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SAMSUI: Social return on investment

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In April 2018, Kian Peng Ang, director of Samsui Supplies & Services Private Limited (Samsui), wondered how he could illustrate to the key stakeholders of Samsui the social impact his company was having in the SG$89 million[[1]](#endnote-1) market of providing meals for long-term care facilities. Samsui Central Kitchen (SCK), Samsui’s flagship corporate social responsibility (CSR) project provided 1.8 million meals annually to various long-term care facilities for the elderly[[2]](#endnote-2) and was especially crucial because the existing SCK facility was reaching maximum capacity and stakeholder buy-in would be needed to expand it.

Ang strongly believed in Samsui’s ambition to embed CSR in its core company strategy. Having achieved his initial objectives for the central kitchen, he set his sights on expansion to impact more beneficiaries in the company’s home base of Singapore. He wondered how to quantify the impact of SCK’s CSR initiatives in a clear and simple message in order to communicate the impact to various stakeholders and justify the further expansion of SCK.

Samsui’s BACKGROUND

In 2013, Samsui was set up by Soup Restaurant Group Limited (Soup Restaurant) to spearhead Soup Kitchen’s CSR efforts as part of its “drive to do good.” Soup Restaurant had started in 1991 as a restaurant operating out of a single shop-house in Singapore’s Chinatown with only six employees and six dining tables.[[3]](#endnote-3) The restaurant sold various herbal soups and home-cooked Chinese dishes at an affordable price-point to mass-market consumers. Soup Restaurant had since expanded to 17 restaurants across Singapore and Malaysia, with a franchise in Indonesia. The company had been listed on the mainboard of the Singapore Exchange since 2007 and operated an entire portfolio of brands and verticals in the food and beverage (F&B) sector.[[4]](#endnote-4) The products ranged from prepared condiments and sauces to frozen supermarket food (see Exhibit 1).[[5]](#endnote-5)

A major reason for Soup Restaurant’s decision to set up Samsui was to enable better tracking of key process indicators and the resources needed for these activities, with the goal of doing sustainable good. In 2016, Soup Restaurant received the President’s Volunteerism and Philanthropy Award for Small and Medium Enterprises. The following year, the company was recognized as a Champion of Good by the NVPC.

Ang and the rest of Samsui’s management team decided that the company’s philanthropic efforts should not be restricted to one-off projects and events, preferring sustainable and long-term initiatives. Given Samsui’s extensive experience in the F&B industry, as well as the experience of its parent company, Samsui decided to leverage its knowledge of the food value chain to help charitable organizations. Traditionally, charitable organizations could not leverage economies of scale to negotiate lower prices for ingredients, and they often lacked distribution networks for logistics. But Samsui had strong bargaining power in its relationships with suppliers, due to the collective clout of Soup Restaurant, when purchasing ingredients. Samsui also had distribution networks in place that it could leverage for the transportation and logistics of ingredients and cooked meals.

This competency-based approach ensured that Samsui focused on its core expertise of food manufacturing, which culminated in launching the “Makan Project” in 2013. Makan was a program that delivered better quality food to 20,000 underprivileged recipients in homes and care centres. The initial 30,000 meals were prepared in the existing central kitchen of Samsui’s parent company during downtime periods, when excess production capacity could be utilized. As the program’s popularity increased, Samsui explored ways of expanding this CSR initiative by increasing the number of meals provided to beneficiaries.[[6]](#endnote-6) Consequently, Samsui decided that setting up a new central kitchen was necessary, with the existing kitchens already running at full capacity.

Samsui’s decision to pursue strategic CSR was exemplary. Industry experts had criticized the philanthropic CSR approach on the basis that CSR should encompass more than just philanthropy, volunteerism, and eco-friendliness.[[7]](#endnote-7) This view was echoed by research from McKinsey & Company, which argued that companies typically took a too inward-looking perspective of CSR efforts and viewed CSR as a distinct program in a company’s operations.[[8]](#endnote-8) In contrast, Samsui relied on its core competencies, instead of reinventing the wheel, to bring about social benefits in an innovative way that allowed it to create a sustainable initiative in the form of SCK. It could thus be argued that Samsui’s approach was ahead of its time in respect to its Singaporean peers.

However, there was a clear need for a framework in the decision-making process for CSR. When Samsui was just starting out, new CSR projects could be quickly ideated, materialized, and tested to determine whether they met the expected objectives and were sustainable. However, the absence of a formal and rigorous framework that considered the implications and viability of an initiative conflicted with Samsui’s ambition of embedding CSR into its core company strategy. Given that Samsui had limited resources as a relatively small enterprise, it was prudent to avoid initiatives that were merely well-meaning but not profitable. Otherwise, Samsui would risk creating an assortment of uncoordinated and unfocused CSR activities that would become unsustainable.[[9]](#endnote-9) Therefore, it was imperative for Samsui to create effective key performance indicators to benchmark its performance and the achievements of the company. This was especially important because Samsui was engaged in CSR projects that were no longer small in terms of time, operational scope, and capital commitments, despite Samsui’s limited resources. The most recent addition of a flagship SCK had cost the company $1 million in capital.

Ang shared Samsui’s preference for working with like-minded program partners such as Standard Chartered Bank. In addition to collaborating with Samsui to build SCK, Standard Chartered Bank had its own program—the Silver Lining—aimed at improving quality of life for the elderly. The program, launched in 2012, involved the bank’s employees engaging with seniors through various community initiatives.

BETTER FOOD NEEDED AT Long-Term Care FacilitiES

Through market research, Ang found that the food served in Singapore’s long-term care facilities for the elderly had been the subject of criticism by industry experts. The two main criticisms were the lack of nutrition and the lack of variety. Many care facilities ran their own kitchens, with mixed results. The issue of lack of nutrition had been well-documented, with the most common nutritional problems for residents in long-term care facilities being weight loss and associated protein-energy malnutrition. The prevalence of these two factors among the elderly in these facilities in Singapore ranged between 23 and 85 per cent.[[10]](#endnote-10) The lack of variety in the food served in these facilities had been attributed to outdated kitchen equipment and time constraints, resulting in limited menus, with the same cooking methods and ingredients used repeatedly.[[11]](#endnote-11) In a 2016 study, it was found that a quarter of long-term care facility residents did not enjoy the food provided, while a third complained that they were unable to find their favourite food among the offerings.[[12]](#endnote-12)

Both the lack of quality and lack of nutrition were issues that necessitated intervention. These factors could lead to adverse effects on the health and quality of life of long-term care facility residents. Malnutrition had been found to compromise their quality of life, leading to chronic disability, functional decline, increased health care costs, and possibly even death.[[13]](#endnote-13) A lack of food choice could result in inadequate food intake, leading to weight loss and a suboptimal body mass index, suggestive of malnutrition.[[14]](#endnote-14) As such, it was imperative to find a major company prepared to tackle the root of the problem by providing nutritious food to improve quality of life for the residents.

Globally, autonomy of choice had been reported as one of the main reasons for improved food intake in long-term care facilities, which could also indirectly tackle the malnutrition issue. The level of satisfaction with food service had increased up to 30 per cent after long-term care facility residents were offered the power to choose from a menu.[[15]](#endnote-15) Therefore, providing a range of food choices was considered the key to providing adequate nutrition in the form of a balance of carbohydrates, proteins, and vegetables.[[16]](#endnote-16) Ang felt that, given Samsui’s unique position in the F&B industry, it was well placed to tackle the issue by providing a variety of food to improve the quality of life for the elderly.

MARKET SIZe

Based on the NVPC training program, Ang realized that the first step was to estimate the number of meals for long-term care facilities. The first of two key figures to be used in estimating the number of meals was Samsui’s targeted market share of 30 per cent in Singapore by 2031. Based on Ang’s calculations, Samsui’s current market share was closer to 17 per cent. This estimate was based on a linear projection over time and the first-mover advantage SCK’s project had in serving the relatively closed market of the long-term care facility meals industry.

The second key figure was the total number of beds in institutional care centres, which was projected by the Singapore Ministry of Health to be 17,000 by 2020.[[17]](#endnote-17) The figure represented growth of 85 per cent from 2010.[[18]](#endnote-18) Ang assumed that the number of beds would increase in a linear trend during the forecasted period, as opposed to the exponential growth seen from 2010 to 2020.

Ang also projected that the supply of beds in long-term care facilities would increase to meet demand, which was driven in part by the lack of quality home care options. Approximately 2 per cent of Singaporeans aged 65 and over stayed in long-term care facilities, compared to an average of 6–8 per cent in Northern Europe and Australia.[[19]](#endnote-19)

SAMSUI CENTRAL KITCHEN’s PROJECT

Samsui’s flagship CSR project was the SCK project. It was intended to provide employment skills training to individuals in need. The SCK project was launched in October 2017 by Samsui and the Standard Chartered Bank of Singapore, with the support of Singapore Corporation of Rehabilitative Enterprises (SCORE), a government organization that provided the matching service between the trainees and Samsui. The project had been touted as the first social service system in Singapore. It was a collaboration between the public sector, private sector, and social enterprises leveraging their respective strengths and resources to deliver sustainable long-term impact on the community.[[20]](#endnote-20)

The current facility was staffed by 30 trainees and produced 1.8 million meals annually. The trainees would prepare meals to be served to beneficiaries at various non-profit organizations. Samsui’s menus were approved by dieticians and nutritionists before being rolled out.[[21]](#endnote-21) Through this project, Samsui aimed to provide a greater variety of nutritious food options to increase the overall satisfaction of care, health, and quality of life for residents.[[22]](#endnote-22)

One immediate impact of the launch was SCK’s increased capacity, with an almost 500 per cent increase from the 365,000 meals previously delivered by Samsui.[[23]](#endnote-23) The impact on food quality was also palpable, according to the recipients of the meals. James Tan, chief executive of Touch Community Services, (one of the beneficiaries of the kitchen) said that the food was delicious and that it helped to get good quality food at good prices. Trainees who worked in the kitchen were also offered jobs with Samsui upon completion of their training. Even if these trainees chose not to work with Samsui, they would have picked up some useful skills for employment opportunities elsewhere.[[24]](#endnote-24) Ang also noted another less apparent impact of the SCK project: by outsourcing food operations, the long-term care facilities could free up workers and related resources for other activities. This enabled the facilities to focus on their core strength of providing quality care.

SAMSUI’S PLAN FOR EXPANSION

In 2018, the capacity of SCK was 1.8 million meals per year. This could meet the needs of approximately 2,465 long-term care facility residents annually, which was a fraction of the 17,000-capacity requirement set by the Singapore Ministry of Health for 2020.[[25]](#endnote-25) Ang saw an opportunity for Samsui to make use of its comparative advantage to meet the needs of even more long-term care facilities and residents. Samsui would be able to negotiate better prices for food ingredients and make use of its inherent knowledge in food production to provide a greater social good.

A key challenge faced by long-term care facilities was providing nutritious and varied meals at a cost-effective price point. Options included setting up a kitchen within the long-term care facility and engaging third-party food caterers. Ang noted that setting up a kitchen was expensive. Using third-party food caterers was also not ideal because caterers had little experience and ability to address the dietary requirements of the residents, often resulting in bland and unvaried meal plans. In contrast, SCK aimed to provide sufficiently nutritious and varied meals, without being prohibitively expensive.

Ang felt that with Samsui’s team of professional chefs and the ability to purchase bulk ingredients from wholesalers, SCK could provide an extensive balanced menu to long-term care facilities, with high-quality ingredients and at a lower cost than other available catering options. The meals offered included local favourites, tweaked to match the dietary requirements of the residents. For example, Samsui chefs developed a low cholesterol version of laksa by using anchovies and fresh milk.[[26]](#endnote-26)

SAMSUI’S NEED FOR a DECISION-MAKING FRAMEWORK

Given that the existing SCK facility was reaching its maximum capacity, Ang knew that investment from the parent company “Soup Restaurant Group” would be needed for expansion. The first SCK was built at a cost of $1 million. Because Soup Restaurant was a publicly listed for-profit organization, it had to be accountable to stakeholders and shareholders. Ang needed to ensure that the group’s commitment to doing good was sustainable. Samsui had joined NVPC’s Company of Good program in 2016 as a founding member. This program aimed to empower businesses in Singapore to contribute in strategic, sustainable, and impactful ways.[[27]](#endnote-27) NVPC advocated the “Four I’s” framework—investment, integration, institutionalization, and impact (see Exhibit 2).

Ang reflected on how Samsui’s focus on doing good had been incorporated throughout the company’s business processes. During the recruitment process for new employees, personal qualities such as integrity and willingness to do good for the community were highly sought. Samsui selected its employees for CSR initiatives based on the employees’ strengths and interests. The employees were also rotated among the various CSR activities to increase their exposure to varied experiences. Ang was thus able to build a culture of strong employee participation and volunteerism. Lee Chee Hua, a chef participating in a CSR program to cook meals for the beneficiaries, shared his thoughts: “When I participated in the programme, I realized that ageing is a path that most people have to go through. Seeing the joy on the faces of the people we serve brings much satisfaction to me.”

The learning experience from partnering with NVPC also prompted Ang to consider whether Samsui should use the Four I’s framework to benchmark its performance and achievements. Ang felt that the impact of the model could be further enhanced. Knowing that Samsui as a small-to-medium enterprise had limited resources, it was important to avoid initiatives that were well-meaning but not profitable. Therefore, Ang needed to conduct a more in-depth analysis. He needed to find options for evaluating the SCK project’s impact in a more formal and rigorous manner. Measuring impact quantitatively was important to ensure buy-in from key stakeholders, including Samsui’s employees, management, and shareholders.

SOCIAL RETURN ON INVESTMENT

By reviewing existing literature on the topic, Ang identified two key tools that could be used effectively to evaluate the SCK project: the balanced scorecard and social return on investment (SROI). The balanced scorecard could clearly highlight the program’s objectives and the steps Samsui needed to take to meet those goals. However, the balanced scorecard could only provide a subjective form of measurement. It was unable to quantify figures such as social outcomes and impacts.[[28]](#endnote-28)

In contrast, the SROI was an adaptation of the return on investment formula used by traditional investors to assess a company’s success. The SROI framework could measure and report a broad concept of value that extended beyond financial terms and enabled an organization and its stakeholders to see a more complete picture of the benefits from their investment of time, money, and other resources. Mathematically, the basic formula could be expressed as follows: SROI = Present Value of Benefits ÷ Present Value of Total Investment.

Ang knew that he needed some concrete numbers to gain stakeholder support for the expansion of SCK to reach more beneficiaries. The SROI formula could help provide those figures. However, to estimate the SCK project’s impact using the SROI framework, Ang needed to first complete four key steps.

Step 1: Theory of Change

The first step was to identify the underlying theory of change (ToC), which was an overview of the relationship between interventions and expected effects or outcomes. That overview would map the chains of causes and effects.[[29]](#endnote-29) The ToC would highlight the transition from the current state to the final state via the intervention method (see Exhibit 3). At the current state, food offerings at long-term care facilities lacked nutritional value and variety, which led to a lower quality of life (QoL) for the residents. The World Health Organization defined QoL as “the individuals’ perceptions of their position in life in the context of the culture and value systems in which they live, and in relation to their goals, expectations, standards and concerns.”[[30]](#endnote-30) There were several domains operating under the QoL umbrella. In respect to the SCK project, the focus was on the domains of physical health and psychological health. The intervention method was providing meals with greater nutritional value and greater variety. Greater nutritional value would tackle the physical health domain, whereas greater variety of food would increase food choices and address the psychological health domain.

Step 2: Impact Mapping

Impact mapping was achieved using a logic model. The model examined various resources (i.e., inputs) used to conduct activities. The activities were measured in outputs, which consisted of direct quantitative and qualitative summary measures obtained from the activities. Ultimately, the outputs led to outcomes or social externalities that occurred within one to three years. The outputs also led to long-term benefits for stakeholders, which were attained within 7 to 10 years.[[31]](#endnote-31) The impact map was fundamental to an SROI analysis. Using the developed ToC as the underlying concept, the impact map ascertained the social impact of an intervention. Ang developed the impact mapping for the SCK project based on his own reading (see Exhibit 4).

Step 3: Data Collection

The data collection process comprised three progressive steps: (1) selecting indicators, (2) identifying financial proxies (valuation and monetization), and (3) collecting data. In selecting indicators, the developed ToC relied on secondary research to build the case for the need for intervention. To measure whether the outcomes set out had been achieved, indicators could be selected to ascertain whether a change had occurred. Both quantitative and qualitative indicators could be used to provide a more holistic perspective of the outcomes achieved. The indicators chosen should be S.M.A.R.T.—specific, measurable, attainable, relevant, and time-bound.[[32]](#endnote-32)

Indicators had to be chosen to measure the changes brought about by Samsui’s intervention. Many found the process of translating outcomes from social welfare interventions into measurable results challenging.[[33]](#endnote-33) Consequently, both quantitative and qualitative indicators were used in tandem to illustrate several aspects of Samsui’s SCK intervention. This served to provide a more holistic perspective of the outcomes achieved. A quantitative indicator of saving, for example, would be the resource saved by outsourcing meals to Samsui. The quantitative indicator of these opportunity costs, which were incurred by preparing meals in-house, was used together with surveys of long-term care facility operators and service staff. One key consideration for Samsui was whether the indicators could be reasonably measured.

Having chosen suitable indicators, monetary values were attached to the outcomes to estimate the social value to different stakeholders. To do so, financial proxies had to be chosen. Financial proxies helped to reach the desired indicator and estimate the social value of non-traded goods to different stakeholders. The financial proxies chosen had to be close to the desired indicators. For example, a monetary value was calculated for a long-term care facility freeing up resources by outsourcing to Samsui on a per meal basis. This calculation was based on the difference between the existing industry average food price versus Samsui’s food price (see Exhibit 5).

Data for each of the indicators chosen had to be collected based on research and existing sources (i.e., internal stakeholders and external sources). This step was done using reasonable efforts to evaluate the change that resulted. Two key variables were identified that could significantly alter the calculation of SROI: (1) the number of meals sold to long-term care facilities and (2) the difference in Samsui’s food price versus industry average. Other model assumptions were also used for the SROI analysis (see Exhibit 6).

The calculation also involved estimating the SCK project’s deadweight; that is, how much of the outcome could be achieved without intervention? No deadweight was assumed for the outcome of “residents having a greater variety of nutritious meals.” This change was unlikely to happen without Samsui because no other meal provider was offering a similar standard of nutrition or variety in 2018.[[34]](#endnote-34)

Step 4: SROI Modelling

In the final step, the social benefits were summed up and discounted. The value of outcomes were discounted to the same period as when the investment costs were incurred. Subsequently, the ratio of the summed benefits to the present value of the investment was calculated. Because SROI was a ratio, it was meaningless on its own. It had to be compared against a benchmark, such as competing companies within a given industry or Samsui’s own past performance. Alternatively, both comparisons could be done. To compare the SROI against other Samsui performance would require another study.

MOVING FORWARD

Before Ang could explain to the board members his plan to scale up the SCK project to double the current capacity, he needed more evidence to demonstrate the current project’s achieved impact. He approached SG Enable, an agency in Singapore dedicated to enabling persons with disabilities, for a possible partnership pertaining to the possible location for the second SCK project and additional workforce that was inclusive of persons with disabilities. Ang was eager to continue doing good. The time of his meeting with the board members was fast approaching and he needed numbers for his presentation.

EXHIBIT 1: KEY FINANCIAL HIGHLIGHTS OF SOUP RESTAURANT GROUP\*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **(in SG$ '000)** | **FY 2014** | **FY 2015** | **FY 2016** | **FY 2017** |
|  |  |  |  |  |
| **Revenue and Profitability** |  |  |  |  |
| Revenue | 39,495 | 40,956 | 38,353 | 40,580 |
| Profit before income tax | 981 | 1,120 | 1,061 | 2,149 |
| Profit attributable to owners of the company | 911 | 968 | 997 | 1,947 |
|  |  |  |  |  |
| **Financial and Cash Flow Position** |  |  |  |  |
| Current assets | 13,637 | 12,819 | 11,320 | 11,727 |
| Current liabilities | 5,398 | 5,235 | 5,594 | 4,914 |
| Total assets | 17,668 | 15,811 | 14,929 | 15,494 |
| Total liabilities | 5,700 | 5,515 | 5,856 | 5,188 |
| Total equity | 11,968 | 10,296 | 9,073 | 10,306 |
| Cash and cash equivalents | 9,125 | 8,319 | 7,622 | 8,128 |
|  |  |  |  |  |
| **Per Share (in Cents)** |  |  |  |  |
| Earnings per share\*\* | 0.32 | 0.34 | 0.35 | 0.70 |
| Net asset value per share\*\*\* | 4.19 | 3.64 | 3.24 | 3.68 |

Note: \*Soup Restaurant Group Limited owns Soup Restaurant Singapore Pte Ltd., Café o Singapore Pte. Ltd., Pot Luck F&B Singapore Pet Ltd., Soup Restaurant Investment PTE. Ltd., and SRG F&B Malaysia Sdn. Bhd.; \*\*Based on weighted average number of ordinary shares for the financial year; \*\*\*Based on total number of issued shares as at the end of the financial year (excluding treasury stocks); SG$ = Singaporean dollar; US$1 = SG$1.31 on April 1, 2018.

Source: Soup Restaurant Group Limited, *Through Values We Grow: Annual Report 2017*, accessed April 10, 2019, http://souprestaurant.listedcompany.com/newsroom/20180411\_171338\_5KI\_9C69EHGJ2H20M7ZG.1.pdf.

EXHIBIT 2: “Four I’s” FRAMEWORK OF the National Volunteer & Philanthropy Centre

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| --- | --- | --- |
| **Four I’s Framework** | **Questions** | **Examples** |
| Investment | How extensively and strategically does a company give? | Does your company give in more than one way that is aligned to the vision, mission, strategy, or nature of your business? |
| Integration | How is giving integrated with business functions and how does it support business interests? | Does your business also advocate a social cause or does your business procure from charities? |
| Institutionalization | How is giving supported by policies, systems, and incentives? | Does your company provide paid volunteer leave or recognize outstanding employee volunteers? |
| Impact | How have mechanisms been put in place to measure the impact? | Does your company set up processes to measure the input, output, outcome, and impact of your giving? |

Source: “How It Works,” National Volunteer & Philanthropy Centre, accessed September 18, 2018, www.nvpc.org.sg/programmes/company-of-good.

EXHIBIT 3: THEORY OF CHANGE FOR THE SAMSUI CENTRAL KITCHEN PROJECT

|  |  |  |
| --- | --- | --- |
| **Organization** | Samsui Supplies Private Limited | |
| **Intervention** | Set up the SCK project to provide a greater variety of nutritious food options to long-term care facility residents. | |
| **Current State** | **Intervention** | **Desired State** |
| Current long-term care facility food offerings in Singapore lack variety and nutritional value, reducing the quality of life for long-term care facility residents. | Provide meals that are varied and nutritious. | Increase quality of life with greater variety and more nutritious foods. |
| **Evidence to Substantiate the Need for Samsui’s Intervention** | | |
| The current long-term care facility food lacks nutrition. | 1. The Intermediate and Long-Term Care Nutrition Movement was launched in Singapore in 2012 to raise awareness of the importance of good nutrition and food service in the community care sector. | |
| 1. The most common nutritional problems for residents in long-term care facilities are weight loss and associated protein-energy malnutrition. In Singapore, the rate of protein-energy malnutrition in long-term care facilities for the elderly is 23–85 per cent. | |
| The current long-term care facility food lacks variety. | 1. The simple menu uses the same cooking methods or ingredients repeatedly because of outdated kitchen equipment and constraints of time and labour. | |
| 1. A quarter of long-term care facility residents do not enjoy the food provided. One-third say that they cannot find their favourite foods. | |
| Innutritious food in long-term care facilities necessitates intervention. | 1. Malnutrition impacts the quality of life and general health of older persons. | |
| 1. Malnutrition is a multi-faced issue that compromises the quality of life and can lead to chronic disability, functional decline, increased health care use, increased care costs, and even death. | |
| Therefore, providing nutritious food is imperative for improving quality of life. | |
| Lack of food choice in long-term care facilities necessitates intervention. | 1. Internationally, choice has been reported to be one of the primary reasons for improved food intake in residences. Levels of food service satisfaction increased by up to 30 per cent when residents had the power to choose from a menu. | |
| 1. No food choice leads to inadequate food intake (refusing to eat) and consequently weight loss and suboptimal body mass index, which is suggestive of malnutrition. | |
| 1. Providing a range of food choices is key to providing adequate nutrition (e.g., balance of carbohydrates and proteins). | |
| 1. Residents who complained about food (e.g., unlikable, no variety, unappetizing) showed more symptoms of depression and lower food and fluid intake. Depression is correlated with poor food intake and weight loss, thus lowering quality of life. | |
| Therefore, providing variety is imperative for improving quality of life. | |

Source: Prepared by the case authors with information from “Factsheet,” Agency for Integrated Care, November 18, 2016, accessed August 30, 2018, www.aic.sg/sites/aicassets/AssetGallery/Factsheets/Factsheet%20-%20ILTC%20Nutrition%20Movement%202016.pdf; Mary-Ann Chiam, “Malnutrition in the Elderly,” *Singapore Family Physician* 34, no. 4 (November 1, 2008): 50–54; Chian Hui Poon, “Hawker Food a Hit with Nursing Home Residents,” *Straits Times*, January 2, 2018, accessed May 13, 2019, www.straitstimes.com/singapore/health/hawker-food-a-hit-with-nursing-home-residents; Pei Wang, Philip Yap, Gerald Koh, Jia An Chong, Lucy Jennifer Davies, Mayank Dalakoti, Ngan Phoon Fong, Wei Wei Tiong, and Nan Luo, “Quality of Life and Related Factors of Nursing Home Residents in Singapore,” *Health and Quality of Life Outcomes* (2016): 14–112; Neva Crogan, Bronwynne Evans, and Donna Velasquez, “Measuring Nursing Home Resident Satisfaction with Food and Food Service: Initial Testing of the FoodEx-LTC,” *Journals of Gerontology: Series A*, 59, no. 4 (2004): M370–M377; Neva Crogan, Alice E. Dupler, Robert Short, and Grace Heaton, “Food Choice Can Improve Nursing Home Resident Meal Service Satisfaction and Nutritional Status,” *Journal of Gerontological Nursing* 39, no. 5 (2013): 1–8; Karen L. Abbey, Olivia R. L. Wright, and Sandra Capra, “Menu Planning in Residential Aged Care—The Level of Choice and Quality of Planning of Meals Available to Residents,” *Nutrients* (2015): 7,580–7,592.

EXHIBIT 4: IMPACT MAP OF THE SAMSUI CENTRAL KITCHEN PROJECT

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Organization** | Samsui Supplies Private Limited | | | | |
| **Intervention** | Set up the SCK project to provide a greater variety of nutritious food options to long-term care facility residents. | | | | |
| **Stakeholder** | **Resources**  **(What do stakeholders invest?)** | **Activity** | **Output  (summary of activity in numbers)** | **Outcome (externality)** | **Impact**  **(long-term benefit)** |
| Long-term care facility | Employees’ time | Producing and delivering meals to long-term care facilities | Cost per meal and number of meals delivered | Freeing up resources by outsourcing to Samsui to plan for more and better activities to engage residents | Increased quality of life of residents |
| Central kitchen equipment and facility |
| Long-term care facility residents | Employees’ time | Residents enjoying and consuming more nutritious and varied food options | Number of beneficiaries | Residents provided with a greater variety of nutritious meals | Increased quality of life of residents |
| Central kitchen equipment and facility |

Source: Estimates compiled by the case authors.

EXHIBIT 5: DATA COLLECTION FOR THE SAMSUI CENTRAL KITCHEN PROJECT

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Organization** | Samsui Supplies Private Limited | | | | | | | | |
| **Intervention** | Set up the SCK project to provide a greater variety of nutritious food options to long-term care facility residents. | | | | | | | | |
| **Stakeholder** | | **Outcome** | **Indicators** | **Financial proxy** | **Source** | **Deadweight** | **Percentage of participants achieving an outcome** | **Total value** | **Benefit period** |
| Long-term care facility | | Free up resources from outsourcing to Samsui to plan for more and better activities to engage residents | Opportunity cost incurred if preparing meals in-house, and surveys of long-term care facility staff and  operators | Difference in food price between industry average and Samsui, multiplied by the number of meals sold to long-term care facilities by Samsui | Prices: Ang Kian Ang, Agency for Integrated Care (2016)  Number of meals: Soup Restaurant Group Limited, AR2017 | 0% | 100% | 100% x ($5 – $1.5) × 1,800,000 meals sold | 3 years |

Source: Estimates compiled by the case authors with information from Soup Restaurant Group Limited, *Annual Report 2017*, accessed April 10, 2019, http://souprestaurant.listedcompany.com/ar.html.

EXHIBIT 6: KEY ASSUMPTIONS OF Social Return On Investment ANALYSIS FOR THE SAMSUI CENTRAL KITCHEN PROJECT

|  |  |
| --- | --- |
| **6-1: Assumptions for the General Model** | |
| Model start date | January 1, 2017 |
| Model end date | December 31, 2023 |
| Discount rate | 12.56% |
| Terminal growth rate | 0.00% |
| Annual inflation rate | 0.60% |
| **6-2: Assumptions for the Social and Financial Benefits** | |
| **For Long-Term Care Facilities** | |
| Number of meals per year served from 2017 onward (with only one SCK) | 1,800,000 |
| Number of meals per year served in 2018 (by the 2nd SCK) | 240,000 |
| Number of meals per year served in 2019 (by the 2nd SCK) | 1,460,000 |
| Number of meals per year served from 2020 onward (by the 2nd SCK) | 2,000,000 |
| Difference in food price per meal between industry average and Samsui’s | SG$3.50 |
| Deadweight | 0.00% |
| **For Persons with Disabilities, to be employed for the 2nd SCK** | |
| The saving of the monthly living cost of an unemployed person with a disability | $1,000 |
| Number of people to be hired | 7 from 2018 to 2019  15 from 2020 onward |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **6-3: Assumptions for Investment Costs** | | | | | |
| Type of cost | Cost | Data value (in SG$) | Vary by factor | Source | Total costs |
| Fixed | First central kitchen | $1,000,000 | Not applicable | Soup Restaurant Group Limited | $1,000,000 |
| Second central kitchen (to be built in 2018) | $300,000 | Not applicable | Soup Restaurant Group Limited; Kian Peng Ang | $300,000 |
| Utilities | $2,500 monthly | 0.6% annual inflation rate | Department of Statistics Singapore | $2,500 × 12 × (1 + inflation rate) |
| Transportation (cost of buying one van) | $63,500 | 0.6% annual inflation rate (for the 2nd van for 2nd SCK project) | Today Online | $63,500 × (1 + inflation rate) |
| Rent | $2.50 monthly | Size of central kitchen per square foot (0.1 square metre) and 0.6% annual inflation rate | Property Guru | $2.50 × per square foot of each central kitchen; 4,392 square feet × (1 + inflation rate) |
| Variable | Salaries  (Samsui employees) | $2,654 monthly | Five employees needed for the 1st SCK and 0.6% annual inflation rate  Seven employees are needed for the 2nd SCK in 2018-2019 and 15 are needed from 2020 onwards and 0.6% annual inflation rate | Soup Restaurant Group Limited; Kian Peng Ang | $2,654 × number of employees × (1 + inflation rate) |
| Raw ingredients and other consumables | $1.20 | Number of meals and 0.6% annual inflation rate | Soup Restaurant Group Limited; Kian Peng Ang | $1.20 × number of meals served × (1 + inflation rate) |

Note: SG$ = Singaporean dollar; US$1 = SG$1.31 on April 1, 2018; SCK = Samsui Soup Kitchen.

Source: Estimates prepared by the case authors with information from Soup Restaurant Group Limited, *Through Values We Grow: Annual Report 2017*, accessed April 10, 2019, http://souprestaurant.listedcompany.com/newsroom/20180411\_171338\_5KI\_9C69EHGJ2H20M7ZG.1.pdf; “Singapore Consumer Price Index,” Department of Statistics Singapore, July 2018, accessed April 10, 2019, www.singstat.gov.sg/-/media/files/news/cpijul2018.pdf.; "How Much Does It Cost to Start a Restaurant in Singapore?,” SingSaver, November 30, 2017, accessed April 10, 2019, www.singsaver.com.sg/blog/much-cost-start-restaurant-singapore; Derryn Wong, “The Dollars and Sense of Commercial Vehicles,” Today Online, April 28, 2017, accessed April 10, 2019, www.todayonline.com/lifestyle/cars/dollars-and-sense-commercial-vehicles; “Central Kitchen,” PropertyGuru 2018, accessed July 30, 2018, www.propertyguru.com.sg/search/central-kitchen/commercial; “Junior Chef Salaries in Singapore,” Indeed, August 2, 2018, accessed July 30, 2018, www.indeed.com.sg/salaries/Sous-Chef-Salaries.

Endnotes

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