

Research
Commercialisation
Toolkit

Aspect

Valuation of Social Science Opportunities Tool

Aspect Research
Commercialisation
Community of Practice

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Cecil Graham: *What is a cynic?*

Lord Darlington: *A man who knows the price of everything, and the value of nothing.*

Cecil Graham: *And a sentimentalist, my dear Darlington, is a man who sees an absurd value in everything and doesn't know the market price of any single thing."*

Oscar Wilde, Lady Windermere's Fan

Introduction

Establishing the value of something is complex, because it depends not just on the object or opportunity being valued but the different perceptions of value of the two parties involved in the transaction. It is not purely what one party wishes to 'sell' the opportunity for, but also at what price the purchaser wishes to 'buy' – we know this from our own everyday transactions.

Value is not determined in isolation by either party but is agreed by negotiation between them. Where their perceptions of value are aligned to a greater or lesser degree, then an agreement is likely to be made. If no alignment is achieved on perceived value then there will be no deal struck.

As this tool explores, the object of the valuation (e.g. the new social science opportunity) is also not the only element which is considered when value is being judged. The different parties perception of each other personally and professionally, including; levels of trust, ability to work collaboratively together, the prospect of bigger future relationship, or other gains are also often involved in reaching an overall value.

Another factor is the future context in which the opportunity will be used. In the hands of others, or with the help of others, the synergies involved may enhance value over time. Duplication or reduction in utility in the hands of others will mean value could be diminished over time.

As such when we value opportunities in the social sciences, it is not a simple matter of calculating the cost of development and adding a profit or surplus percentage to this amount to arrive at a value or a 'sale price'. Although finance and funding calculations are an important element and cannot be ignored, *these are not purely financially based transactions and so the alignment between the social value elements of the transaction between partners play an important role too.*

Clearly articulating the social value or benefits that the opportunity presents to the external party will be important, along with the cost savings, efficiency gains and revenues that might flow from them, and so a tool which helps think about these factors in the round will assist IKE and Academic teams in identifying and in some cases quantifying these underlying and complementary value factors.

This tool is intended for use by Innovation and Knowledge Exchange offices (IKE) and Academic teams to think around the valuation of their social science projects being considered for commercialisation or further impact generation activities outside the institution. The tool is intended to help these teams consider value in a broader context than simple financial valuation, before working with potential customers, investors, funders and other stakeholders.

Traditional Valuation Techniques

In a transaction where an established business is seeking an investment, or is being acquired by another party, then it may be valued by measuring or estimating the value of its component parts;

- **Physical assets** (such as property, fixtures and fittings, equipment, facilities, other capital items, stock inventory, and depreciation on these assets etc). Some assets may be discounted because they are old, distressed or obsolete.
- **Intangible assets** (such as intellectual property, goodwill, brand reputation, trading history, customer list / potential order pipeline, debtors, supply chain access, the market and geographies where it operates, the quality standards that the company has maintained etc).

The above would be measured or estimated according to well-known accounting or investment principles to give an indication of a preliminary value.

Additional value – value could also be enhanced or detracted from by other factors that are not so easily estimated or measured, but that are material depending on the nature of the transaction and the participants perception of value. Synergies between the opportunity and the potential collaborator which are not obvious might be one example.

Unsurprisingly, the above points, values, and valuation methods will usually be interpreted differently by the seller or the acquirer, the investee and the investor as each seek to maximise the potential benefits from the transaction.

Perhaps of greatest importance is – does the investor or acquisition partner trust the team presenting this opportunity? Do they feel that they are representing the facts fairly and estimating the unknowns in a reasonable way? Does the transaction represent the right balance of risk versus reward? Can the business be transferred to the new owners, or run effectively in conjunction with investor representatives after the transaction or will they prove difficult to work with and risk losing value as a result?

Ultimately though, **value is relative** and can be presented and interpreted differently and this forms the basis of a negotiation position on both sides.

Early stage valuation

Valuation of early stage opportunities from University spinouts or start-ups (or indeed from other early stage company formations outside of Universities) is inherently difficult as many of the traditional measures of valuation mentioned above are absent.

Physical assets – The company may not yet have been formed or traded (no shares), or the products and services may still be forming, there may be no physical assets at all.

Intangible assets – There may be a little intangible asset value, for example, some intellectual property (formal or informal) on the original idea, a prototype product or service, some branding, albeit that this may not have been exposed to the market yet, and no markets bar those envisaged in the projections of a business plan.

Perhaps some evidence exists of the new product or service addressing a customer need from research

outputs or similar impacts. There may be some reputational benefit as a result of the project arising from or being borne of an individual or an institution with a recognised name and reputation. If the opportunity represents a brand new development in a market that is unclear, that has not been operated in before, or that is truly 'pathfinding' then again this raises questions and doubts.

Additional value – There may also be some of the additional value points mentioned where the new development represents a synergy for an acquisition with a larger company (or where this represents a future potential exit for an investor).

As such the valuation of this type of project is more challenging and based on estimations, assumptions and balancing risks. The business plan is important in communicating the potential value taking into account all that is known about the project. There is nothing to sell post- transaction to recover monies if it looks like the venture is failing – so no risk mitigation.

The negotiation about project value with potential collaborators, investors, funders or other supporters is largely based on **the potential for generating value rather than its demonstration to date**. As such perhaps even more emphasis will be placed on those elements that can be judged by the external party, including the make-up and experience of the team leading the opportunity moving forward.

Where projects for commercialisation are presented in STEM subjects (science, technology, engineering, mathematics) there are relatively well trodden paths to estimate the value of the opportunity, and the likely financial needs required to scale it to different milestones in the commercialisation process.

These estimates of value can be based on business plans but also investor experience and benchmarking against similar projects that they have measured in the past, and that can be numerous.

STEM markets may also be better defined, and easier in some ways to estimate, for example the development might be a brand new cancer treatment, with a completely novel mode of action and IP covering many possible molecular approaches, but the type and number of cancer patients it could benefit are known, the competing treatments are known, and so parallels can be drawn that can comfort the investor when reaching an estimate of value.

Social Science project valuation

IKEs and the wider social science community feel that social science opportunities are generally regarded harder to value than STEM opportunities. Some respondents felt that the nature of social sciences meant that the opportunities arising from this base were often ground breaking, and therefore had less clarity on the market size or nature, or even competition. They felt projects often had fewer precedents from Universities to benchmark their value, that this may disadvantaged them when seeking financial backing from customers, commercial partners or investors¹.

Whilst there are a number of methods to value the social impact of different initiatives, and in some cases financial values can be estimated or calculated from these they are variable, and do not apply to every type of social science project – there is no universal valuation tool in this area.

That is not to say that work has not been done in estimating the value of social science based initiatives on public good and the impact that they bring in terms of saving to the

public purse or economic gains they represent.

It should be borne in mind that many new social science methods that are applied, for example in a government policy context maybe about saving money. The challenge here is that they could be difficult to procure and therefore the value they generate is difficult to reward. E.g. 'If new policy X saves Government agency 40% on costs' how is that paid for equitably? Do we ask for a percentage of cost savings? How can the agency pay us from a saved cost and reduced budgetary spend next financial year? etc

If we are to look at the value of social science related opportunities emerging from Universities, then it would be prudent to examine what research has been done on the relationships between social science and the wider community.

In 2013, John D Brewer wrote what he described as an interpretative essay on the public value of social science². Brewer explored what 'value' means in a social science context. Brewer identifies three meanings of value each of that he broke down further into sub categories shown in tabular form below;

Brewer's Values of Social Science

Element	Sub-categories	Description
Value as usefulness and utility – 'Use Value'	Direct	The level of usefulness of an item unmediated by other things – e.g. a chair
	Indirect	The utility of an item when used in combination with other things e.g. chair(s) with a table
Value as quality and worth – 'Price value'	Intrinsic	The worth of an item on its own – e.g the raw materials and labour to make a chair, or chair(s) and table set
	Added ('value added')	The worth of things when put to use indirectly – e.g. the table and chairs used with a meal in a restaurant
Value as judgement and evaluation – 'Normative value'	Private	The value to an individual (or organisation) of possessing an element – e.g. status of owning an object
	Public	The value that arises from the public display or presence of an element – e.g. social status, cultural significance

1: Recent conversations with ASPECT partners 'ASPECT Research Commercialisation Community of Practice Toolkit Consultation' 2021 Greenoak Innovation on behalf of Research England Connecting Capabilities Fund.

2 "The Public Value of Social Sciences" J D Brewer, ISBN : 1780931743, Publisher : Bloomsbury Academic; 1st edition (28 Mar. 2013).

Brewer's work also identified three major public groups who used social science, and provided information on how to engage these groups, what might result from such an engagement, and how to measure the impact of these engagements.

The three groups of end users of social science research are identified as³:

- **The Market** e.g. (businesses, industry groups, unions, workers, etc – I have also included investors in this category)
- **Cultural** e.g. (NGOs, Schools, Civil Society (national and global), media, public bodies

- **The State** e.g. (local, regional, national, devolved governments), political parties, politicians, civil servants

Brewer indicates to the IKE community that value of social science is more complex than a simple calculation that is financially based. The challenge for IKE/Academic teams is perhaps in identifying the relative value a partner, such as a business customer, community group looking to engage or an investor places in these different categories of value to arrive at a fair and equitable valuation. There can be little doubt that these different types of users will place different levels of importance on each of the valuation elements described in the table above.

Using Brewer's Value Categories as a tool

Element	Sub-categories	Brewer's Description	Application to Social Science Opportunities
Value as usefulness and utility – 'Use Value'	Direct	The level of usefulness of an item unmediated by other things – e.g. a chair	Is the opportunity inherently useful in itself? E.g. A new method, questionnaire, and the results it achieves in isolation.
	Indirect	The utility of an item when used in combination with other things e.g. chair(s) with a table	Can the opportunity be combined with another opportunity internal to the institution that would increase value? E.g. combination of a questionnaire with a novel methodology to produce a unique product and delivery mechanism
Value as quality and worth – 'Price value'	Intrinsic	The worth of an item on its own – e.g. the raw materials and labour to make a chair, or chair(s) and table set	Does the value and expertise built up in the social science team from developing the opportunity itself have a value? E.g. using the knowledge and know how of the team who built the questionnaire to apply the learning to new situations as a consultancy? Could the 'raw data' (raw material) from the original research be put to a new use?
	Added ('value added')	The worth of things when put to use indirectly – e.g. the table and chairs used with a meal in a restaurant	Could the opportunity enhance the ability of an external partner to deliver their offerings? Does the opportunity make it cheaper, easier, faster, more efficient or more effective when used in combination with another's offerings? E.g. does the use of the questionnaire mean an external party can benefit by increasing interactions for other purposes with the survey group in a way not previously possible?
Value as judgement and evaluation – 'Normative value'	Private	The value to an individual (or organisation) of possessing an element – e.g. status of owning an object	Does the use of the opportunity enhance the reputation, brand, abilities of another external party when they use it within their organisation? E.g. does use of the questionnaire mean the external party benefits from increased credibility with its employees or other stakeholders they want to impress in private?
	Public	The value that arises from the public display or presence of an element – e.g. social status, cultural significance	When an external partner uses the opportunity does it increase their credibility / ability to reach new audiences as a result of the opportunity's use? Does it positively change the perception of the external party to their benefit? E.g. does using the questionnaire improve the public image of the external party by showing it works on new innovative ways of consultation?

³ Adapted from pp121, reference 2

Element	Sub-categories	Brewer's Description	Application to Social Science Opportunities (example)
Value as usefulness and utility – 'Use Value'	Direct	CHAIR	A new method, questionnaire, and the results it achieves in isolation.
	Indirect	CHAIR AND TABLE	Combination of a questionnaire with a novel methodology to produce a unique product and delivery mechanism.
Value as quality and worth – 'Price value'	Intrinsic	RAW MATERIALS	Using the knowledge and know how of the team who built the questionnaire to apply the learning to new situations as a consultancy or to build new questionnaires.
	Added ('value added')	CHAIR AND TABLE IN A RESTAURANT TO ENABLE DINING	The use of the questionnaire mean an external party can benefit by increasing interactions with the survey group for other purposes in a way not previously possible?
Value as judgement and evaluation – 'Normative value'	Private	DESIGNER BOARDROOM CHAIR	Use of the questionnaire mean the external party benefits from increased credibility with its employees or other stakeholders they want to impress in private?
	Public	THRONE	Using the questionnaire improve the public image of the external party by showing it works on new innovative ways of consultation?

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Element	Sub-categories	Brewer's Description	New Social Science Opportunity
Value as usefulness and utility – 'Use Value'	Direct	CHAIR	
	Indirect	CHAIR AND TABLE	
Value as quality and worth – 'Price value'	Intrinsic	RAW MATERIALS	
	Added ('value added')	CHAIR AND TABLE IN A RESTAURANT TO ENABLE DINING	
Value as judgement and evaluation – 'Normative value'	Private	DESIGNER BOARDROOM CHAIR	
	Public	THRONE	

Using the tool with different external audiences

We have established that although not a simple exercise, and not a unilateral decision, valuation an important element of the negotiation between the IKE/Academic team and external parties.

If the IKE/Academic team are better informed about the categories of value that present themselves from their new opportunity, then they will have a better sense of where to market it, a stronger negotiating position, or at least a wider range of understanding, of where the value lies and how it may be positioned to the different groups (Market, Cultural, State).

The following method is suggested;

- 1) The IKE representative and the academic team use the Brewer framework tool shown above to identify the areas of value in the opportunity from their perspective.
- 2) The outputs of exercise (1) are compared against the general areas of value shown in the example audiences below ('market', 'cultural' and 'state') to see which may have the best alignment with the new idea and therefore potentially value it the most
- 3) The opportunity is promoted to those audiences and intelligence gathered on what these groups value in the opportunity
- 4) More specific areas of value are identified when talking with specific organisations from the identified audience, to better align the needs of the external audience with the opportunity.

Gathering more information about what the external party values

In most business development conversations the aim of the salesperson is to find out more information about the needs of the customer. Only by questioning the customer about their needs, and their relative importance can the salesperson hope to favourably position their offering by highlighting the benefits of their offer in meeting those needs.

If we cast the IKE/Academic team in the role of sales for

their opportunity, then they must gather this information from their counterparts, be they potential customers of the new spinout offerings, investors wishing to fund and see a return from supporting the idea, or larger collaborators, such as those from the public sector who may be looking for a combination of benefits, including say, the saving of public monies, seeking to generate greater societal benefits, cultural impact etc.

But how do we find out more about what such a diverse group of stakeholders may 'need' and value from social science opportunities we might present to them?

Of course when face to face we can ask them about their needs, but otherwise, before we meet them, we must make some assumptions about their general needs first to communicate our opportunities to them, by developing a general set of 'hooks' to interest them in finding out more, then clarifying their specific needs in more detail once we have opened a dialogue with them.

Clearly valuation is a complex area and so to reduce this to a simple tool is challenging. The tool is intended to provoke IKE/Academic teams to consider the multi-faceted nature of the concept of 'valuing' their project to try to get as many useful negotiation points and benefits to 'pitch' as possible. It is hoped this will help them ensure the value of their projects is clearly communicated to potential partners, be they from any of the three groups identified by Brewer (the market, cultural, the state).

In developing our understanding of the needs of these different stakeholders we can get a starting point on what they value from the literature and relevant public domain sources of information. The following sections explore what elements these different external groups might value in general terms and how they might be captured when thinking about value using the tool above.

What does 'the Market' value about social science opportunities?

Businesses

A 2020 study interviewed a number of high profile companies, many world leading in their fields, and asked them about their perception and utilisation of the social sciences in their work⁴.

4 "Vital Business The Essential Role of the social sciences in the UK Private Sector" (2020) A Lenihan, S Witherspoon, and R Alexander, Academy of Social Sciences, Campaign for Social Sciences, Sage Publications ISBN 978-1-5297-5416-2 (pbk) ISBN: 978-1-5297-5419-3 (web PDF) available at: <https://campaignforsocialscience.org.uk/publications/vital-business-how-social-science-knowledge-and-skills-are-used-in-uk-private-sector-businesses/>

Importantly in this study company participants were given a definition of the varied scope of the 'social sciences' – economics, business and management studies, accounting, sociology, politics, humanities, etc. By doing so perhaps a richer response was obtained from participants who did not always define social sciences in the same way and also did not always make the link between the varied disciplines and the skills that these subjects contributed to their businesses.

Perhaps this is an obvious point to IKE/ Academic teams, but this does indicate to those commercialising social science opportunities that companies do not always define the social sciences in the same way as the wider definition accepted in academia. How the opportunity is communicated and valued by the IKE / Academic team may need to be translated into a value proposition which uses the language and 'values' of the external party.

Businesses also do not always immediately understand the benefits to them from collaborating or otherwise supporting a project from the 'social sciences' subject areas. There is still a need to communicate the benefits to them in starker terms and in their language to win their support.

The findings showed that these large companies greatly value the benefits that social science can bring to their operations and the case studies include factors that they valued such as;

- **Day to day operational use of social sciences in their business**, economics, accounting, market research, research and development of new product and service opportunities etc
- **Leadership of their organisations** required knowledge of social science disciplines to succeed
- **Social science knowledge and techniques** allowed them to analyse their external environment, and plan their future strategies for growth and innovation, and manage risk.

- **The applicability of social science skills in assisting cross disciplinary working** was valued – for example combinations of STEM based developments complemented by social science experience, knowledge made for better decisions because this combination looked beyond the new product or service and included analysis and future predictions of the environment (changes in legislation, social changes, politics, environmental, etc) where the product of service would operate.

The study is interesting as it gives IKE/Academic teams further insight into what potential customers of their social science based offerings value from the interactions and helps to develop a general set of 'hooks' for marketing the project and valuing it from an external perspective.

In an era where many of these larger companies will have up to five generations across their workforces (Alpha (entering the workforce), Millennial (or Gen Z), Gen Y, Gen X, Baby Boomers (retiring from the workforce)) social science could also have a positive benefit on the understanding of these different generations in the workplace.

Some of these generational groups will be more attracted to work for employers who are demonstrating good environmental, social responsibility and governance principles (often reduced to the acronym ESG). Attraction, recruitment, and retention of talent in the workforce in companies of all sizes could perhaps be improved by corporate socially responsible initiatives and engaging with the right social science projects and this too will have a value.

Element	Sub-categories	What do businesses generally value?
Value as usefulness and utility – ‘Use Value’	Direct	Use of opportunity to increase turnover, profit, gain new customers, retain and grow existing customers.
	Indirect	Use of opportunity with other elements to enhance products and services, enter new markets. Can the opportunity be used by the company to demonstrate a social value creation or innovation e.g. in a large public service tender they are submitting?
Value as quality and worth – ‘Price value’	Intrinsic	Work with academic team to access knowledge and expertise to improve existing and create new products and services
	Added (‘value added’)	Use of opportunity to get closer to their customers, gather information and intelligence on new opportunities, to compete better with others
Value as judgement and evaluation – ‘Normative value’	Private	Use the opportunity to improve internal processes, increase understanding of new ideas, and develop staff and internal ideation. Retain staff who are attracted by the company’s use of cutting edge social science techniques to ensure their work observes ESG principles.
	Public	Increase reputation, reach different groups, improve public image, corporate social responsibility, Attract and Recruit staff attracted to who are attracted by the company’s use of cutting edge social science techniques to ensure their work observes ESG principles.

Investors

It would be stereotypical to reduce investor interest in social science based projects as purely those of financial return on investment. However, this motive cannot be ignored or downplayed either.

Venture capital is dependent on demonstrating a return for its own investors from a portfolio of investments and those involved in this industry are skilled at balancing risks and returns from their investments to ensure a return over the life of their fund.

Funds for these investments are often raised from other institutional investors who want an element of higher risk / higher return in their own portfolios, and so a fund will be set up to achieve this and entrusted to the relevant VC. The funds will be managed within a set of investment guidelines which determine what sort of opportunities will be sought, invested in, grown, and then exited from during the life of the fund. Criteria might include the industry sectors the fund can invest in, the amount that can be invested in any one investment opportunity, the risk profile of the fund, and other factors.

For example, this could be a ten year term, where the initial years (1-3) are used to source suitable investments within the fund guidelines, evaluate them, invest money into them to achieve growth. This might mean more than one investment amount phased in at agreed milestones to help the business achieve its growth plan. It will involve taking a percentage share of ownership in the business which is commensurate with the risk involved and the return on investment required.

Years 3-7 might be used to follow existing investments or exit those who look like they have failed to deliver, and gradually through years 7-10 investments will be exited from by selling them to others, or floating them onto the stock market to raise public funding.

The British Venture Capital Association (BVCA) publishes a helpful guide to assist businesses of all types to judge if venture capital is right for them⁵.

The first questions to ask show whether a social science opportunity is compatible at all with how VCs operate and should be a basic check for any project hoping to take this route. Without being able to answer these questions positively there is little doubt your project would be judged ‘investable’ by a VC and therefore not of ‘value’ to them;

Questions to ask yourself before reading further

- Does your company have high growth prospects and are you and your team ambitious to grow your company rapidly?
- Does your company have a product or service with a competitive edge or unique selling point (USP)?
- Do you and/or your management team have relevant industry sector experience? Do you have a clear team leader and a team with complementary areas of expertise, such as management, marketing, finance, etc?
- Are you willing to sell some of your company's shares to a private equity investor?
- If your answers are "yes", private equity is worth considering."

(Source: ref 5)

The BVCA guide is a great overview for those considering VC funding, and also contains sections on valuation, and a useful overview of the whole VC process.

Environmental, Social and Governance – an emerging investment trend

Environmental, Social and Governance (ESG) is an emerging and growing trend in the investment community and may help IKE/Academic teams to position their opportunities favourably to those investors seeking to invest in these types of opportunities.

Principles for Responsible Investment (PRI)⁶ is an organisation which is supported by the United Nations (UN). The PRI is the world's leading proponent of responsible investment;

It works to understand the investment implications of environmental, social and governance (ESG) factors; to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

(Source: ref 6)

The PRI has six principles which signatories agree to;

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

(Source: PRI website)

PRI has reached the milestone of over four thousand signatories to its charter⁷. It may be that social science related opportunities could find particular traction with ESG investors.

5 "A Guide to Private Equity" pp7 BVCA, 2012, available at www.bvca.co.uk

6 <https://www.unpri.org/pri/about-the-pri>

7 <https://www.unpri.org/pri-blog/pri-reaches-4000-signatories-with-emerging-markets-boosting-ri-uptake/7823.article>

Element	Sub-categories	What do investors generally value?
Value as usefulness and utility – ‘Use Value’	Direct	Does the idea solve a useful problem that could be grown effectively following investment because it fulfils a real need in a large or expanding group of customers? Can this be done within the life of the fund and provide an exit route?
	Indirect	Could the idea be adopted and taken on board by larger players eventually providing the investor with an exit route by acquisition?
Value as quality and worth – ‘Price value’	Intrinsic	It is unlikely that investors would be interested in a pure consulting business based on the opportunity ‘raw materials’ without it demonstrating significant growth potential. However, could the ‘raw materials’ e.g. data or capabilities be encapsulated into a scalable product, e.g. software?
	Added (‘value added’)	The investor is unlikely to want to combine the opportunity unless it would be of interest to refer to another of their investees to give them an advantage.
Value as judgement and evaluation – ‘Normative value’	Private	The investor is unlikely to invest for internal use, unless this opportunity enhanced their ability to operate, e.g. find new investments, secure better returns from investment, reduce bad investments, increase returns
	Public	The investor may wish to invest in the opportunity to demonstrate its commitment to ESG principles but it is unlikely this will be the main or sole reason for investing.

What do Cultural organisations value about social science opportunities?

Brewer² included a number of groups under his definition of culture including ‘NGOs, civil society, educated citizenry, cultural consumers, archivists, schools, public bodies, private organisations, charities, individuals and families’.

Practically speaking the potential collaborators for social science opportunities within this group are NGOs, Archivists, Public Bodies, Private Organisations and Charities as these are the collectives most likely to have meaningful funding available, and which are easily targeted for communicating the new opportunity. Generally the other groups are less likely to have access to funding, and also more diffuse and harder to target with new opportunities with a limited marketing budget.

Again this is a diverse group but perhaps we can make some assumptions of what they value, and Brewer gives some examples of where social sciences might be employed by these bodies;

- Behaviour and pursuits
- Understanding values
- Public debate
- Beliefs
- Health and wellbeing
- Health promotion
- Performance of schools
- Family relations

Perhaps we could broaden these;

- Increasing understanding of their workforce / volunteers / donors / patrons / sponsors / funders / beneficiaries
- Understanding the political / environmental/ economic / technological / social environments in which they operate or where they wish to expand operations
- Understanding the impact of changes in strategy or services that they wish to make and the potential impact on different stakeholders, income generation, fundraising, funding

- Overcoming controversy and damage limitation advice and monitoring in complex situations
- Understanding their history as an organisation, how it shapes their current and future plans and impacts on their stakeholders
- Development of new services, new ways of delivery, operational changes to improve efficiency, scale their services

As ‘cultural’ covers a wide number of different groups, we will use Museum / Art Gallery as an example to fill the table with indicative value points which may apply to their situation when considering the value of a new social science opportunity. Other groups within the cultural category will require adaptation to their specific circumstances.

Element	Sub-categories	What do Museum / Art Galleries generally value?
Value as usefulness and utility – ‘Use Value’	Direct	Could the opportunity be used immediately, e.g. to canvass visitors on their attitudes towards exhibits?
	Indirect	Could the opportunity be combined with an existing tool belonging to the curators to extend its reach, increase information gathered or do this in a better, validated way?
Value as quality and worth – ‘Price value’	Intrinsic	Could the raw data gathered in the original opportunities creation be re-purposed to use for the benefit of the museum / art gallery?
	Added (‘value added’)	Could the opportunity be used in conjunction with other cultural / museum stakeholders to generate value? E.g. be used as a benchmarking tool for monitoring and spreading best practice amongst a group of museums / galleries?
Value as judgement and evaluation – ‘Normative value’	Private	Could the opportunity be used internally for the benefit of the museum to improve its internal processes, give it a competitive advantage against other similar visitor attractions?
	Public	Would collaborating on the opportunity increase positive public perception of the museum / gallery – e.g. announcing a research relationship between institutions for positive PR

What does the State value about social science opportunities?

As with the other groups identified by Brewer, the State is a broad definition and covers many different activities and their perception of value is hard to define, but it is hoped the following factors will help IKE / Academic teams to align their opportunities with the perceived needs of ‘the state’.

There is little doubt about the value of the social sciences to Government at the local, regional and national level.

In a 2020 interview given to LSE Lord David Willets, the former UK minister for science and universities, revealed that in a recent exercise across Government departments where they were asked about the challenges that they would like to answer, 800 responses were gathered of which 600 involved social sciences.⁸ So even at this anecdotal level it is clear that many potential outlets will exist for social science opportunities within central Government departments, and these will also trickle down to other levels of government more locally too.

Public services at all levels are often outsourced to

8 <https://www.socialsciencespace.com/2020/03/david-willets-sees-a-failure-to-understand-the-value-of-social-science/>

external providers, including businesses large and small, social enterprises, and charities. Public procurement demands robust procedures to safeguard public monies (value for money), to ensure the quality and service levels of the goods or service provided, to ensure continuum of delivery, scalability, security etc.

As such a public procurement process, which may involve a tender, will be issued and call for interested parties to come forward to submit their bids for running the service or providing the product. The bids will be marked on many different criteria, but also on the potential they have for generating social value, and improving (or innovating) within the delivery to try new approaches. This is where new opportunities may have a unique value.

There have been a number of pieces of legislation from Government which have encouraged those providing public services to seek out areas an opportunities for social value generation⁹.

- [Public Services \(Social Value\) Act 2012](#)
- [Government Buying Standards \(2012\)](#)
- [Balance Scorecard for Growth \(2016\)](#)
- [Public Contracts Regulations \(2015\)](#)
- More recently in 2021 new measures have been introduced to enhance social value in tenders for delivering public services still further.¹⁰

A guide to using the social value model is available online at

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/940827/Guide-to-using-the-Social-Value-Model-Edn-1.1-3-Dec-20.pdf - this is updated periodically.

Such initiatives seek to improve delivery of public services by broadening the evaluation of tenders by those awarding them, and including elements such as those found in the 'triple bottom line' which was pioneered by John Elkington.¹¹

Prosperity

- promoting UK innovation and growth
- providing employment and training for disadvantaged groups
- supporting Small to Medium Enterprises and Voluntary, Community and Social Enterprises

People

- supporting community and workforce health and wellbeing
- diversity, inclusion, equality and accessibility
- promoting labour and consumer rights.

Planet

- reducing consumption, waste and pollution
- using sustainable energy, water and resources
- protecting and regenerating biodiversity.

The spinouts resulting from social science opportunities, if sufficiently robust and experienced in other areas of tender evaluation, may wish to submit tender responses to win public service work in their areas of expertise.

Alternatively, social science opportunities could enhance their value if they can be aligned with larger external parties who are tendering to run public services but who need to demonstrate social value and an innovative approach within their tender submissions to win them. By highlighting the new opportunities 'fit' to a particular tender response in whichever area of public service provision this covers would be advantageous.

Whilst this might not guarantee huge financial rewards for the social science opportunity immediately, it may provide opportunities for pilot studies at a larger scale, resulting in higher confidence from the external party to take the opportunity on board at a larger scale or similar benefits.

9 Adapted from the 2019 PA article in Civil Service World – available at <https://www.civilserviceworld.com/in-depth/article/social-value-is-the-latest-frontier-for-public-procurement-and-value-for-money>

10 <https://www.gov.uk/government/news/new-measures-to-deliver-value-to-society-through-public-procurement>

11 <https://www.economist.com/news/2009/11/17/triple-bottom-line> - John Elkington 1994

Example table for local Government social work dept.

Element	Sub-categories	What would a local Gov Social Services Dept generally value?
Value as usefulness and utility – ‘Use Value’	Direct	Could the opportunity be used immediately, e.g. to canvass service users on their attitudes towards their care provision?
	Indirect	Could the opportunity be combined with an existing tool belonging to the dept to extend its reach, increase information gathered or do this in a better, validated way?
Value as quality and worth – ‘Price value’	Intrinsic	Could the raw data gathered in the original opportunities creation be re-purposed to use for the benefit of the department?
	Added (‘value added’)	Could the opportunity be used in conjunction with other stakeholders to generate value? E.g. be used as a benchmarking tool for monitoring and spreading best practice
Value as judgement and evaluation – ‘Normative value’	Private	Could the opportunity be used internally for the benefit of the dept to improve its internal processes? Deliver better quality services at lower cost etc, decide on budgetary priorities
	Public	Would collaborating on the opportunity increase positive Dept?

Conclusions and Recommendations

ASPECT users can use the above tool as a starting point for understanding the non-financial values attached to their new opportunities from a social value generating perspective. However this will only be a starting point and IKE / Academic teams must then refine these values once contact is made with interested potential collaborators. Through questioning the two parties can then better understand alignment of financial and non-financial (social) values and hence an overall value of the opportunity can then be agreed.

It is hoped that over time shared best practice in the tool's use between ASPECT members would lead to refinement of the categories mentioned in different situations with different parties, and better understanding of the needs of typical external collaborators will result.

About Aspect

Aspect (A Social sciences Platform for Entrepreneurship, Commercialisation and Transformation) is a network for organisations looking to make the most of commercial and business opportunities from social sciences research.

Supported by Research England's Connecting Capability Fund, Aspect members sit at the epicentre of discovery, imagination and progress in the social sciences. We draw together pioneering academics with innovative industry leaders to tackle the most complex societal challenges of our time.

Find out more at www.aspect.ac.uk

Aspect

Transforming Society Through
Social Science Innovation