RMB 1.78 in mainland China.

In 2019, Smart Air has invested RMB 619,529 in human resources, RMB 2,116,632 in production, RMB 120,233 in research and development, RMB 12,153 in marketing, and RMB 372,820 on other expenses; the total amount of Smart Air's input is RMB 3,241,368.56.

Smart Air Output in 2019

The direct outputs of Smart Air's activities are:



Through the official website, Wechat, Zhihu, and other online platforms, Smart Air published **157** articles, and has received **1,817** reposts from Wechat users.



Smart Air conducted **73** air pollution workshops with a total of **3,613** participants.



Smart Air sold **2,924** air purifiers to individuals and corporate clients.



Smart Air collaborated with **2** environmental-friendly suppliers (ISO14001 certified).



Smart Air Impact Report
— 2019 —

Through its main activities (**air purifiers, workshops, and online education**), in 2019 Smart Air delivered quantifiable outcome for its beneficiaries.

| Activity | Output | Outcome |
|---|--|--|
| Online Education | Published 157 articles/blog posts/trivia responses | Increased knowledge level on air pollution protection and raised awareness of air pollution protection |
| | Reached 86,113 direct views online | |
| Workshops | Held 73 workshops | |
| | Registered 3,613 attendees | |
| Air Purifiers (Production and Services) | Produced 2,924 air purifiers | Reduced the cost to obtain clean air |
| | Sold 2,924 air purifiers | Improved customers' quality of living |
| | Collaborated with 2 environmental-friendly suppliers | Reduced the level of pollution caused by production |

Table 2. Smart Air's Outputs and Outcomes

Smart Air's Five Key Results

Increased Knowledge Level

Raised Awareness

Improved Health Conditions

Reduced Costs

Reduced Pollution Levels

To calculate Smart Air's social value, the project team used the five key outcomes to establish measurement metrics and the equivalent of a reasonable assumption, as shown in the table below:

| Outcome | Indicators | Equivalent Measures / Sources |
|---|--|--|
| 1. Increased knowledge level on air pollution protection | Air Pollution Quiz scores between Smart Air readers and non-readers | Government expenses for promoting environmental protection / Beijing Municipal Environmental Protection Publicity Center |
| | Change in knowledge level on air pollution and protection methods before and after attending workshops | |
| 2. Raised awareness on air pollution protection | The willingness to 'retweet' or to share with others after learning | |
| | The percentage of workshop participants who will take protective actions against air pollution or poor air quality | |
| 3. Improved health conditions due to protective actions taken | The degree of health conditions improved for Smart Air customers | |
| 4. Reduced the cost to obtain clean air | The price gap between average price and Smart Air's price on air purifiers | Savings from buying Smart Air's products / Smart Air & Ovi Cloud Industry Report |
| 5. Reduced the level of pollution caused by production | Environmental pollution control costs gap between non-eco-friendly suppliers and eco-friendly suppliers | Suppliers' pollution control costs / China Center for Economic Research |

Table 5. Smart Air's Outcome, Indicators, and Equivalent Measures

Smart Air's Five Key Results & Monetization Value

| Smart Air Output Value (2019) | |
|----------------------------------|------------------|
| Knowledge Increased | |
| Awareness Raised | |
| Health Conditions Improved | |
| Cost to Obtain Clean Air Reduced | |
| Pollution Level Reduced | |
| Subtotal | 5,780,380 |
| Smart Air Total Input (2019) | |
| Human Resources Cost | |
| Marketing Cost | |
| Research and Development Cost | |
| Production Cost | |
| Other Expenses | |
| Subtotal | 3,241,368 |

Table 4. Smart Air's Five Key Results & Monetization Value

4 Stakeholder Analysis

Summary

To describe the impact of Smart Air on employees, customers, society, and the environment by describing stakeholders and their characteristics, interests, degree of impact and changes in their behavior.

In the logical framework and SROI model, the stakeholders associated with Smart Air can be divided into corporate and individual customers, workshop community partners, workshop participants and audience, readers of published content, and product vendors.



Stakeholder Analysis

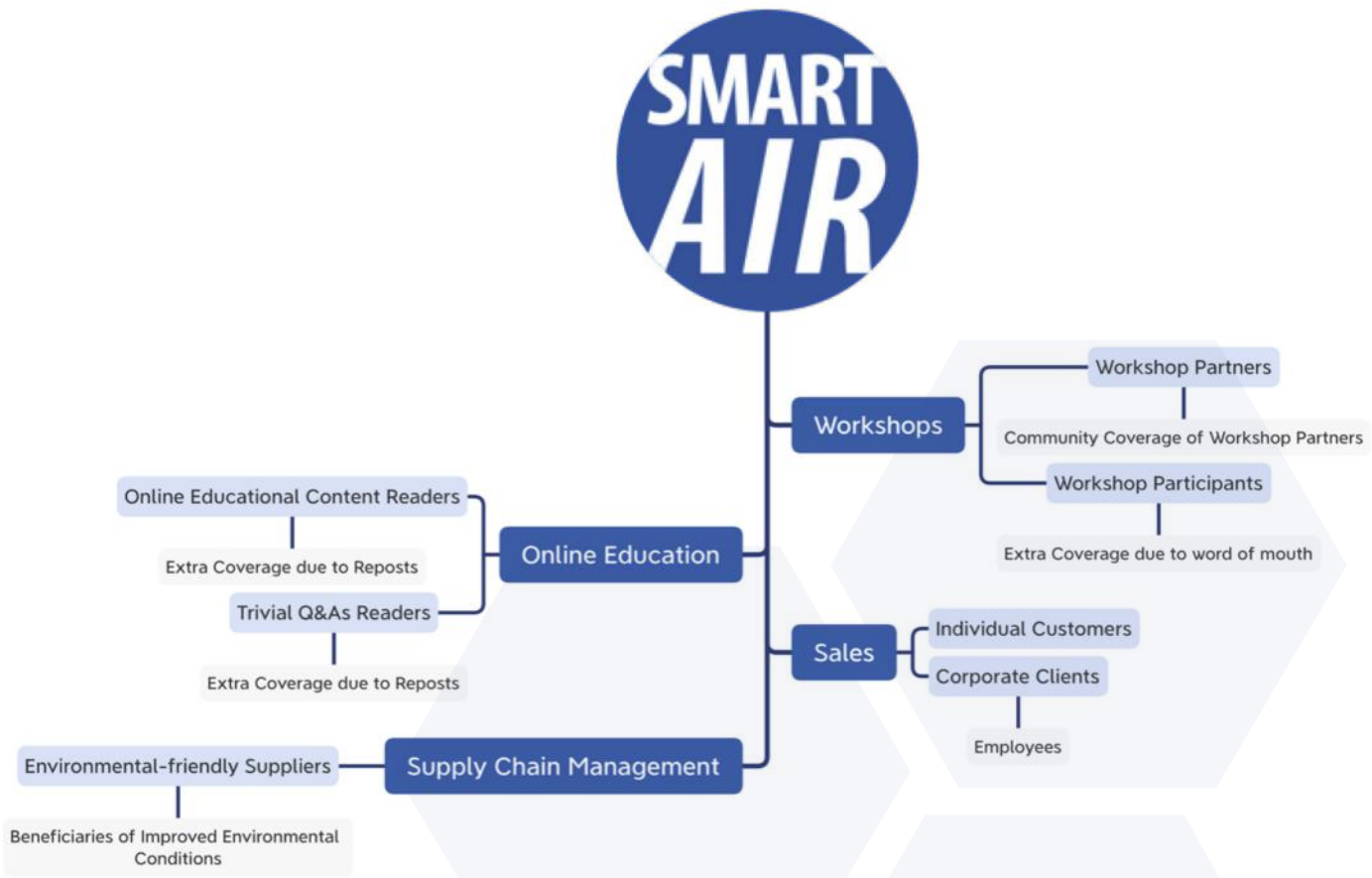


Figure 5. Stakeholder Analysis

Air Purifiers (Sales)

Smart Air has shipped more than 63,000 air purifiers and 80,000 filters to more than 20 countries around the world; helped people save more than 70 million yuan and reduced the health risks associated with air pollution, such as heart disease and lung cancer.

For their impact in mainland China, stakeholders include both business customers and individual customers who purchase Air purifier through Taobao, official websites, Wechat stores and business sales team.

For corporate customers, the radiated stakeholders include those who are using and benefit from the Air purifier. For individual clients, the beneficiaries also include family and friends who live together them.



"I admire their social mission, their willingness to forsake profits, and their desire to maintain a healthy environment, a reasonable price and their continuous improvement on products. They also involve their stakeholders in the business operation, which is different from traditional businesses."

- “Our newly refurbished office needed air purifiers, and Beijing’s Air quality is particularly poor during the winter, yet most brands are quite expensive, so the Smart Air products are more in line with the demand.”

“It’s necessary for our school to provide air purifiers for our students.”

“Smart Air stands with their clients, proactively seeks for cost-effective solutions.”

- “Diversified products to fulfill different needs. Simplified and good-looking designs.”

“Their pre-data research and experiments are solid and comprehensive. They also take the initiative to provide after-sales solutions.”

- “I admire their motivation to provide a very focused solution after noticing a problem and continuing to work on it for a long time. I can also see Smart Air working on expanding their impact.”
 - “Smart Air has a small and young team and have proved their expertise across product installment and maintenance services, even during the COVID-19 pandemic.”

Online Education

Smart Air has published more than 500 bilingual (Chinese and English) articles and has published their research on its website and on social media (Wechat, Zhihu, Weibo and foreign media) . It has accumulated 30 million views from 196 countries, which is more than 1.5 million per month.

Stakeholders included people who read those data and content. The data and content are posted on public platforms including official website, Wechat accounts and Zhihu. Also, the people who see readers reposting these articles and videos.



"They provide loads of evidence, which really helps you to understand the scientific truth. Other brands may exaggerate their effects, but Smart Air has always been honest and fair on the stats."

- "The content is not for sales purposes."

"Smart Air has a clear target to offer open & free data source to the public on the topic of the impact of air pollution. It uses a straight-forward and accessible approach."

"Their experiment result provided neutral and trustful information."

- "SA's product is high quality with reasonable price and trustful brand. Not like others who is expensive but not get money's worth."

- "Instead of telling us about the poor air quality, Smart Air objectively shows the data and let you make own judgement."

"The solution is affordable and effective."

"Their products let the price matches real value and breaks barriers of information."

- "Smart Air's research about masks and air purifiers are eye-opening knowledge for our employees."

- "As a social enterprise, the founder and employees of the company have always been neutral and not seeking for business purpose only. It is necessary for those kind of organizations to participant the market"
- "Their workshop enhanced our employees' awareness on air quality while started to use the air purifiers."

Workshops

Smart Air has partnered with more than 150 organizations to run more than 650 DIY air purifier workshops (such as Friends of Nature, SEE Foundation, the U.S. Embassy, Peking University, Tsinghua University, the University of Chicago, Mercedes Benz, and Microsoft), provided education on smog for over 24,000 participants and attracted the attention of domestic and foreign media (Forbes, CCTV, BBC, The New York Times, Huffington Post, Phoenix News, etc.) .

Smart Air held a total of 73 workshops for 3,613 people online and offline in mainland China in 2019, where the beneficiaries include participants, as well

“The overall experience exceeded expectations, and the highlight was learning not only about the scientific theories, but also how to apply them at home by ourselves.”



Stakeholders also include those in contact with workshop participants, community members who bought the air purifier after attending a workshop, and people in their circle.

It's worth noting that some workshop participants began to follow the Smart Air official Wechat account after the workshop.

"Their experiments, open-data, and knowledge sharing on air pollution and environment are solid and understandable."



Production

The main stakeholders on the supply chain side are the environmental suppliers that Smart Air work with, and the beneficiaries of the reduction in air pollution resulting from the production of environmentally friendly products.

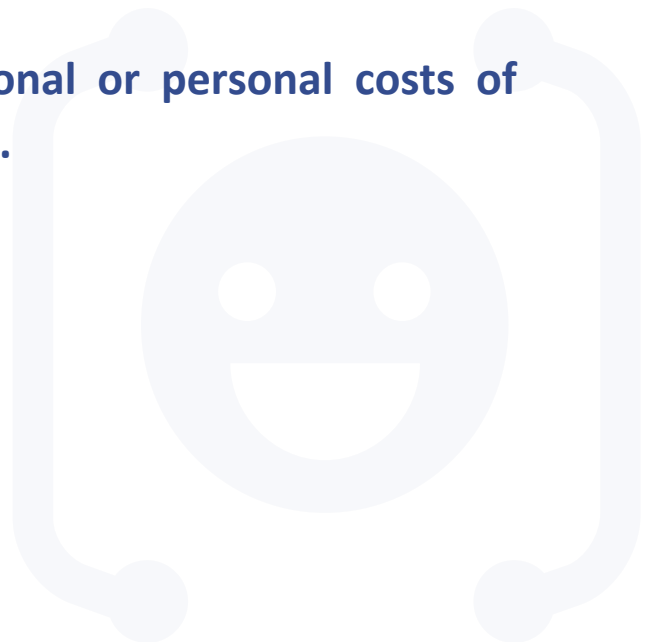


5 Case Analysis

Summary

This chapter summarizes the impact of Smart Air on beneficiaries through qualitative analysis and case studies. The assessment team concluded that the impact of Smart Air on different beneficiary groups can be seen in three ways:

- 1) Enhancing the knowledge level of air pollution and protective measures;**
- 1) Deepening the awareness and knowledge of the influence of air pollution to the body and actively sharing this information with others;**
- 1) Reducing the institutional or personal costs of improving air pollution.**



Knowledge Increased



Mr. D

Beijing · Automobile

Mr.D works in supply chain quality management in the automotive industry. He pays attention to environmental issues related to ozone and PM2.5. He believes that he has changed a lot since learning about Smart Air, especially after being convinced by their data that their experiments are straightforward and valuable.

When discussing environmental issues with friends and family, Mr.D uses Smart Air's data to convince others that it is a reliable source of information because of its neutrality and experimental results.

"As a social enterprise, the founder and employees of the company have always been neutral and are not only motivated by business purposes. It is necessary for those kind of organizations to participate the market.

Their participation in the market is essential. For example, during COVID-19, they taught us how to use masks for protection and also published some experiments and articles to provide open source content to the public."



Ms. H

Beijing · Sany Foundation

Renovation and decoration works in the foundation's office space, coupled with concerns about the air quality in Beijing during the winter, created a demand for air purifier. But as the price of other air purifiers was high, the Smart Air purifier has become the foundation's first choice.

Ms. H points out that Smart Air not only made it cheaper for the foundation to buy Air purifier and replace filters, but also provided the ideal purification effect. Smart Air products can quickly clean the air in large spaces, and in a short period of time, their products reduced levels of formaldehyde that was present due to decoration.

Although some of the products need a large area and are difficult to accommodate, the diversity of the product range meet different needs, and the simple and beautiful design was appreciated by the foundation. Employees also said they would recommend the filter to friends and family.

At the same time, **more employees are actively looking into air pollution issues**, such as how to remove formaldehyde and how to protect their respiratory tracts, and Smart Air's workshop was a great answer to their questions and provided a lot of useful knowledge.

As a social partner, the foundation is very committed to Smart Air's social enterprise concept and sees it as a mutually supportive relationship for the common good.

"Smart Air has been working to provide affordable clean air. It has always been prioritizing social good, and should have attracted more attention from the public."

Awareness Raised



Mr. C

Beijing · PE Teacher

Mr. C first became aware of Beijing's air quality problems around 2012 and checks information about AQI from the US embassy on a daily basis. As an active amateur football player, he has felt the effects of poor air quality while playing and when he realized that it could have a long-term impact on his health, he began to adjust outdoor physical education activities according to the quality of the air.

He loves reading data and content from Smart Air, especially because it offers bilingual content. He also appreciates their efforts in public education with free and open-source data and content.

"Smart Air has a clear target, which is to offer open and free data to the public on the topic of the effects of air pollution.

It uses a straight-forward and accessible approach; I follow their official Wechat account to learn the most up to date info."



Ms. N
Electronics

Ms. N's company learned about Smart Air at a 2019 corporate social responsibility innovation conference, and was impressed by the down-to-earth and non-commercially-oriented team.

In January 2020, during a period of severe air pollution, the company invited Smart Air to conduct an offline workshop for about 30 colleagues. The workshop discussed Smart Air's social enterprise concept, air pollution situation in China, the correct usage of masks and how air purification products work.

From that lecture, the company thought that Smart Air, as a company, did not promote its product aggressively, instead, **they use powerful measurements and data to determine how to use a mask correctly and how to choose an air purifier.** This allowed the participants to trust in the Smart Air and to actively seek advice from the lecturer on air pollution and protection after the lecture.

Since the end of the seminar, N has observed the following behavioral changes among her colleagues:

1. **Masks are not thrown away after a single use;**
2. **Even if Beijing does not report pollution, they will turn on the air purifier;**
3. **Air Quality related data and content will be forwarded to friends and family.**

Cost Reduced



Ms. M
Media

Ms. M's company has employees from all over the world and have always attached great importance to air quality in China, so when decorating its brand-new offices in China, buying air purification equipment was a big challenge.

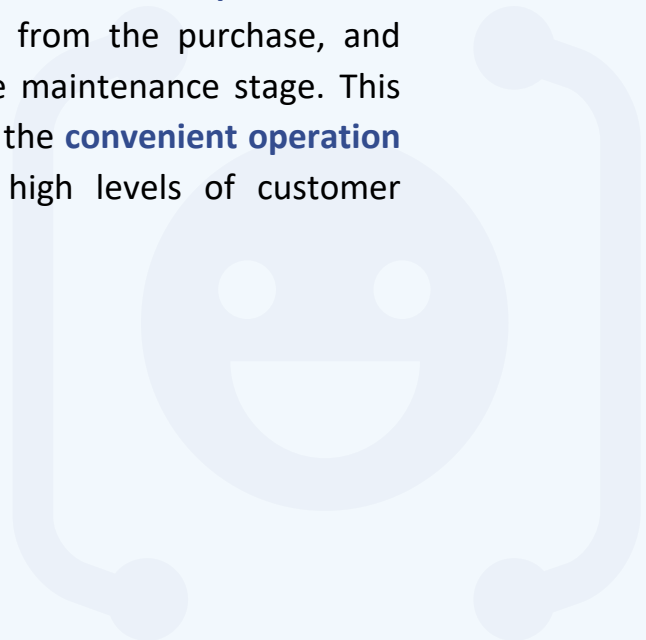
Over the years, the company's staff had become very serious about air quality issues and the demand for air purification equipment is high. The office has a Laser Egg – air quality testing device, and they had been purchasing products from IQ Air for a long time.

Through a friend, the company's purchasing staff learned about Smart Air. At first, the low price and simplicity of the Smart Air purifier design made it hard for buyers to trust it.

After learning about Smart Air's social enterprise concept, they tested Smart Air products against IQ Air's Air purification products using their Laser Egg. The results were obvious, and the company began to believe in the quality of the Smart Air products, and confirmed their purchases.

Partners Perspective: Smart Air's Three Main Advantages

1. The effect of air purification based on the data **of air detector is obvious.**
1. Compared with other products in the industry, the **cost-performance ratio is significantly improved,** and the products are very budget-friendly.
1. The **overall customer service process** is enthusiastic and caring, from the purchase, and installation, to after-sale maintenance stage. This attitude, combined with the **convenient operation of the product** brings high levels of customer satisfaction.



6 Conclusion

Summary

Smart Air creates positive social impact thanks to its organizational philosophy of creating social value, its continuous research and development activities, and the ongoing publication of free, open-source data and content on air pollution.

Smart Air's Impact

Based on the SROI results, these are the highlights of Smart Air's impact:



RMB 3,299,999

Cost savings from air purifiers



RMB 2,475,037

Medical costs saved due to improved health conditions as a result of using an air purifier



RMB 36,250

The equivalent knowledge value of data, content and workshops for participants

RMB 1,188

Average cost savings per unit

83%

Workshop participants reported gains in knowledge of air pollution and protection

Smart Air's impact is a combined result of...

**its organizational philosophy of creating social value;
its continuously research and development activities
in accordance with their mission; and its free, open-
source data and content on air pollution.**

Smart Air values their commitment to concepts such as air quality improvement and social value creation when recruiting new members, which enables the team to communicate effectively, execute tasks quickly, and be energetic. They adhere to the enterprise original intention of creating social value via create high-quality products and provide attentive services for the beneficiary groups.

R&D


While designing, developing, and selling Air purifier, Smart Air has also invested a lot of time and energy in publishing free, open-source data and content and hosting workshops, which has helped to increase its brand awareness and promote its social enterprise concept, at the same time help more beneficiaries to improve air pollution protection awareness and knowledge level.

Mission

Smart Air spends a large amount of budget and resources each year on Product Research and Development related experiments in order to publish free, open-source data and content based on real and valid experimental data.

Online Education

Appendix 1 : Methodology



Introduction to the SROI impact assessment tool

Social Return on investment (SROI) is used in the project assessment as an impact assessment tool. By identifying and combining project inputs, activities, outputs, and outcome, the value of social inputs is presented by aggregating quantitative and qualitative information and financial data related to various types of project inputs and outcomes, and by finding suitable equivalents for non-financial data.

The difference between SROI and ROI (return on investment) is that the latter only considers the economic return or economic benefit of an activity, while the former measures the social value of an investment by comparing its social return or social benefit to the input, **which is to analyze and calculate the social benefit-cost ratio of investment.**

Measuring social value is key to applying this tool, which uses methods to monetize outcomes. In order to measure the social value created by an activity, an equivalent based on reasonable assumptions needs to be found for the outcome of the activity, which is a measurable and computable criterion used as a value expression for the outcome. The social value created by the project activity is estimated by using the results equivalents to price and synthesize the results.

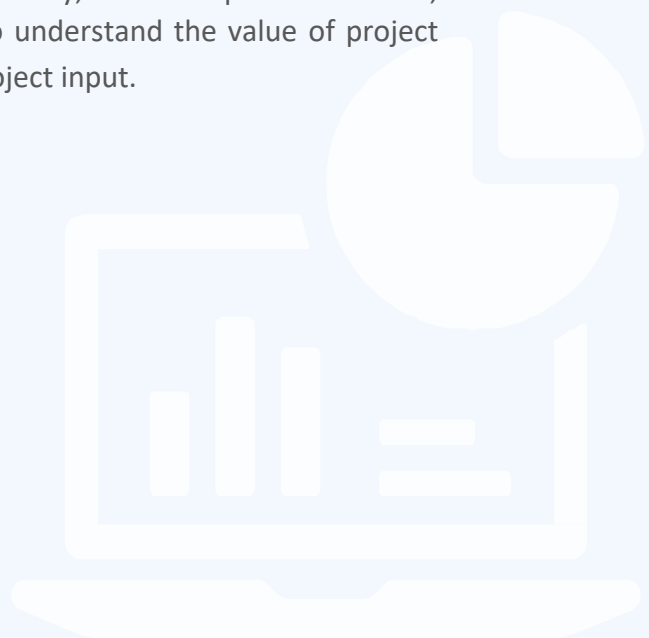
Feasibility and Limitations

Feasibility

Smart Air is a social enterprise that operates on a traditional business model but does not primarily operate for profit. The traditional economic outcome measurement tools, such as cost-benefit analysis, results and utility analysis, can not fully reflect its mission to achieve social values.

As a assessment tool that combined qualitative and quantitative approach, SROI can effectively help social enterprises like Smart Air conduct more comprehensive impact assessments, which could also assisted in communicating and understanding the value generated by project activities.

As an assessment tool that enables self-monitoring, mutual understanding and effective communication, SROI not only helps project operators allocate resources more effectively, it also helps stakeholders, such as funders and decision makers to understand the value of project activities, instead of only considering project input.



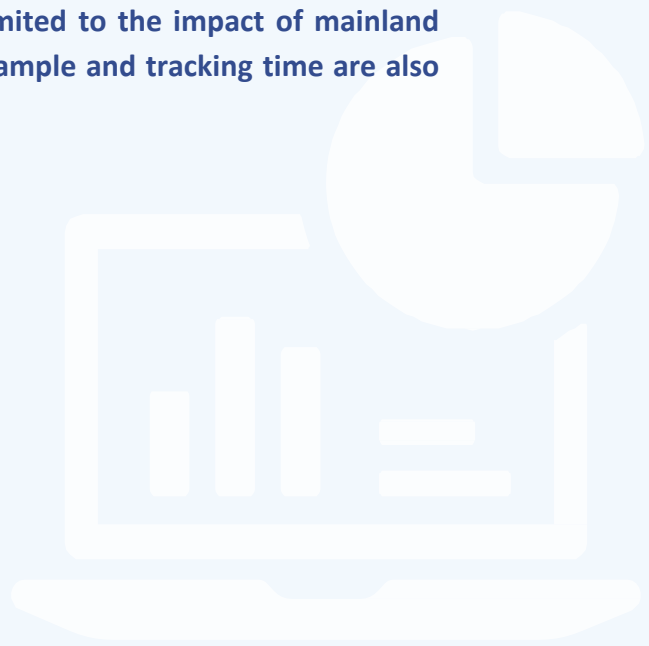
Feasibility and Limitations

Limitations

SROI involves a lot of value calculations and data processing while the data collected for this assessment is post activity collection. Many indicators were not monitored as assessments were not taken into account in the initial design of the project, which resulted in incomplete collection of relevant data.

In addition, the calculation of SROI requires reference to government or third-party report in addition to the project's own data while many basic data are difficult to obtain from public sources. **The completeness and accuracy of data acquisition have an important influence on the accuracy of evaluation results. The source and quality of data acquisition may lead to the deviation of evaluation results from actual situation.**

Nevertheless, **due to the budget and time constraints of this project, the scope of the business assessment is limited to the impact of mainland China in 2019; the source and size of sample and tracking time are also limited for these reasons.**



Feasibility and Limitations

Limitations

The focus of the SROI method is to sort out the project results, find a method to monetize the results, and collect relevant data for calculation. However, for social enterprises, most of the results are difficult to monetize, the pricing of the project results involves subjective judgment. In addition, as currently there is no standardized method of monetization for SROI, estimated value using the SROI method may differ from the actual value.

In response, SEEDLAB, as an independent third-party service provider, strives to ensure the rigour, effectiveness and transparency of the results during the assessment process in order to minimize deviations.

At the same time, like other impact assessment tools, the focus of the SROI tool is to identify and describe the results of the project while outcome are ultimately quantified. The method does not emphasize the economic translation of the final social value, but rather on the underlying stories of change. Therefore, **SEEDLAB** included a case-study analysis in the assessment report to reflect the social value of Smart Air.

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