

1. Social Value Index (SVI)

The SVI is an index that KoSEA has developed to evaluate the social value and impact of SEEs. It then uses the results to help SEEs self-check and decide which candidates will be most qualified for the policy support programs. The SVI consists of 14 indicators across three areas of performance: social, finance, and innovative performance. The heaviest weighting is assigned to social performance. The index is improved annually in light of feedback from diverse stakeholders.

Social Value Index: Composition

Performance	Area	Category	Indicator	Points	
Social performance (60)	Mission (10)	Social mission	1. Pursuit of social mission	2	
			2. Presence of system for managing social performance	5	
	Business activities (30)	Social value of main business activities	3. Social orientation of business activities	15	
			Fostering social economy ecosystems	4. Collaboration with other SEEs	5
				5. Collaboration with local community	5
	Organization (20)	Reinvestment in social objectives	6. Effort to return profits to society	10	
			Democratic governance	7. Percentage of democratically made decisions	5
				Worker orientation	8. Wages for workers
Financial performance (30)	Financial performance (30)	Jobs and financial output	10. Number of jobs created	10	
			11. Amount of revenue raised	10	
		Labor performance	12. Outcome of sales activities	5	
			13. Labor productivity	5	
Innovative performance (10)	Business innovation (10)	Innovation	14. Management and product/service innovation	10	
Total			14 indicators	100	

*Source: Manual on the Use of the SVI 2019, KoSEA (2018).

2. SEE Evaluation Model

The KCGF and KoSEA have together developed the Social Economy Enterprise Evaluation Model in an effort to facilitate decision-making on social finance in ways that reflect the characteristics of SEEs. The pilot model was first introduced in 2018. In 2019, the KCGF developed the version for SEEs in general, while KoSEA developed the version specifically for cooperatives.

SEE Evaluation Model: Composition

General evaluation			Cooperative evaluation				
Area	Category	Indicator	Area	Category	Indicator		
Qualification as SEE	Organizational philosophy	Social value of mission	Qualification as cooperative	Organizational philosophy	Clarity of mission		
		Appropriateness of business plan			Appropriateness of business plan		
		Entrepreneurship			Entrepreneurship		
	Participation/ Consideration and solidarity	Appropriateness of decision-making		Participation/ Consideration and solidarity	Appropriateness of decision-making		
		Effort to treat members well			Effort to treat members well		
		Cooperation/ solidarity with other organizations			Cooperation/ solidarity with other organizations		
	Social orientation	Social orientation of business activities		Member benefits	Orientation to member benefits		
	Social contribution	Effort to contribute to society through business		Community/ Coexistence	Effort to contribute to local community		
	Feasibility of financial support	Management capabilities		Leader's capabilities	Feasibility of financial support	Management capabilities	Effort to encourage charity and volunteerism
		Education/ training		Legally required education			Leader's capabilities
Competency training			Legally required education				
Sustainability		Competitiveness of business	Sustainability	Competency training			
		Efficiency of sales/marketing		Use of service/ product by members			
Financial management capabilities		Rate of increase in revenue	Financial management capabilities	Competitiveness of business			
		Interest coverage ratio		Efficiency of sales/marketing			
		Dependence on borrowings		Rate of increase in revenue			
		Financing capability		Rate of increase in investment			
		Asset soundness		Dependence on borrowings			
			Profit retention rate				

*Source: Final Report on Development of the Social Economy Enterprise Evaluation Model, KCGF (2019).

3. Social Progress Credit (SPC)

The Social Progress Credit (SPC) developed by SK measures and rewards social enterprises for their contributions to solving social problems in terms of monetary value.

First, the SPC measures the social performance of social enterprises by first measuring and examining the outcomes of a given enterprise’s activities that cater to its social mission and core business. Second, it gauges “unrewarded social performance” that is not compensated by the market’s price mechanism and institution. Third, it estimates and converts the value of benefits that the enterprise has generated for intended beneficiaries into a market price. Fourth, it compares the enterprise’s performance to the performance of possible alternatives, such as governments, nonprofit organizations and for-profit businesses.

Social service performance consists of products and services provided toward solving social problems. Employment performance refers to the number and quality of jobs provided for the disadvantaged. Environmental performance consists of the reduction of resources used and pollutants. Social ecosystem performance refers to the impact that the enterprise has had on local communities, industries and civil society at large.

Social Progress Credit : Composition

Type		Mission		
		Solving social problems	Solving environmental problems	
Social performance	Goods/services	Social service performance	Environmental performance	
	Processes	Internal		Employment performance
		External		Social ecosystem performance

*Source: www.socialincentive.org

4. Social Venture Valuation Model

The Social Venture Valuation Model was developed by the MSS and the KFTC to gauge whether a given enterprise possesses enough potential for social performance and innovation to be qualified as a social startup. Specifically, it objectively measures the social performance and potential for innovation, and projects their future social and financial performance. It consists of two submodels and 24 indicators.

Social Startup Valuation Model : Composition

Evaluation of social performance				Evaluation of innovative potential <Manufacturing>				
Category	Subcategory	Indicator	Points	Category	Subcategory	Indicator	Points	
Social orientation and mission	Entrepreneur's orientation	Strength of social entrepreneurship	14	Entrepreneur's capability for innovation	Knowledge and experience	Strength of technical knowledge	6	
		Experience with achieving social objectives	6			Management skills	Innovative entrepreneurship	8
	Social mission	Specificity and distinctness of social mission	10		Innovativeness of technology		R&D capability	Status of R&D workforce
		Relevance of business activities to social mission	12			Superiority of technology		R&D performance
Capability and system for generating social value	Capability	Appropriateness of organization	8	Growth potential	Market and product		Market potential and prospects	10
		Capability for mobilizing external resources and partnership	6			Feasibility	Comparative advantage of product	12
		System	Superiority of social business model		8		Feasibility	Feasibility of business plan
	Diffusiveness of social business model		8	Strength of business infrastructure	Strength of business infrastructure	10		
					Total			100
Evaluation of innovative potential <Service>				Evaluation of innovative potential <Service>				
Category	Subcategory	Indicator	Points	Category	Subcategory	Indicator	Points	
Entrepreneur's capability for innovation	Capability and professionalism for innovation	Innovative entrepreneurship	8	Entrepreneur's capability for innovation	Management skills	Management competency	6	
		Experience in industry	8			Innovativeness of service	Service development capacity	Innovative culture
	Strength of social performance evaluation system	8	Innovativeness of service		Status of development workforce			Service development performance
Social performance	Effectiveness	Strength (potential) of social performance		8		Growth potential	Market environment and service	Completion of service
		Efficiency of social performance	6	Feasibility	Potential for securing market			Usefulness of service
	Superiority	Sustainability of social performance	Sustainability of social performance			6	Feasibility	Feasibility of business plan
				Total				