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HONESTY
REPORT
2021.2022
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STONE
SOUP
CONSULTING

“Sometimes an outside perspective can catalyse significant change and even light-touch interventions can create unpredictable and enduring value”.

LEONORA BUCKLAND

Stone Soup Principal Consultant

“It does not matter how slowly you go, so long as you do not stop”.

CONFUCIUS

(not a member of the Stone Soup Community, although we would have loved that)



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ABOUT

THE AUTHORS

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ACKNOWLEDGEMENT

This report would not have been possible without the invaluable support of Ana Assunção, Mónica Brito and Sofia Marques, who – with their patience and attention to detail –, have been able to provide us with all the data we have needed to build up the statistics and graphics on Stone Soup.

We would also like to thank all community members and clients who have been contributing their opinion, insights and feedback to this report.

PROLOGUE

AN IMPACT CASCADE



Can a consultancy company create an impact cascade? We theorised that it could. 14 years into that process and covering very two difficult years (2021, 2022), we now present Stone Soup Consulting's newest Honesty Report, in which we explain if we did.

These years are fresh in our memory for sure. Every organisation was changing at a hallucinating rate, trying to cope with internal disarray, external constraints, and an overabundance of physical and mental health challenges. The world started recovering from the pandemic - Stone Soup community included - but the challenges still seemed unsurmountable. Nonetheless, and despite all the negativity of that period, the world still revolved, and many organisations adapted quickly and did an amazing job to help all the people that were especially vulnerable. They showed their resilience, their overall commitment to their missions and ploughed through the challenges, one solution at a time.

Stone Soup Consulting's role was to help those organisations develop and increase their positive impact in their communities. A tall ask, while dealing ourselves with the overwhelming situation of being in a pandemic. But our teams seemed to rise to the occasion, as we see in our report, with 85% of organisations attributing increased impact because of our work with them, and 70% even saying that we created a positive impact on their beneficiaries. It is an impact cascade, that brings us happiness, showing that our Theory of Change is being materialised and we are indeed increasing positive impact. 93% of our clients also spoke about the responsiveness of our teams, showing that the Stone Soup consultancy style, based on active listening, customised solutions, and flexibility, worked well. Also overjoying to see that Stone Soup has contributed to the professional and personal growth of the wonderful members of our community and we have done so, by sharing knowledge, training, but also developing networks and relationships. They use words such as “proud” and “excited” to qualify their work with us, which is clearly a measure of success. And they have reported a sense of belonging to a community. Something we have always strived to have.

But as the authors say in this report, an Honesty Report is not a list of praises. Indeed, there are still many things that need improvement. Although we have done our best to create a tight-net community, remote work always has its toll. People are relational beings, and seeing most colleagues through a computer screen, does not help to easily create connections. In a company that strives to promote diversity and inclusion, we also need to deal with our own internal challenges. Understanding how to build long lasting professional relationships between people of different ages, cultures and that can live thousands of kilometres apart. How to improve our knowledge management and the way we share it, so that learning opportunities can be increased and consultancy teams or not reinventing the wheel every time there is a new project. Understanding how to support better the ones that feel “anxious” and “frustrated”.

It is clear also from the feedback of our clients that we are still over-complexifying. Maybe too eager to present the perfect solution, we are not always able to find the most appropriate one for the organisation we are working for and continue suggesting intricated processes and procedures. It seems that sometimes we are also lacking innovation and not able to translate into the consultancy new trends and creativity that could bring about change. We also must improve how we put social and environmental concerns at the forefront in projects and the intersections between complex social and environmental issues. There is also room for improving our own environmental track record and we have a long way towards net-zero emissions in 2030. And lastly, we also must work better on the sustainability of our impact, as we still see that some of the impacts are wearing out too soon. As we tell our clients: the issue is not so much that you intend to have negative effects is more what you can do to change based on knowing you are producing them. That is a question for the next cycle of the Honesty Report, where we will tell you if we managed to change according to the feedback we received now.

A last word about the ecosystem. No organisation should stand alone and certainly not a company that aims at increasing positive societal impact, so the way we mobilize our partners and influence that ecosystem is key. That is why for years we have been actively participating in important movements, groups and events that can create collective action for system change. We will not (especially not in an Honesty Report) overclaim our impact in that change, but we can highlight how it is strategic for us, especially in core issues like promoting diversity and inclusion in the workplace or ethical consultancy.

Confirming a bias, that we also explain in the report, I will end by saying that consultancy is the best job in the world. Where else can you start the day by training nature conservation organisations in Southeast Asia on fundraising, switch to Africa to do systemic observation of local development practices in underprivileged communities and finish off the day with an energetic debate on good practices for companies in Europe? We love our jobs at Stone Soup because of that and it shows.

There is a long road in front of us, but we continue determined, sometimes going out of the beaten track, to find the best solutions for our clients. We invite you to once again follow that journey, by reading this Honesty Report.

Claudia Pedra
Managing Partner

Honesty Report 2021 - 2022

This report takes into account a two-year period, 2021 and 2022. It aims at verifying if and how Stone Soup's Theory of change is valid, as well as what have been the main impacts during this period, on our community of professionals, our clients, and in the ecosystem.



Intellectual capital

100% Improved their intellectual capital

- 58%** Impact Measurement and Management
- 30%** Organisational development
- 27%** Social Economy

Professional network growth

86% Impact on their social capital

- 42%** gained valuable contacts with new work colleagues
- 32%** increased their professional network within the Social Economy ecosystem
- 24%** gained or consolidated new friendship

77% Improved staff motivation

86% Improved staff capacity

42% improved a lot

87% think organisational knowledge either improved a bit (39%) or a lot (48%)

85% Improved efficiency

Mostly at project level **77%**

Net Promoter Score **8,9/10**

How did we help them?

- Impact Measurement and Management
- Organisational development
- Financial Sustainability and Strategic Alliances

84% Improved ability to deliver impact

4 quality procedures **10** success metrics **17** partnerships for the good

86% found this effect to be relevant for their organisation

70% thought it had an impact on their direct beneficiaries

But only 30% thought it could not have happened without Stone Soup

Well-being at work

How is our community of professionals feeling?

0,83 = **0,82** in the previous report

Well-Being At Work Scale

How did they normally feel?

70% active	40% Frustrated
50% proud and excited	30% Anxious
45% enthusiastic	24% Worried

Community members

49	59
2021	2022

Organisations

168 projects **117** organisations

Social ecosystem



Sense of belonging to the community

0,97 **0,78** in the previous report

Sense of Belonging Scale

Networking

+50 events as speakers

Membership

SVI, EVPA, BCorporation, Portuguese Diversity Charter, ESIMPACT

26 articles

4 languages

Environmental impact

99% report consuming a low amount of paper

But **40%** could further improve their energy saving practice in their work environment

84% trips outside city of residence using low carbon emission transports

0,76 trip outside town of residence per consultant for the reporting period, although still 100K+ Km by plane in total

Award on Research in Social Innovation 2021

5000€

Delia Mensitieri

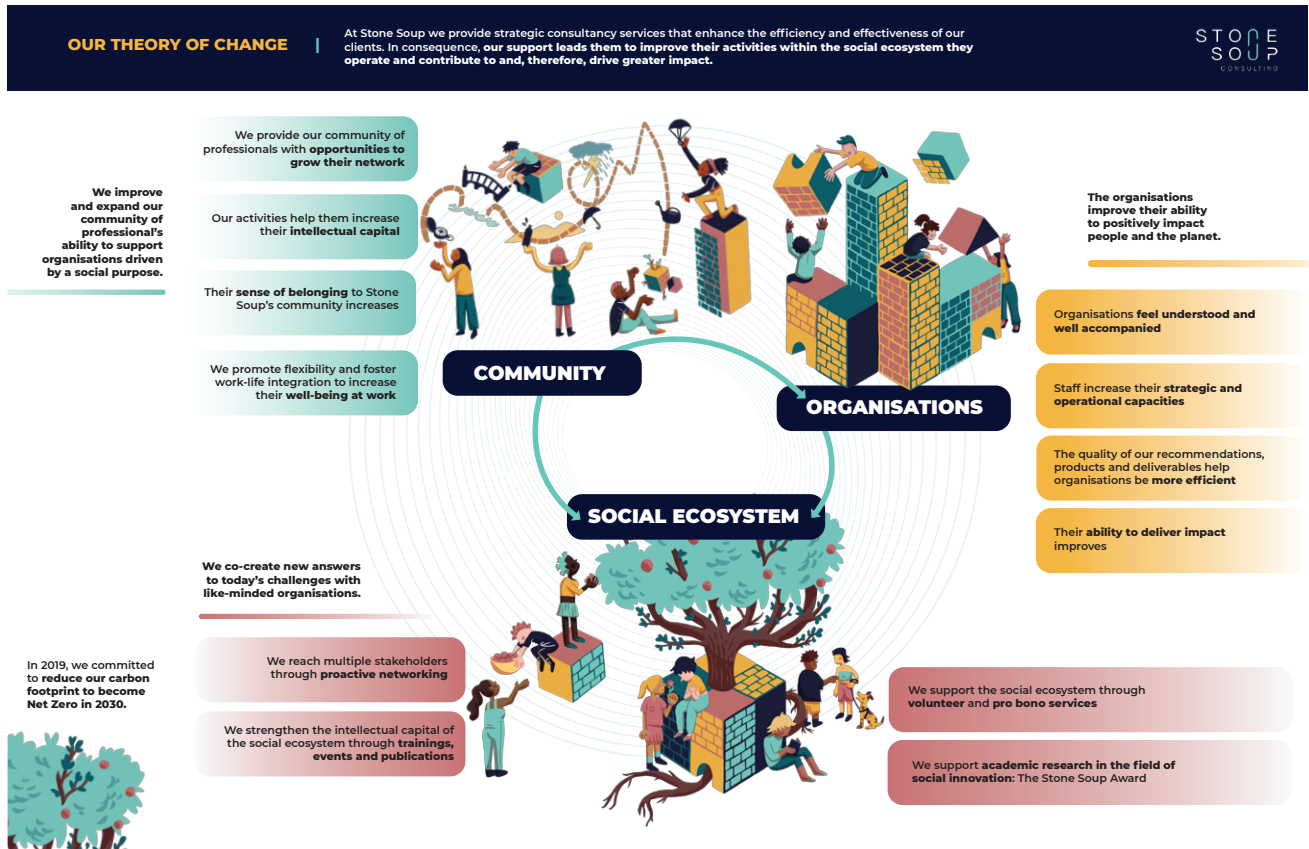
Inclusion starts with I: Reducing identity threat to promote an inclusive environment and to improve performance, career aspirations, and satisfaction

1

INTRODUCTION



This report takes into account a two-year period, 2021 and 2022, and draws on the previous period's findings, conclusions and recommendations¹. Based on our Theory of Change (see image below), it aims at evaluating the main impacts that could be evidenced during this period, on our community of consultants, our clients, and in the ecosystem.



Our bigger underlying question is: is the consultancy sector, which has grown bigger every year for the last decades, helping the social economy to maximise its impact? The question is quite an existential one: are consultants useful for the organisations they seek to help and, more importantly, for people and the planet? Does being a "social" consultancy make any difference? And is Stone Soup's original hybrid model – with its concept of a "community of consultants" – of any added value to support the social ecosystem?

These are important questions, and not all of them are fully answered by this report. However, we at the very least hope to shed some light on some of them and start offering some insights that may offer elements of an answer. But we recognise we are still at the beginning of the journey to understand and report our impact and hope we can get better and better over time.

1 - See annex 1 on Actions taken based on previous period recommendations.

2

METHOD FOR UNDERSTANDING OUR IMPACT



To inform and update our Theory of change, we have listened to our stakeholders using multiple sources: our monthly surveys to the community, meetings, focus-groups and interviews with consultants, interviews with some of our clients, end-of-project surveys and a specific impact-oriented survey sent to community members and clients, to gather more detailed data on some of the points covered. In total, we gathered feedback from 61 consultants and at least 44 organisations, either anonymously or non-anonymously. This has been completed by the analysis of quantitative KPIs (key performance indicators) and relevant interviews and meetings with Stone Soup partners and support team.

Table 1: Summary of data collection methods and responses

STAKEHOLDER	TYPE OF DATA GATHERING	SAMPLE SIZE
Consultants and Community members	Monthly survey	100% community members answered. Average rate of answer: 58,67%.
	Honesty Report feedback survey	36 responses out of 61 members of the community (2022). Error Margin = 10%.
Clients	End of project survey	This is a survey that is sent at the end of the project. For the reporting period, we received 56 answers from 112 completed projects by December 2022, which represents 50% of the total and a margin of error of 9,3%.
	Honesty Report impact survey	For the reporting period, we have obtained 44 answers from a pool of 84 organisations with projects that were on-going in the period 2021-2022 and had ended by December 2022. This represents 52% of the total. Error margin: 10,26%.

3

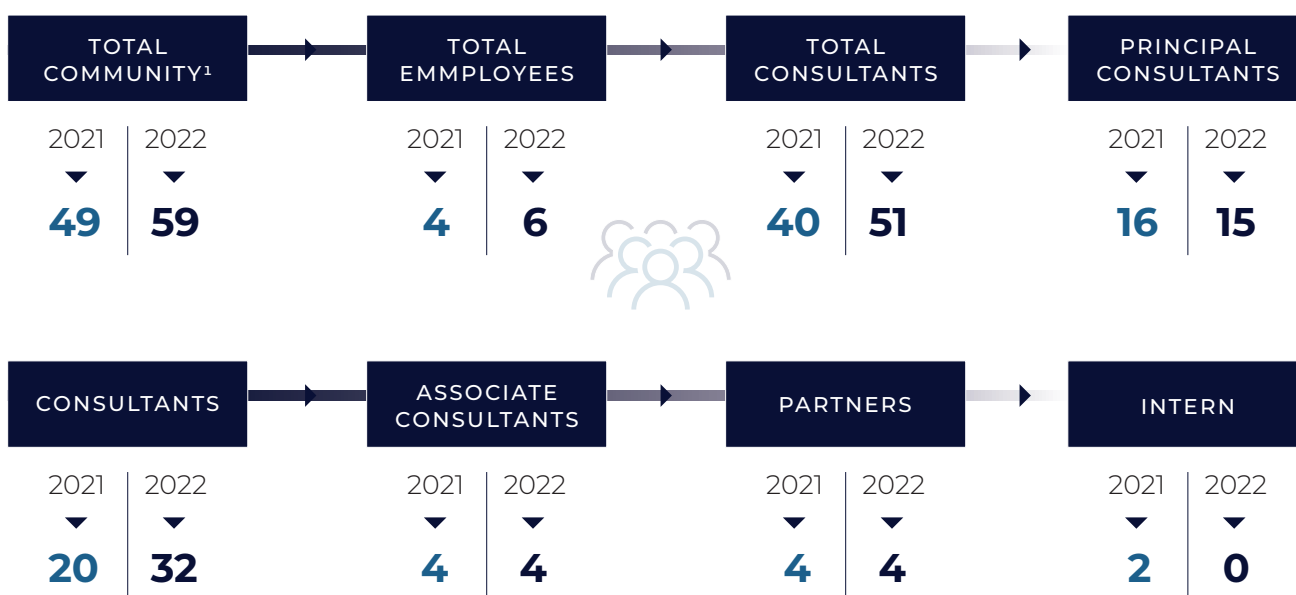
IMPACT ON OUR COMMUNITY



Through shared activities, shared knowledge and management support, our aim is for our community of professionals to gain more intellectual and social capital and develop a sense of belonging to a community of like-minded professionals, and we hope that our flexible on-line based model will help them develop or preserve their well-being.

WHO IS THE COMMUNITY?

In 2021-2022, as other years, our community was composed mainly of consultants (83%). Principal consultants are the ones who are considered as senior experts and have been working actively in Stone Soup for at least 2 years. Consultants are experts in their respective fields and associates have less experience either in their technical field or as professional consultants. Other members are staff and partners.



Diversity and inclusion are amongst Stone Soup’s main priorities to realise our vision and mission. Stone Soup had already a Code of Ethics and is a certified B Corp since 2016. It is part of the European Diversity Chart and is signatory of the Portuguese Diversity Charter.

Stone Soup is also a Secretary of the General Assembly of the Association for the Promotion of Diversity and Inclusion.

Diversity is an essential value in Stone Soup and we are constantly looking at ways to become a more diverse community. Stone Soup Consulting believes in treating all people with respect and dignity⁴. We strive to create and foster a supportive and understanding environment in which all individuals realise their maximum potential within the company, regardless of their differences. This vision is directly related to the overall vision and mission of the company. In October 2021, the Diversity and Inclusion Commission, composed of partners and consultants, published a D&I policy they had been working on during the year.

3 - 1 partner was also an employee in 2021 and in 2022, 2 partners from Portugal had been integrated as employees.
 4 - For example, according UNDP, the effect of gender diversity on output per worker is statistically significant and positive in enterprises operating in the retail sector: [JustJobs_Disha_report.pdf \(undp.org\)](https://www.undp.org/publications/just-jobs-disha-report)

In 2022, 71% of our community are women and 29% men, a roughly stable figure compared to previous periods (70/30 in 2021 for example). No one reported as other gender. This is a very diverse community with 18 nationalities (10 more nationalities than in 2010!) and ages ranging from 20 to 60 years old. Around 80% are between 30 and 50 years old, i.e., the average years of professional experience are around 15 years. This differentiates us from other consultancies who tend to work more with young professionals to lower their costs, which in turn also means less contrasted experience for organisation they collaborate with.

The total number of consultants has increased slightly from 2021 to 2022, although not reaching 2020 figure (54). However, these numbers are not static: the community has seen a very high turnover of consultants in 2022, with around one third (31%) of the community either leaving or entering the community, much higher than the average of the industry (14%) but that could be explained by a less constraining model as our consultants remain free-lancers.

Although the cost of hiring and training a new consultant in Stone Soup is far below the ones calculated for big strategy firms such as McKinsey, BCG and Bains (at around USD 100.000), Stone Soup still invests in new community members an average of 7 hours for the hiring and induction process. Considering the current turnover rate, this is an inefficiency that would need to be considered to increase the qualitative time available to manage the community of consultants, potentially leading to greater impact for those most engaged with Stone Soup.

“In my experience of working with consultancy companies, Stone Soup stands out in how it maintains the same standards for both its clients and its team members... Clear communication, without exaggeration and over-promising on when and what can be delivered, respect for environmental standards, equal opportunities, transparency, and collaboration in preparing bids are just some of the main characteristics of how and what Stone Soup has been in my experience.... Stone Soup has been leading the way in showing to other companies that it is possible to be both ethical and a consultancy with profit and successful projects.”

TANJA HAFNER

Stone Soup Consultant

ACTIVITIES IMPLEMENTED

Community members participate in Stone Soup in different ways: contributing in online meetings (for sharing knowledge, for business development, training etc.), networking in informal meetings, or – in the case of consultants – participating in proposal writing and projects.

In 2022, 58 meetings were organised involving the community in different ways:

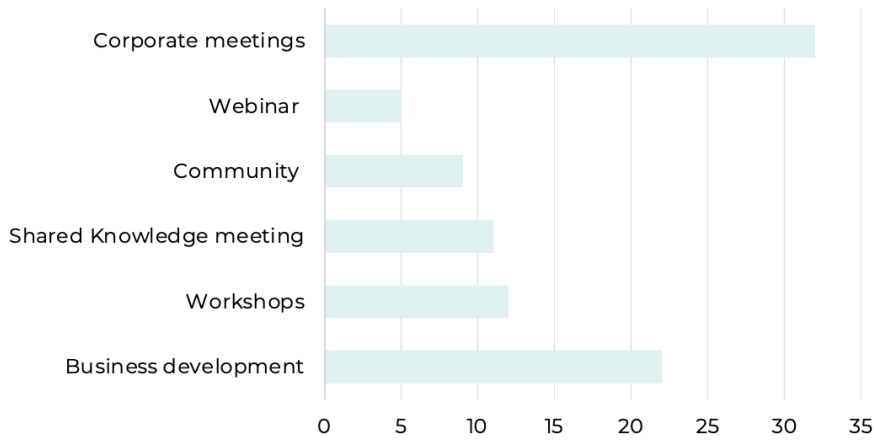
- Business development (training and collective action, with working groups created for francophone countries, LA/C and Africa).
- Management and operations (including operations meetings with principal consultants, trainings on specific tools or Stone Soup templates).
- On-line and Off-line Community gatherings (especially the retreat at Biovilla, Portugal).
- Shared knowledge meetings and specific topic related meetings and training, including a specific workshop on Diversity and Inclusion implemented by our client and partner Aga Khan Foundation.

Conscious that it is more difficult for a company working totally remotely to create and maintain a sense of belonging and align values, based on feedback received from consultants integrating our community in the last period we have improved our onboarding process. For all new consultants, an induction meeting where we explain all our specificities, our activity, the first steps to work with us, is organised and whenever possible, we do it with a group of consultants, so that they can meet with other newcomers. We have also designed a toolkit to equip new consultants with our specific tools in the most efficient way and to guide them during their first weeks at Stone Soup. This includes specific guidance on diversity and inclusion issues. Finally, a buddy system was created: all new consultants have a buddy who is a consultant with at least 2 years of experience at Stone Soup. This person is another contact point for newcomers, their feedback on how we work at Stone Soup is highly valued and they are here to make sure that our processes are clear and no doubt is left behind.



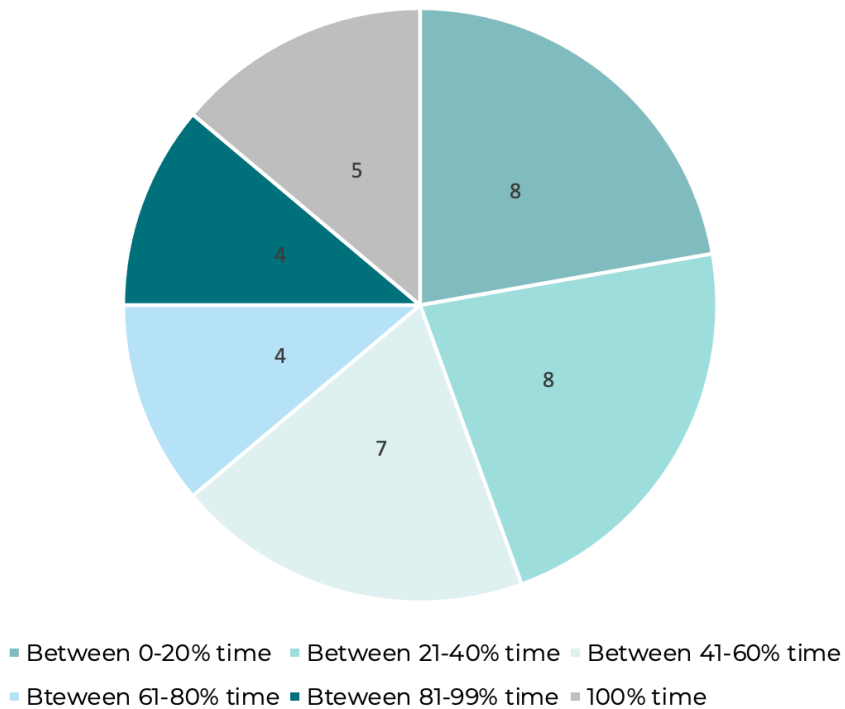
In total, Stone Soup organised, in 2022, 97 hours of activities for the community, of which only 21 (22%) were offline⁵.

Graph. 1 - meetings by category



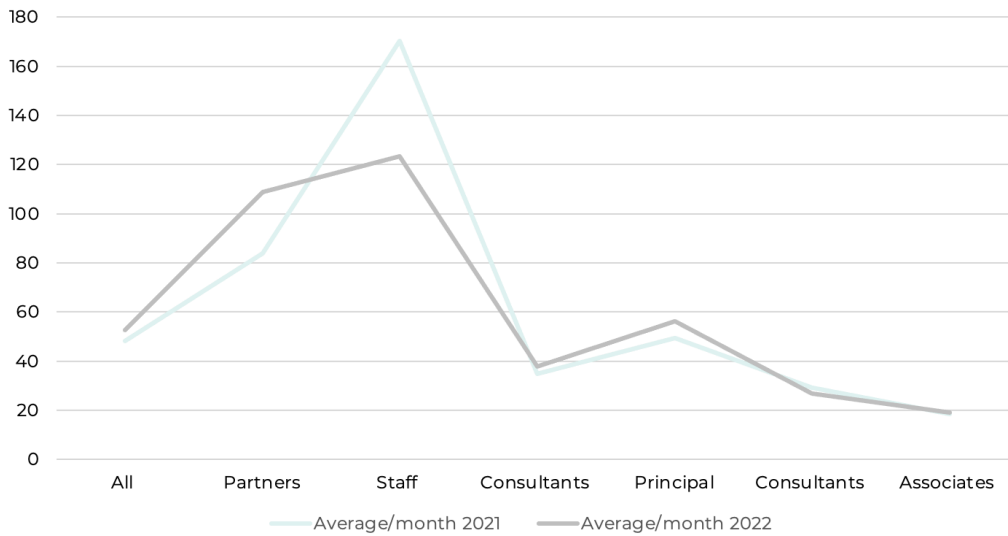
According to the Community annual survey, Community members had a very heterogeneous dedication to Stone Soup, ranging from 0-20% of their professional time dedicated to it, to a 100%.

Graph. 2 - Time spent on Stone Soup by Community members



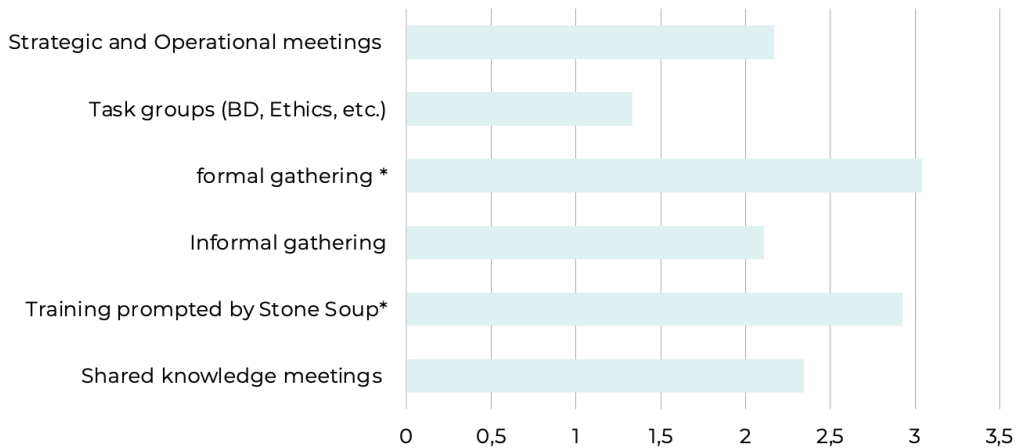
According to the community monthly survey, the average hours/month dedicated to Stone Soup shows a much higher dedication from staff, followed by partners, principal consultants, consultants, and associates (see graph 3).

Graph. 3 - Average time spent/month/category/year



The graphic below summarises the average time spent by each consultant on different types of activities.

Graph. 4 - Participation in meeting. Average consultants/ period



In terms of projects, in 2022, 85% of consultants in 2022 were involved at least once in a project, an important increase of 19 points from 2021 (66%). This also reflects an important evolution of the model during this time, which aimed at empowering more the community of consultants in project implementation: 62% of projects in 2022 were coordinated by principal consultants (58% in 2021 and 55% in 2020).

According to the Community annual survey, when entering the Community, professionals have the expectation to participate in projects (100% of them), learning from peers (75%) and support Stone Soup's growth (67%). For 86% of them Stone Soup was an important part of their professional acti-

Graph. 5 - Expectations



86% of survey respondents felt their expectations were at least partially fulfilled, for 42% it was totally fulfilled. Some of those who did not respond or said their expectations were not fulfilled had just joined the community and others in fact couldn't enter projects that filled their profiles. In the Monthly survey, the average monthly rate of satisfaction at Stone Soup was 8,23/10.



“ I participated in the elaboration of some proposals, but they were not chosen by the clients. There were also no possibilities for many projects in my area. Many projects are in the international context and, in these cases, there are other consultants with more expertise and command of the required languages. ”

Feedback from Community Annual Survey.

Here is how Community members felt Stone Soup impacted them:

CONTRIBUTING TO THEIR INTELLECTUAL CAPITAL

This refers to the skills and knowledge gained by community members due to training, activities and project opportunities offered by Stone Soup Consulting.

> According to the Community annual survey, all community members stated that they have felt an increase in their knowledge or know-how in 2022 thanks to their participation in Stone Soup. This reflects an increase from the previous reporting period where only 79% of consultants reported such increase. 42% felt that Stone Soup substantially contributed to it.

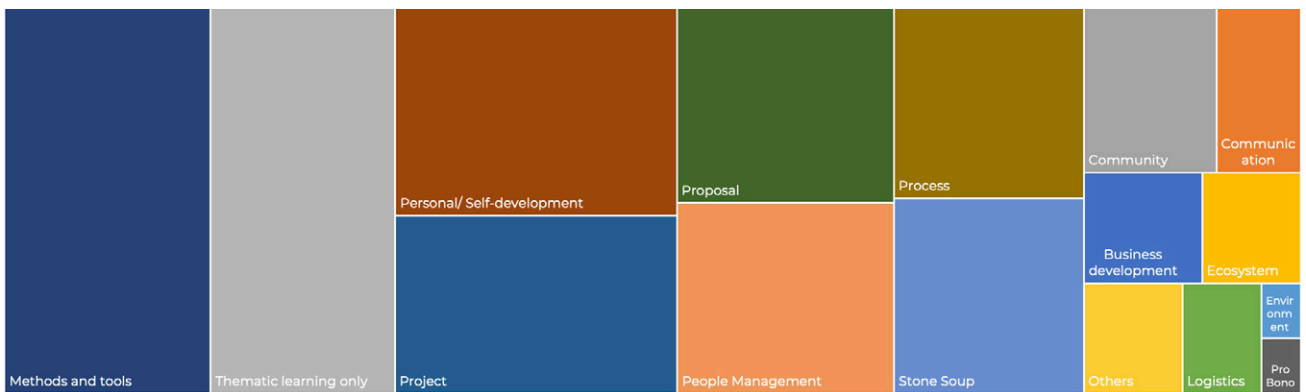
> The key areas of improvement are quite similar to the last reporting period with Impact Measurement and Management leading the board (58% of community members), followed by organisational development (30%) and general knowledge linked to the Social Economy (27%).

> Moreover, entries in the Monthly survey⁶ show that community members also have gained knowledge in many other ways. This includes:

- Learning new methods and tools and processes related to project (proposal & management), as well as personal learnings. In terms of tools, there was a wide array of learnings mostly linked to tools that are used internally by Stone Soup for management (Teams, 365 Microsoft) as well as the use of on-line facilitation tools and some linked to impact (IMP – now Impact Frontiers, customized impact tools, ...)
- Learning on a specific topic: diversity and inclusion was the most mentioned topic, followed by the impact ecosystem and social innovation.
 - Personal development, linked to time management / managing priorities and perseverance/proactivity.
 - People management and relationships. In that respect, the post-COVID effect was really visible, with consultants highlighting their raising awareness of the importance of face-to-face meetings.
 - Projects. Mostly linked to learn more on the context and stakeholders of the project as well as the topic at hand, and on its stakeholders (including managing client's expectations)

6 - Coded 197 qualitative entries from the following question of the Monthly Survey: "Could you tell us one thing you have learnt this month as a result of your participation in a Stone Soup related activity?"

Graph. 6 - Learning by category



> They estimate that this impact would last about a year on average, with very important differences between community member responses (ranging from less than 6 months to more than 5 years).

OPPORTUNITIES FOR COMMUNITY MEMBERS TO GROW THEIR PROFESSIONAL NETWORK

> 86% thought that Stone Soup has had an effect on their social capital, 25% thought it was very relevant to them. This is higher than the last reporting period (75%), maybe because the involvement of community members, especially in projects, has been higher these couple of years as compared to the previous period, but mostly because for the first time Stone Soup organised a presential gathering open to all community members. This happened in **Biovilla**, in Portugal, in May 2022. 21 community members attended. Many mentioned it as an important highlight of their work at Stone Soup, either in the Community annual survey or via the Monthly survey. Andrea Sanchez, one of the community's consultants, wrote an [article](#) on this experience.





“ The event was great! Great opportunity to interact with other consultants. Biovilla was the highlight - bringing a human touch to the community! ”

“ The meeting in Biovilla was a wonderful chance to connect and find out more about the other Stone Soup consultants. ”

from a Stone Soup principal consultant answer in the Monthly survey.

“ The meeting at Biovilla was the highlight. I think not just for me, but for everyone who was able to attend. ”

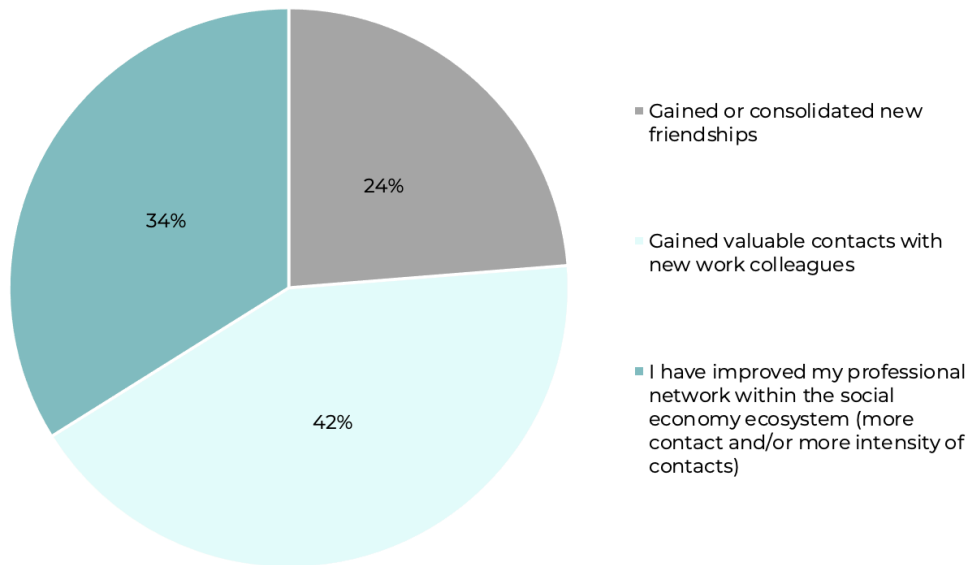
Stone Soup consultant answer in the Monthly survey.



> However, participation in online events is still low. Community members feel, whenever they happen, that the format should be more executive, or more interactive. There is room for improvement for community members to feel that these opportunities to network and learn reach their expectations and fulfil their potential.

> Most of the relational capital was linked to increasing their professional network with new colleagues or with the social economy ecosystem. Some (24%) even mentioned that these had a positive effect on their personal lives as they gained new friendships.

Graph. 7 - Effect on Social capital



> They expected this gain to bring benefit for about 2 years

EXPERIENCING A SENSE OF BELONGING TO A COMMUNITY OF LIKE-MINDED PROFESSIONALS

> In last year’s report, we introduced a Sense of Community Index, that we have built in-house based on validated scales on the topic⁷. According to the Community annual survey elaborated in 2022, the Sense of Community Index for the overall Community jumped from 0,78, on a scale between -2 and 2 in the previous report, to 0,97 in the current one.

> The aspects that were most positively valued were “I feel I can be myself when meeting or contacting other members of the Stone Soup Community”, “I feel like a member of the Stone Soup Community”, “I feel connected to this Community” and “I have a good bond with others in this Community”.

“ I am very thankful for the opportunity to be part of this community and want to be part of the Stone Soup growth. ”

Feedback from an employee.



7 - The Sense of Community Index is based on 9 indicators: I know who most of the stone soup community members are (partners, consultants, interns, employees); I interact with other members of the community on a daily basis; I can get what i need for my work in this community; I feel I can be myself when meeting or contacting other members of the stone soup community; I feel like a member of the Stone Soup Community; I have a say about what goes on in the stone soup community; People in this community are good at influencing each other; I feel connected to this Community; I have a good bond with others in this Community. inspired from: https://www.nsvrc.org/sites/default/files/2021-08/brief_sense_of_community_scale_-_overview_and_participant_instructions.pdf

“ While I’ve not yet worked on any projects at Stone Soup, I am very impressed with the efforts made to keep the spirit of the community alive and well. ”

Feedback of a consultant from the Community Annual survey 2022.

“ As I have mainly worked in smaller companies/NGOs, I was surprised by the level of professionalism of my colleagues. I have found them all to be helpful, kind and very good in their work. In fact, more than some of the projects, I have enjoyed the people at Stone Soup. ”

Feedback of a consultant from the Community Annual survey 2022.

> The aspects that were less positively valued were “I can get what I need for my work in this community”, “I interact with other members of the community on a daily basis”, and “I have a say about what goes on in the Stone Soup Community”. It is clear for Stone Soup that there is a margin for improvement in aspects linked to opportunities to learn from the network, and making sure the governance model is as participative as possible.

“ Building a shared identity and sense of community is a continuous process that requires different incentives from all members if members are genuinely interested to co-build Stone Soup. ”

Stone Soup partner reflection shared in a Monthly survey.

> As Stone Soup has grown in size, both commercially and in number of collaborators, it has been more difficult to guarantee an efficient and timely dialogue with community members, especially with consultants. An important learning from this reporting period is to increase efforts to make sure that all feedback is duly and timely considered, and that there is a feedback loop from management team to community members for them to see what decisions have been made based on their suggestions. Overall, there has been 81 recommendations made by community members using the channel of the Monthly Survey⁸. Most of them were linked to efficiency of meetings, the generation of more opportunities for consultants (overcome language issue), team management (especially on payments, on holidays, on distribution of work and team balance), use of Teams by everyone, improvement of specific processes and tools in Stone Soup (including this survey). More should be done to take stock of these recommendations every month in operational meetings and inform consultants of specific actions taken. All in all, from the 81 recommendations, 28% have not been acted on (although some do offer some valid ideas), 21% have at least been partially implemented, 8% have been at least started and 27% were implemented (either because of the recommendation or because it already existed before).

8 - See Annex 1. Recommendations from community members

EXPERIENCING WELL-BEING AT WORK

Last reporting period we introduced this variable in our report. This is important because if our community are offered work, networking and learning opportunities, but if the stress levels linked to their participation in these activities decreases their well-being at work, they will not be able to positively engage with their peers and with clients, resulting in negative impacts for all. This is a risk that needs to be closely monitored.

> Stone Soup Consulting aims to offer a fair and safe work environment where its consultants feel they are treated with fairness and justice. If 80% of the annual community respondents said that this was the case all the time, still 20% of them felt that this was only true “most of the time” (N=33). This was especially true for principal consultants.

> None responded that they felt any sort of discrimination at work due to their religious beliefs, ethnic group, gender, sexual orientation, disability, or other specific diversity characteristics.

> All are very aware of Stone Soup’s internal policies on ethics and best practices that set standards for professional practice in the company. 93% rated this knowledge at 5 (out of 5), and the remaining 7% at 4 (N=33).

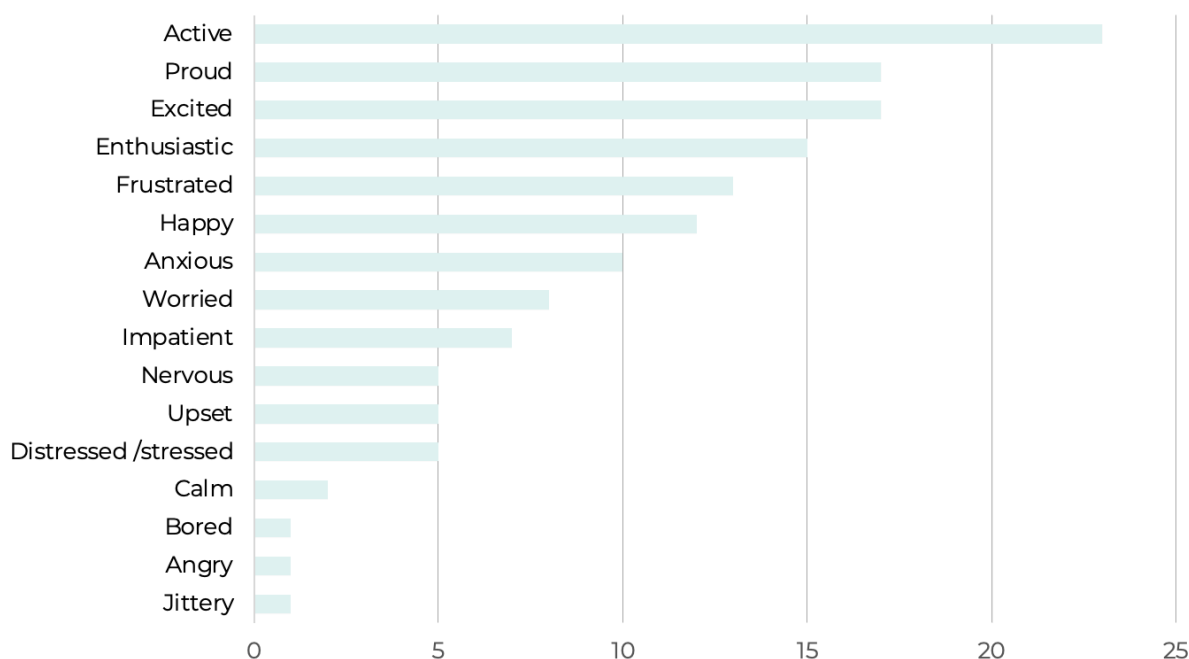
> Following last year’s report, we have used the same validated scale of well-being at work⁹ to understand how exactly our community was feeling at work. Interestingly enough, the overall Index for well-being at work is very consistent, progressing only from 0,82 on a range between -2 and +2 last report, to 0,83 this report.

> Community members mentioned that their work at Stone Soup made them feel mostly active (70% of them), proud and excited for more than half of survey respondents, enthusiastic (45%) and for some even happy for 36% of them. On the negative side, they also felt frustrated, and for some, they even felt either anxious or worried.

> Here are very important differences when it comes to satisfaction at work when looking at the different categories of collaborators. Stone Soup employees (excluding partners) are the ones who, on average, feel less satisfied, mostly because of the work burden of a small team of employees supporting a very large team of free-lance consultants. This is a model and a dynamic that Stone Soup seeks to change.

9 - The wellbeing at work scale is inspired from Demo G and Paschoal T., “Well-Being at Work: Exploratory and Confirmatory Validation in the USA”: [\(PDF\) Well-Being at Work Scale: Exploratory and Confirmatory Validation in the USA \(researchgate.net\)](#)

Graph. 8 - Most mentioned adjectives describing state at work



“ I would like to describe an account from this past year, in which at one point I was extremely low on motivation and was thinking of leaving the community. However, I would like to mention that this changed entirely because of Claudia’s attention and affection during this stage, which helped me enormously to feel part of the community again and to see how the company is on a path that is seeking improvements and to listen more and more the consultant’s community. I feel that it is essential that our partners and coordinators engage in this same style of leadership to move us forward as a community.”

A principal consultant, responding to the Community Annual Survey 2022.

> Overall, they mostly value the fact that the work is in line with their skills (76% respondents in the Community Annual Survey) but they are still developing new abilities and are managing to work sometimes outside their comfort zone, overcoming challenges (60% respondents).

Graph. 9 - Appreciation of work at Stone Soup



IMPACT ON STONE SOUP COMMUNITY - MAIN LEARNINGS

- We have been learning how to build a community, with some success, despite the challenge of being a remote based company working with a very diverse set of people. There is still a lot to improve in that regard, especially on allocating more time and resources to fostering horizontal networking and actively encouraging face to face gathering, following the overwhelming feedback from the encounter in Portugal.
- In terms of intellectual capital, Stone Soup promotes peer-learning and gives the opportunity to learn, through sharing of articles and publications, teamwork, collective processes, involvement of all community members in the strategy's elaboration. However, many consultants have suggested we improve the cost-benefit of community meetings (less time, more productive participation, better preparation/facilitation, etc.). Others have given concrete feedback on how to improve team selection (to make sure that selected professional will work well together) and team dynamics in project (ensure a more equitarian participation of all, stronger and more regular commitment from all, improve communication, etc.). A possible recommendation would be to allocate or recommend project coordinators to undergo specific training on team management (from selecting the right profiles to managing remote teams).
- Creating a feedback culture is also an important learning. As many others, we are drowned in our day-to-day to-do list, and ask consultant's contributions without necessarily giving them feedback on how their insights were used. Concretely, we could give regular feedback on monthly surveys and how their opinion led to specific management actions. This feedback culture also needs to be embedded within project management, so that professionals can learn and improve from one project to the next. This report suggests that survey feedback should be given systematically, alongside with action points decided on the feedback received. For the monthly suggestions from community members, this could be done as part of management meetings.

- Making sure that our community members maintain a positive perception of their well-being is important. Of course, a lot of it is outside Stone Soup's control. But there is a responsibility to make sure that all members feel that the balance between their work and personal time is the right one for them, and that Stone Soup's related work doesn't lead to too much negative feelings. For the time being, many consultants choose to respond that they can feel frustrated or anxious at times – for a variety of reasons. By improving how teams are managed, improving operational efficiency, working towards more financial stability and giving our community members more well-being tools, we hope that their well-being balance will improve. There needs to be a channel for community members to voice their feelings, whenever they feel it can impact their work at Stone Soup. It is important to have a dedicated space where these topics can be addressed to help improve or manage these specific situations, if/when they arise. This could mean, for example, dedicating a pool of resources to a well-being fund, that could be activated whenever an emergency arises.
- We should also look closely at the consultant turnover levels and make sure that the reasons for high turnover compared to industry is linked to our business model or if there are other reasons that could maybe be uncovered and tackled, with the aim of reducing that level in the future.
- Finally, the survey stated that 20% of the community members think they are treated with fairness and justice only “most of the time” (as opposed to every time). Linked to the above (team management, well-being management), we also must improve that, as diversity and inclusion are one of our priorities.

4

IMPACT ON OUR CLIENTS



Through consultancy services, our aim is to help organisations on their pathway to become more efficient so that they can increase the impact they have on people or the planet.

Our community of consultants supported 117 organisations during this two-year period (112 in the previous period), 84% of which came from the Social economy, with others coming from Academia (5%), Business or Banking sector (9%), or Public institutions (4%). This is in line with the previous reporting period.

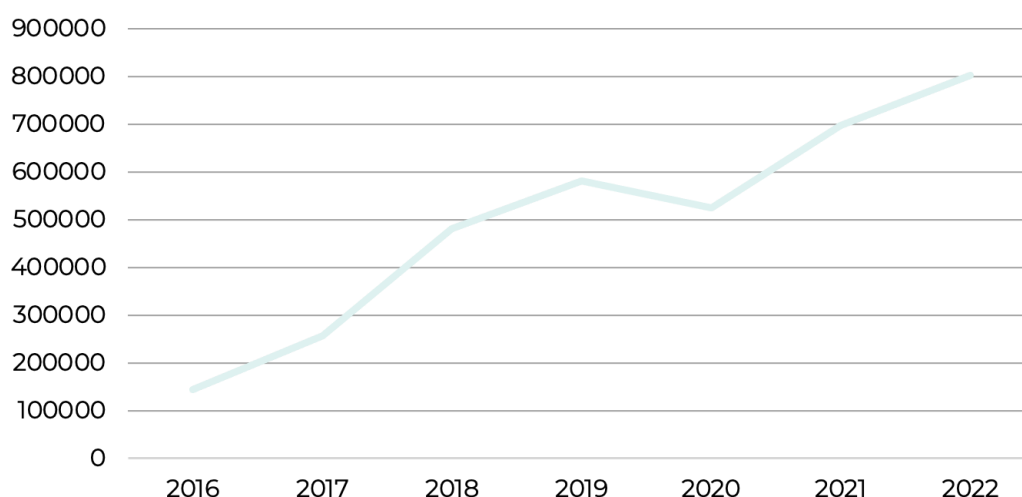
ACTIVITIES IMPLEMENTED

In total, we implemented 168 consultancy projects¹⁰ (86 in the previous period).

Stone Soup's turnover (invoices issued, net amount) was 697.478,49€ for 2021 and 802.471,15€ for 2022. The graphic below shows Stone Soup's growth since 2016.

In annex 2 we have included the P&L and Balance statements for the reporting period¹¹.

Graph. 10 - Stone Soup Turnover since 2016

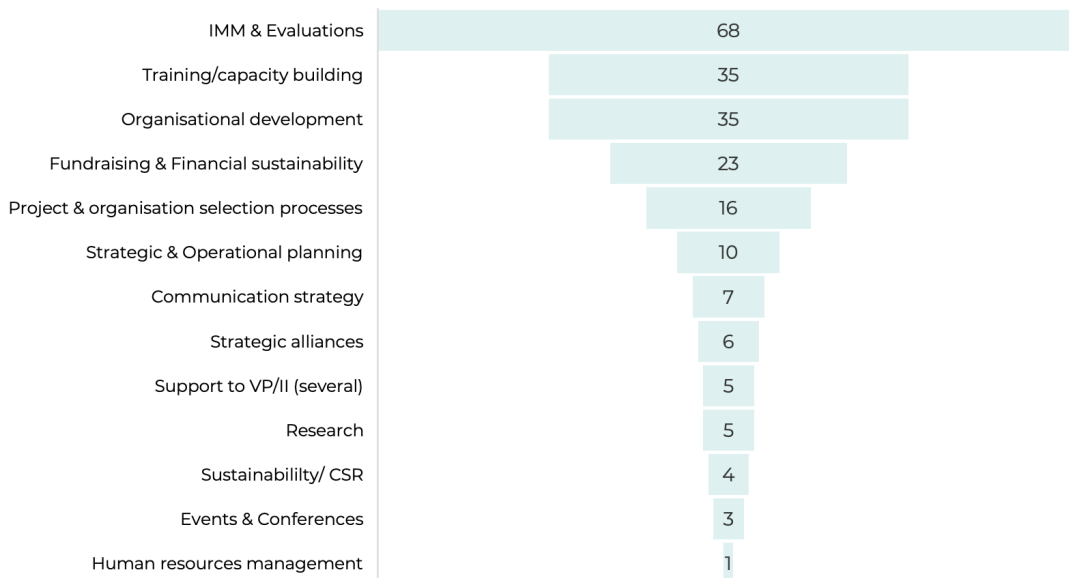


¹⁰ - All active projects during the period. In total, 112 projects ended during the period as stated in the Methodology section. We have changed the way we account for the period: we have included all projects active in the period, including the ones that started before and the ones that will carry on in the next reporting period.

¹¹ - This value is expressed in constant figures and does not consider the inflation rate.

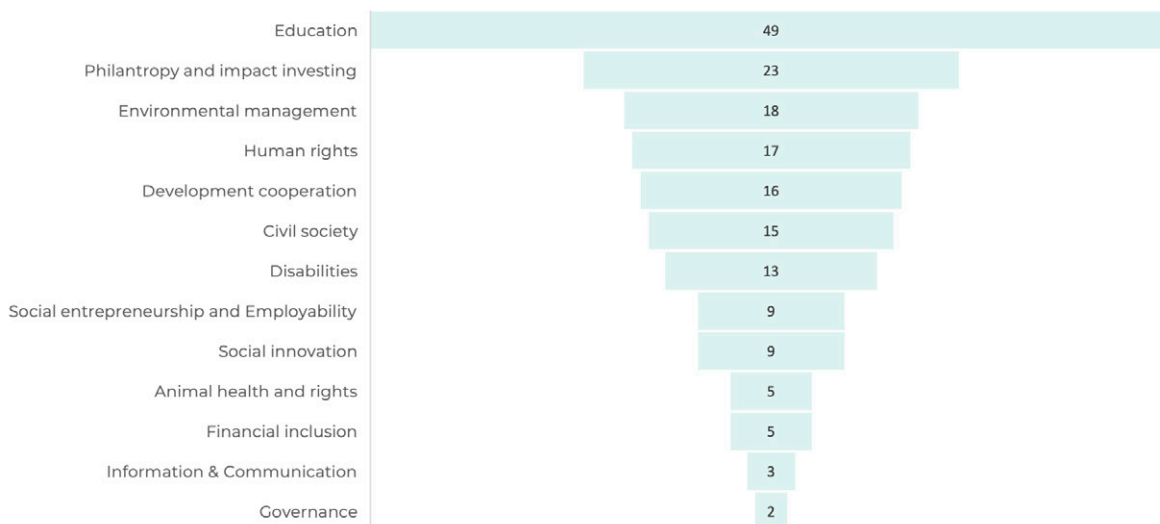
Most of the projects we have worked on in the reporting period were linked to Impact Measurement and Management, or Evaluation and a very important component of all projects is, as our Theory of Changes intends it to be, linked to training or capacity building. Other important areas are Organisational development, and support to Fundraising or Financial sustainability.

Graph. 11 - Projects by type of consultancy services



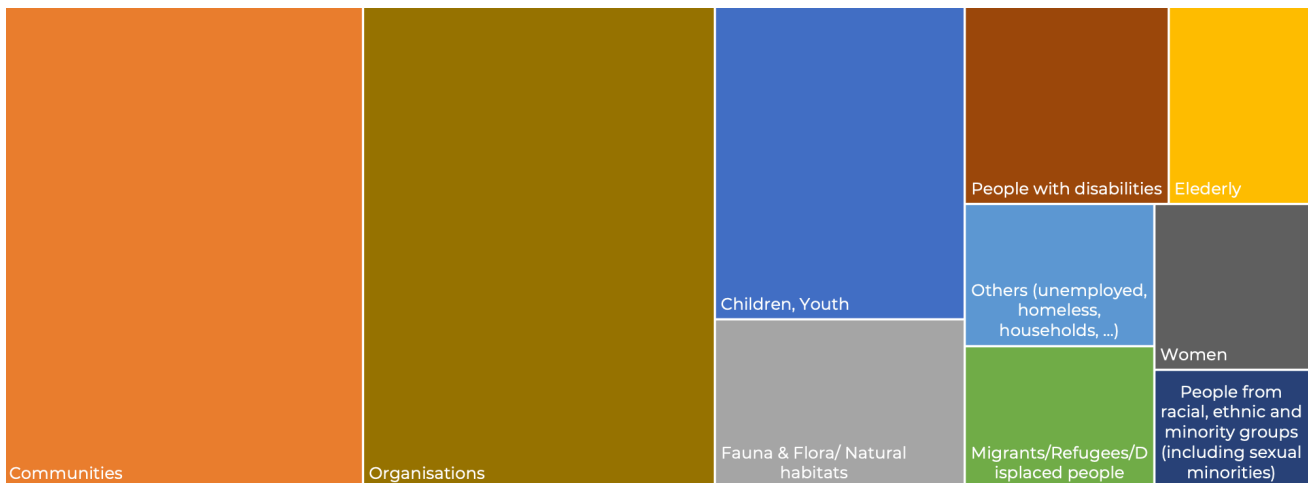
As the graphic below shows, the projects we have worked on dealt with a diverse number of societal issues, the main ones being Education, Support to Philanthropy and Social impact investing (indirect impact) and Environmental projects.

Graph. 12 - Projects by focused area



Some organisations' aim was to support others with a more direct impact on people or the planet (e.g. philanthropic foundations, impact investors, etc.) whilst others worked directly to create social and/or environmental positive impact (e.g. social enterprises, NGOs, etc.). Our projects have therefore always impacted primarily organisations, but sometimes have had a clear indirect effect on people or the planet. This was mostly the case for consultancy services aiming at supporting concrete projects within organisations.

Graph. 13 - Projects by target group



IMPACT

Through the implementation of these consultancy processes, important expected impacts are related to improving staff capacity, improving efficiency, and their ability to deliver impact.

For that to happen, client organisations need to have had a good relationship with our project team, and the processes and/or products developed through the consultancy need to have the right quality according to expectations.

This is an information that we gather from them when projects end, through means of a survey (see Methodology section). Note that the following might reflect a positive bias as it could be the case that dissatisfied organisations have simply not responded to the survey.

Overall, clients were satisfied with Stone Soup Consulting, with a Net Promoter Score of 8,9 overall. 82% said it was very likely they would work with us again. This is quite consistent with the high percentage of repeat clients since the beginning of our activities, in 2008 (78% at the end of 2022).

“ It was a pleasure to work with a supplier that shares the same values! Thank you for all your important work, flexibility and support. ”

Feedback from an End-of-project survey.

Value for money is excellent or above average in 68% of cases, although 25% survey respondents still consider it average, giving us a clear margin for improvement.

“ In this case very good value for money, very thorough work. Hoping to have more budget available in the future because the consultants deserve it. ”

In terms of the results of the consultancy, clients thought they were mostly useful (73%) and reliable (71%), but hardly unique (13% only considered that it was). 94% rated the quality as either high (66%) or very high (28%). This implies that there is still some margin for improvement to go the extra mile in the quality of the outputs for them to be considered more consistently across the portfolio.

Moreover, although around 91% customers feel that the results fitted their needs, it was mostly rated as «very well» as opposed to «extremely well». Still, 7% of the clients considered it could be better («somewhat well»).

Customers highly valued the responsiveness of the team : 93% considered Stone Soup team of consultants to be either very or extremely responsive (32% and 61% respectively).

“ Thank you very much for the great cooperation! It was a pleasure to be working with your whole team of amazing people. Very professional work and with a social heart. Considering your efforts and time invested into this project, my personal impression was that the money you asked for your very reliable and professional consultancy/services was even too little. So in terms of value for money, I think you can/should even ask for more money to further improve the financial sustainability and strength of your organization and being able to pay all consultants (and yourself!) fairly. Thank you again for your great work! ”

“ It was really a pleasure working with them, very positive and sensitive people and with a great knowledge in the field. ”

However, some clients considered that:

“ We could probably reach the same impact with lower time dedication. ”

Another one mentioned that :

“ We had a team of consultants. All of them very nice and engaged, but it is difficult to work with so many people and we needed too many exchanges to explain what we do. ”

A Spanish foundation found the consultancy to be

“ In-depth but too long in time, with high dedication on the part of the foundation’s team. ”



IMPROVING STAFF CAPACITY

Stone Soup works with its clients either as trainer, facilitator and/or technical experts. Many times, a combination of these three roles. Depending on what was the main role taken, the impact on clients' staff capacity can differ significantly.

> 86% of survey respondents agreed that the organisation's staff improved their capacity in some way, after working with Stone Soup's team. For 42% of them, their capacity improved a lot. One organisation (2%) did not agree and other survey respondents found that question to not be relevant for the work done in collaboration with Stone Soup.

> 77% found that working with Stone Soup helped improve their staff motivation in some way, although most think that it contributed only slightly (44%). Again, only one organisation (2%) did not agree and other respondents found it wasn't relevant or they didn't have the data to answer.

“ The collaboration with Stone Soup was crucial for acquiring knowledge and (practical) tools for evaluating and measuring impact. It made the team more capable, motivated, and able to communicate the results externally. ”

Translated from Portuguese, from a civil society organisation that Stone Soup works with in Portugal.

A civil society organisation in Spain highlighted that, because of their collaboration with Stone Soup,

“ the team has felt a strong sense of shared ownership over our work and plans, rather than them being plans of management. This is positive for the existing staff, the organizational culture & the impact of our work. ”

Finally a major European bank institution mentioned that their

“ team acquired up to date overview of the impact investing landscape in the EU and how to design effective capacity building programme to address the needs of the market participants. ”



« Thanks to the support and knowledge shared with Stone Soup, we have consolidated the management and measurement system of our Impact Fund, FEIS »



Amaia Arrizabalaga Echeverria, risk analyst, SCB

Founded in 1989, SEED CAPITAL BIZKAIA (SCB) is a Provincial Public Company attached to the Department of Economic Promotion of the Provincial Council of Bizkaia, dedicated to the administration and management of various financing instruments. For more than 30 years, it has been firmly committed to encouraging innovation, social impact and the promotion and regeneration of the business fabric in Bizkaia.

As part of its portfolio, SCB established in 2014 an Entrepreneurship and Social Impact Fund (FEIS) with the aim of supporting the promotion and consolidation of business initiatives with social impact. In October 2021, three leading entities in the social field joined FEIS: Fiare Banca Ética, Anesvad Foundation and San Prudencio Labour Foundation.

In 2021, social innovation initiatives were supported with investments that, in October 2021, already exceeded one million euros. The companies supported, some 10-12, operate in Bizkaia, in areas such as health, education and culture, circular economy and socio-labour inclusion.

The Fund not only invests in them, but also helps them to consolidate and grow thanks to the implementation of other non-financial support mechanisms (advice, networking, capacity-building, etc.).

With the support of Stone Soup Consulting, SCB has started to build a social measurement system along the Fund's value chain, following best practice in the field.

To this end, the team co-developed the Fund's own Theory of Change (ToC), conducted an awareness-raising webinar on the subject, co-constructed simplified ToCs for its projects with the investees, and agreed on key indicators associated with it. The system is embodied in a management tool created ad-hoc for the Fund.

The team then followed up by supporting / coaching SCB in the piloting phase. It worked with the investees to facilitate the reporting process and with the SCB team to support the internalisation of the Fund's impact management in the medium/long term.

As a result, our counterpart in SCB for the project felt there was a real, tangible increase in her competencies, namely in the "Impact field" and "different methodologies used around Impact measurement".

IMPROVING EFFICIENCY

By organisational efficiency we mean that most of our collaborations relate to supporting clients to use their resources more effectively to achieve their goals or maximise their results.

> From the clients who responded our impact survey:

> 85% of respondents agree that Stone Soup's collaboration has contributed or may contribute in the future to improve their organisation's efficiency. 4% disagree and 11% either do not agree nor disagree, or thought it wasn't relevant or they didn't have enough information to evaluate that point.

“ With the data from the evaluation report on our programme, we were able to apply for a Nova SBE programme and we won.... On the other hand, we have also managed to work with a communications agency ... In June 2023, the intervention and results of the evaluation ...within the scope of the Gulbenkian Knowledge Academies (a project evaluated by Stone Soup) made the news on [fleed.pt](https://www.fleed.pt). ”

87% found that their organisation/programme/project's know-how on the topic(s) they have worked with Stone Soup either improved a bit (39%) or a lot (48%). The same organisation that gave a negative feedback all through the survey (representing a 2% overall answers) felt a negative impact on that point. Others felt it wasn't relevant to the consultancy (4%). The other 7% didn't feel it had an impact either positive or negative or didn't know.

As in the previous reporting period, this effect is especially felt at project level rather than organisational level: 66% felt it was very significant at organisational level, versus 77% at project level. 3 organisations considered it was not significant at any organisational level, and 2 at project level.

Clients mentioned Social impact measurement, Organisational development, Fundraising and Strategic alliances as the main areas of improvement (see graph 14).

As an example, one client from Portugal (identifying themselves as Academia) mentioned “*Improvement of knowledge on strategic development*”, “*Increased motivation to take new and innovative initiatives*” and “*Increased cohesion of the team*” as the three main changes that they have seen happening as a result of Stone Soup's intervention.

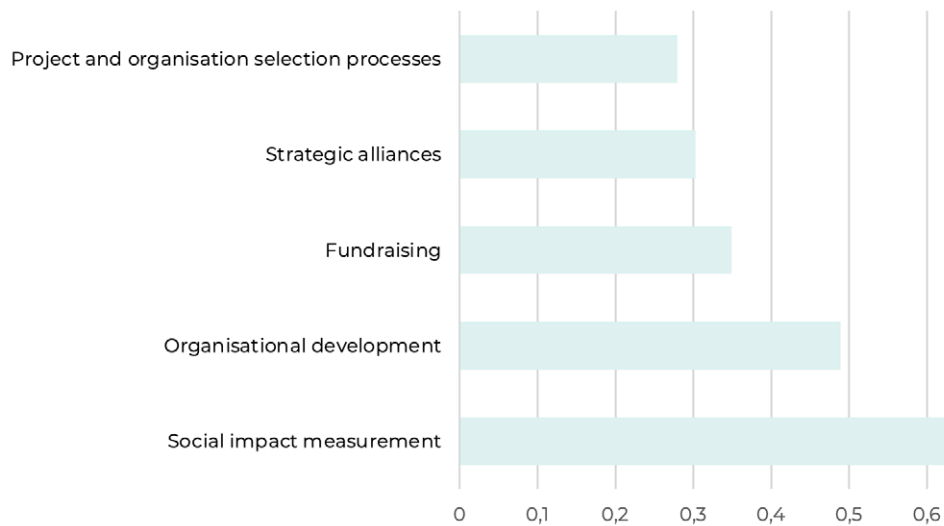
Another organization from France identified as Academia mentioned that they gained “

“ Better efficiency, relief on resources thanks to Stone Soup's help, different perspectives thanks to working with Stone Soup consultants. ”

A social business in Portugal mentioned that they gained “New approach communication and fundraising. Better vision on our role and sustainability. Better approach in the type of human resources we need. Who we are and where we are, are also something we took out.”

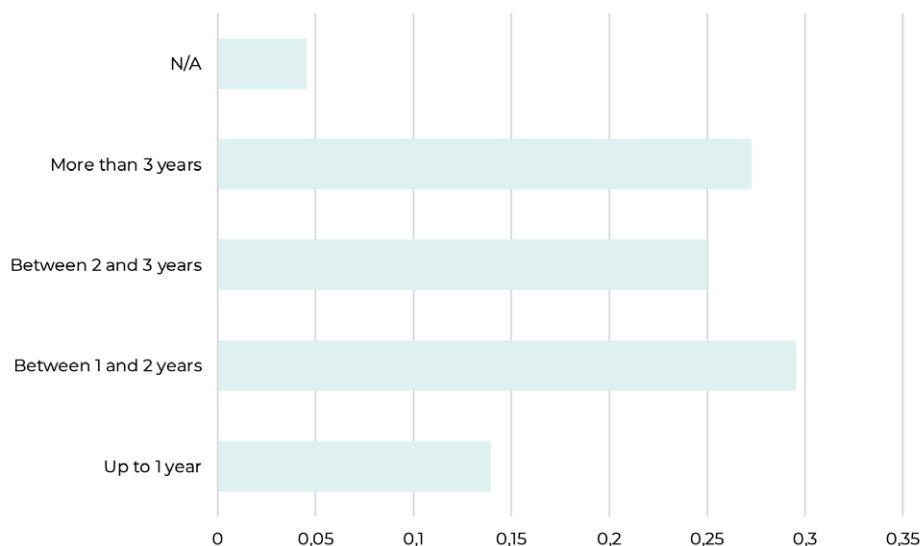
Finally, for a Spanish public institution the three major changes were “knowledge improvement”, “being more aware of the importance of impact measurement”, and “relationship building”: “We have increased our knowledge and we have instruments to measure and manage our impact and the impact of our invested companies”.

Graph. 14 - Learning areas



- As in previous reporting periods, it is important to highlight that clients feel the dead-weight is quite high: only 36% of them consider they would not have been able to increase their efficiency without Stone Soup. This is because there are many other consultancies who could also have helped them and/or they could have put dedicated internal resources on these improvements.
- Overall, clients are divided on how long the positive effects could last for their organisations, but most (56%) consider it to be between 1 and 3 years (see graph 15).

Graph. 15 - Drop off - Efficiency





Case study: Communities' assessment in the region surrounding Port of Suape



Stone Soup worked with Ultracargo and Ultragaz, two companies which are part of the holding Grupo Ultra, for whom we finished the co-design of a strategy and action plan for Social Investment and Venture Philanthropy. In this project, we have designed a methodology for communities' social assessment which included ethnography from Human-Centred Design and in-depth interviews with key stakeholders. Subsidiaries

companies such as Ultracargo and Ultragaz were willing to replicate this process in other geographical areas. For this specific project, we worked on the Porto do Suape region next to Recife, Brazil.

The process was followed by the following steps :

- Internal assessment: initial phase characterised by the understanding of the present relationship (existing or not) with communities.
- Community assessment: intensive face-to-face field research (2 days), interviews, desk review of socio-economic data obtained through indexes, studies and scientific publications.

This assessment does not follow a quantitative methodological line, using statistical data. Rather, it establishes through qualitative research (through the methodology of semi-structured interviews and ethnography of Human Centred Design) the profile of each community visited.

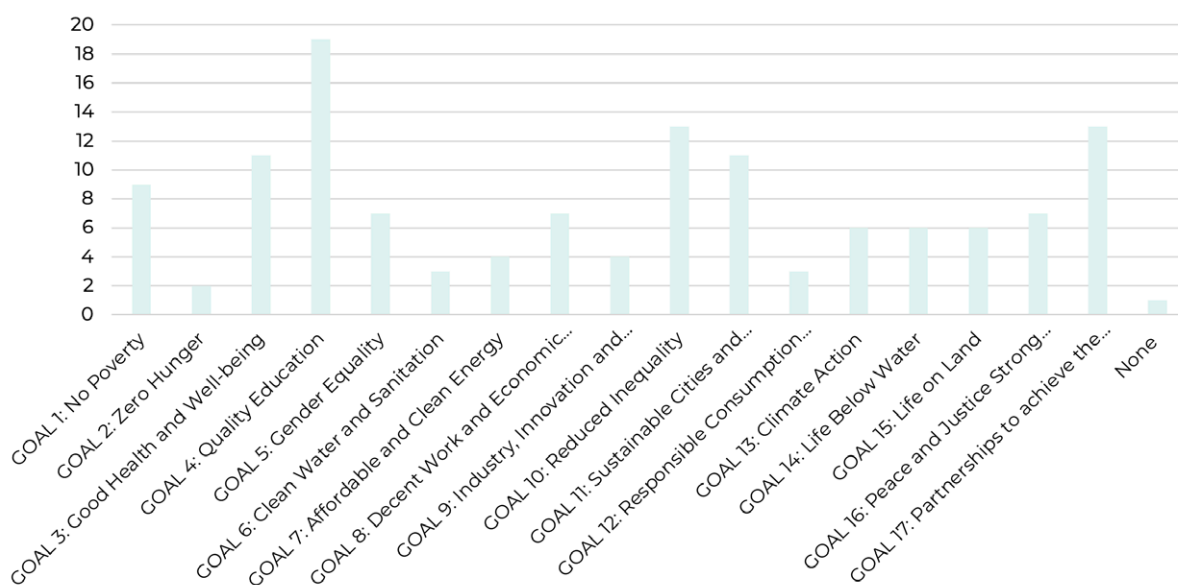
The complete assessment, including report and summary presentation were presented and delivered for Ultracargo, Ultragaz and Grupo Ultra, who thanked Stone Soup's work for the depth and the fact that the insights allow them to validate and direct projects in the region accordingly to the strategy and action plan.

IMPROVING OR INCREASING ABILITY TO DELIVER IMPACT

This is Stone Soup's most important expected impact since we hope that all support we give to organisations will eventually translate into a higher and deeper impact on people and/or the planet.

> All but one surveyed clients, considered their project or organisation's activities were related to one or more Sustainable Development Goals (SDGs). The most recurrent ones for this reporting period were 4. Quality Education, 17. Partnerships to achieve the Goals and 10. Reduced Inequalities.

Graph. 16 - Organisation's impact area by SDG



> Consistent with the last reporting period, 84% of respondents considered their ability to deliver impact has improved, although this time most of these (45%) considered them to have improved a lot.

“ We were able to deliver a programme to our NGOs which contributes to increase their sustainability. ”

A non for profit working with children mentioned that

“ We already have a panel on display in the City Park, which was the result of a partnership with the City Council, we've opened our workshop and we've already bought a kiln. In three weeks' time, we're meeting with the City Council to plan a new activity to be presented in May 2024 and we're going to start work here at the institution, as we've already met the physical conditions to develop the project. Thank you for your help in implementing this project. ”

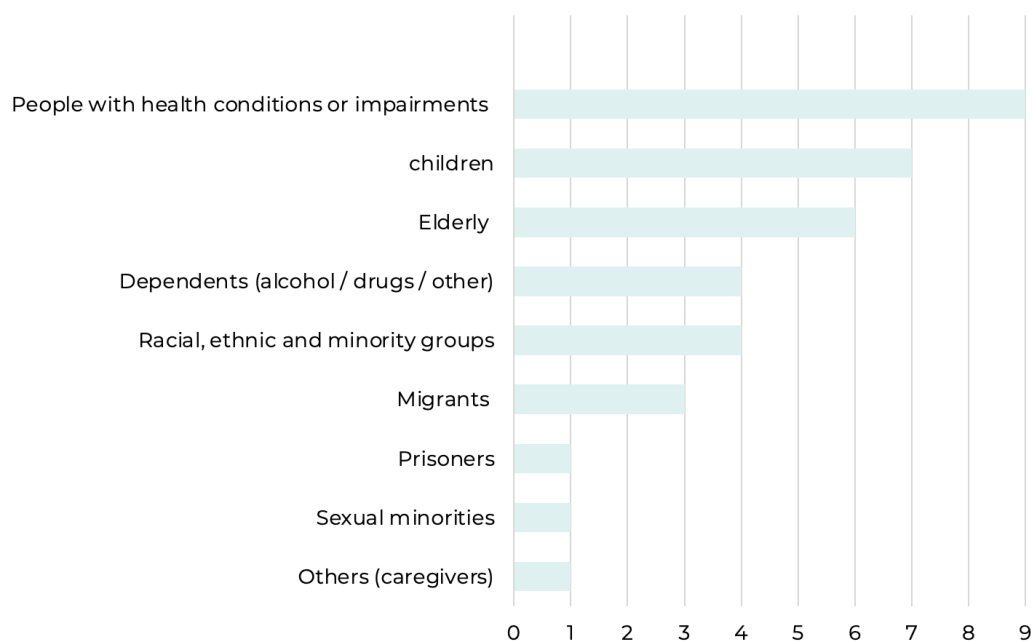
> 86% found this effect to be relevant for their organisation, and 90% of them that it was significant for the project or programme object of the consultancy, implying that for most, there was a spillover of the effect from the project to the organisations.

> Almost half considered that these positive effects could last between 1 and 3 years.

> Like in other impacts, the deadweight is high: only 30% consider that they would not have obtained the same results without Stone Soup's collaboration.

> 70% considered that our collaboration had a direct impact on their beneficiaries, most of them being identified as people with health conditions or impairments, or children (see graph 17).

Graph. 17 - Types of beneficiaries



> When asked to estimate the numbers of people or organisations that have/could benefit from the collaboration with Stone Soup, survey respondents mentioned about 91.613 people (mostly in Portugal, Spain and Italy) and 5.138 organisations (again, mostly in Portugal and Spain). These numbers must be taken with a certain caution considering that a) not all survey respondents replied and b) this is a very rough estimate based on subjective values. 5 organisations (from Cape Verde, The Netherlands, Portugal, and Luxembourg) mentioned an impact on the environment.

ArtE - The art of employability



Erasmus + programme with the goal to tackle youth unemployment by exploring synergies between the entrepreneurial mindset, employment and artistic principles. ArtE follows JobAct approach, implemented by the lead partner of the project, Projektfabrik (Germany).

Stone Soup Consulting was the project partner for the implementation of the method in Portugal. Other partners of the project were Sozialforschungsstelle Sfs, Vivaio, Patchanka and UpSocial. Stone Soup Consulting partnered with Espaço t to implement the first pilot project at a country level in June 2021. For 7 weeks, 10 young unemployed participants explored theatre work and entrepreneurship training, through exercises that foster innovative and critical thinking, business development and self-esteem, developing skills related with the 'entrepreneurial mindset' required for future entrepreneurs, culminating with a cultural performance.

The adaptation of JobAct model for the implementation of the first pilot made in Portugal, achieved very relevant and positive results, for the target population and territory. At its end, out of the 10 participants engaged in the project - young unemployed people - about 90% increased their emotional capacity, 80% increased their social skills (concerning communication), around 70% increased their sense of belonging to a group and 80% increased their management and creation skills. Moreover, 80% affirm that would like to pursue new training in theatre or another artistic field (theatre, dance, cinema, singing, scenography, dubbing).

The pilot project has contributed to reduce labour market exclusion, as 75% of the participants got a job after the pilot.

In terms of impacts' sustainability, six months after the pilot has finished, 50% of participants were employed (75% in permanent jobs positions) and 13% got back to education or training. 100% of participants recommended a training like ArtE to others.

Participants said: *"The project helped my confidence in dealing with other people, and feeling good about myself and accepting myself as I am". "The project improved my self-confidence and ability to put my ideas into practice". "The project improved the way I communicate, the openness to meet other people, today I'm a communicative person, it wasn't like that."*

NEGATIVE IMPACT

Such a report wouldn't be truthful to its title if it only focused on positive impacts. It is tempting to think that others who claim 100% satisfaction or a 100% positive impact might not be sharing the whole truth. Every team, every project, every context, is unique and brings its own set of challenges. We are aware that there might be a positive bias in the sample of clients who responded, even though we made every effort to also encourage less satisfied clients to give us our feedback.

One dissatisfied client actually did so, and that has contributed to lower the average in all the statistics that were presented.

The dissatisfaction can stem from many causes, either connected to the team of consultants, their technical or social skills, but also to their counterparts and the organisation's dynamics. Whenever issues arise from the counterpart, it is the responsibility of the consultancy team to try and find the best way around it. Author Peter Block dedicated a large part of his book on Consulting on the subject of resistance, a *"predictable, natural, emotional reaction against the process of being helped and against the process of having to face up to difficult organisational problems"*. *"For a client to learn something important about how to handle a difficult problem, the feeling of resistance needs to be expressed directly before the client is ready to genuinely accept and use what the consultant has to offer"*. *"The process of dealing with resistance helps the client move from a position of helplessness, alienation, and confusion, to a position of choice, engagement and clarity"*. To minimise risk of dissatisfaction stemming from such resistance, Stone Soup needs to improve its teams' ability to recognise, and manage, such resistances.

This is why it is always so important, as consultants, to learn the lessons of every single project. At Stone Soup, even though we do have a space to share or discuss lessons learnt, we feel that we can and should improve.

Some clients generously shared their recommendations for improvement in the impact survey. Many mentioned the (over) complexity of the process or tools that were developed, which could at times generate more frustration.

A network in Portugal mentioned that it was more difficult to execute recommended actions than anticipated:

“ The perception that somehow it was an easy path, made the team lose its efforts when it came to actually execute the proposed plan. ”

A civil society organisation stated that it had *"an effect of powerlessness and realisation of their own ignorance (which is also positive), which created some frustration"* (note: translated from Portuguese). Another civil society organisation from Portugal mentioned that *"The high level of demand diffculted the process, it was much higher than necessary"*.

A Spanish foundation mentioned that *“The system needs to be revised and is complex for the team. We felt that the process needed further validation”* (translated from Spanish).

Finally, others mentioned a need to adjust better to the organisation’s culture and capacity:

A Brazilian business stated the *“importance of having quantification of results ... considering the profile of the company”* and a civil society organisation in Portugal suggested to *“be aware of the difficulty that entities have to give feedback on the project implementation”*.

Furthermore, there is a potential negative impact that we should keep in mind in the work Stone Soup does on impact measurement and management, especially on supporting the elaboration of Impact or Sustainability reports. Impact is a hype, and many are getting on board not because they are genuinely interested in maximising their net positive impact on people and/or the planet, but rather as a communication tool to gain more buy-in from existing or potential clients/investors. For the time being, we have reasonable evidence through our surveys that clients are taking impact reporting seriously; they are using our reports as a management tool to improve their strategies and operations, but in the future – as more sectors are drawn into the impact world- we will need to make sure that we are not contributing to the *“impact washing”* industry.

Last but not least, we should make sure that there is a positive correlation between client satisfaction and well-being in our community, that is, that the positive reviews that Stone Soup is getting on the client side is not negatively affecting the community. One consultant mentioned that *“we are over-working to generate this level of satisfaction”*.

IMPACT ON OUR CLIENTS - MAIN LEARNINGS

- Despite our recent growth and increasing diversity of clients, we have maintained a fairly similar impact perception from our clients which seems, at least from the data we have managed to gather, quite positive. This is encouraging. Formally and informally, our counterparts in client organisations have valued the quality of the relationship with our consultants (whom we select not only on the basis of their professional experience, but also on their personal skills). In the impact survey, client organisations have rated this relationship a 4,7 out of 5. They consistently praise the level of commitment and flexibility of our teams. The number of clients who have worked with us in more than one project is a testimony of this.
- But we should not take it easy and only rest on the positives. An Honesty Report is not a book of praises. Instead, we are considering the critical voices very seriously.
- Most comments are linked to the required dedication from the client to accompany the process. Although this is something that is needed many times to guarantee a high level of ownership, maybe it should be better forecasted at the offset so that this is correctly planned, from our counterpart's perspective. This also should be adjusted to their real availability and team capacity.
- Another common concern was linked to over-complexity. This is a really important one, as consultancies should always follow the principle of proportionality. Even if more could be done, the systems created should reflect the real state and capacity of the organisation, and their ability to take decisions based on them, rather than the ideal version of the system, which could be an end goal for our counterpart, but would not necessarily suit them in the context they are in.
- There is also a need to increase lifelong learning and make sure that our processes always follow the most up-to-date methods and/or the ones that have proven to be giving the best results considering the organisation's specific need. We need to promote more innovative/ out-of-the box thinking to help clients find solutions or create systems, which might help decrease the deadweight rate (i.e., what would have happened anyway). This means more internal focus on training and a stronger focus on project design, a phase that is too often under-looked by our teams who have to work on proposals under pressure, hence decreasing the margin to explore more out of the box options to respond to the potential client's needs (giving more time for brainstorming to come up with innovative consultancy project design whenever possible).

- In terms of the typology of clients and projects, it is also true that not all of them have the same level of impact. Some projects are very limited in time and very specific and would therefore not influence the organisation much. Others are longer and/or more strategic to the organisation and can have a true capacity to transform. We should strive to choose the latter every time we can, to make sure that our intervention is as impactful as can be (although it is also true that sometimes smaller, more focused projects can lead to longer and more strategic ones).
- Finally, we need to be able to follow-up better on our client organisations to get a more personal understanding of why our collaboration created positive or negative effects. This means not only having a survey sent to them every 2 years asking them about our impact, but for our teams to maintain a contact with them and monitor how the products or processes we have worked have helped, or not, the organisation in the long run. Only in doing that will we be able to know if we generate a sustainable impact.

5

IMPACT OUR ECOSYSTEM



We impact our ecosystem mostly through writing articles and publications, extending our community to former community members through a new network set up in 2022 called Serendipity network, co-developing umbrella organisations such as EsImpact in Spain, participating actively in important movements, such as the B Corp, awarding a grant to research linked to social innovation and actively participating in key events. This is a very light touch impact since there is no clear attribution to impact from the activities we have implemented.

FOSTERING KNOWLEDGE SHARING WITH THE ECOSYSTEM

In 2021 and 2022 Stone Soup was able to increase its reach within the social ecosystem thanks mainly to a big improvement in our communication strategy: the launch of a brand-new website in May 2021. The new website enabled us to pursue two important goals: on the one hand, we improved the quality of our content and its periodicity; on the other, we were able to engage more members of our community of consultants in producing articles and covering more diverse topics.

By the end of 2022 we had more than doubled the number of page views, from 38,516 at the end of 2020 to 80,629 by 2022. Also, in these two years 18 different Stone Soup consultants had produced and published content on our website (26 articles in our 4 corporate languages). In the aftermath of the COVID-19 pandemic, the covered topics were very varied. Nevertheless, our published content paid a special attention to showing the diversity of knowledge within our own community of consultants, as well as the importance of reflecting together towards a more diverse, inclusive, fair and ethic ecosystem: Art for social inclusion, Economy of Sobriety, the 2030 agenda and the fight against poverty, the fight against inequality as a tool to fight climate change, regenerative leadership, are some of the topics that have been touched upon in these articles written in either English, Portuguese or Spanish.

In addition, the presence of Stone Soup in external communication channels increased substantially in these two years, with 35 published articles that included a reference to our work.

OUR MOST POPULAR ARTICLES:

- [2030 e o combate à pobreza em Portugal](#), by Maria João Ferreira
- [Enfoques narrativos que impulsan la sostenibilidad económica](#), by Clara de Bienassis
- [Art for social inclusion: how can theatre boost employability skills](#), by Margarida Azevedo
- [The economy of sobriety: Towards a new concept of abundance?](#) By Inès Mazas
- [La reducción de la desigualdad es clave para la lucha contra el cambio climático y social](#), by Alicia Cabero
- [Fondos Next Generation: ¿con enfoque social?](#), by Julio Alonso
- [Communicating social change: no truth, no trust](#); by Pilar Balet and Margarida Teixeira
- [Inclusion is a balancing act between a feeling of belonging and appreciation for authenticity](#), by Amanda Rubio
- [El liderazgo regenerativo, brújula para el siglo XXI](#); by Tatiana Ramírez

However, the number of webinars we produced decreased significantly. During this period of time, we were only able to produce one webinar with the Stone Soup Award winner, Delia Mensitieri: “3 tips to reduce the identity threat in the workplace”. This was due to a recognition that, during and immediately after the COVID-19 period, there was a very high number of webinars offered to the ecosystem and, in general, professionals seemed to feel tired of these on-line gatherings. They wanted to go back to meetings in person.

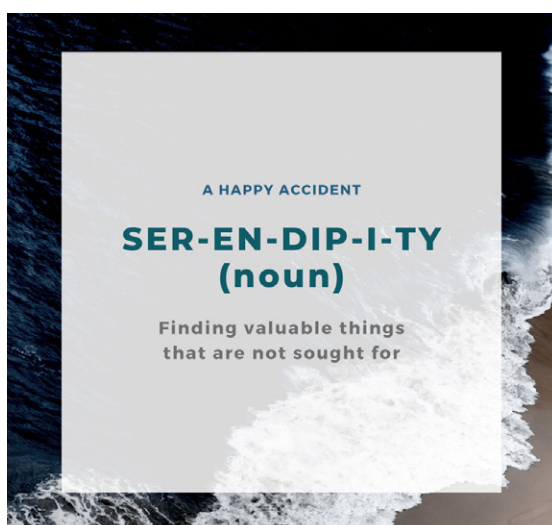
In our aim to build a stronger international social ecosystem, Stone Soup’s communication strategy continued pursuing a better brand positioning on LinkedIn. By increasing our reach in this social network, we were able to strengthen our networking, to find new members for our community of consultants, but also to share ‘the Stone Soup way of doing things’ and seek opportunities for new projects and alliances. In this regard, by the end of 2022 we had 4 512 followers on LinkedIn, which meant an increase of 28.5% followers in two years.

In addition, during this period, the number of contacts that subscribed to our mass mailing reached 1084 people from many different countries and professional backgrounds. We are happy to say that our community keeps interested in our news as our mass mailings have an average opening rate of 40%.

SERENDIPITY NETWORK

One of the reflections we collected from our previous Honesty Report was the opportunity to involve Stone Soup former consultants in our community. In this regard, on the 4th of October 2022, after an 8-month design process and two focus groups with current and former community members, Stone Soup’s Serendipity Network was launched.

Its goal is to be a practical communication channel for our extended community members that enables new opportunities of collaborative work among peers, capacity building and best practices sharing. By the end of 2022, around 85 members had joined the Serendipity Network.

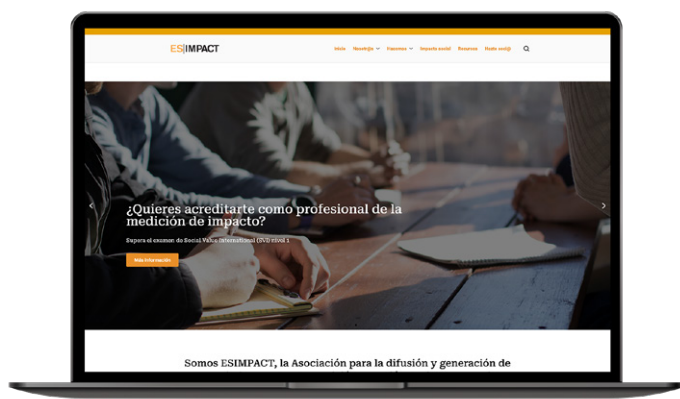


To foster networking between this extended community, this peer-to-peer group organised in November 2022 a first on-line event called Serendipity Talk #1 with the topic “Are we ready to accept the end of abundance?”.

ACTIVE CONTRIBUTION THROUGH UMBRELLA ORGANISATIONS

Since its inception Stone Soup has been striving to participate actively in building the impact ecosystem. We have done so in several ways; from participating as active members in important organisations such as the European Venture Philanthropy Association (EVPA), to taking different roles in communities such as B Corp or being leading members of the Portuguese Chapter of the European Charter on Diversity and Inclusion. This has translated in creating or being part of several working groups on important policy and reporting issues and working on issues like transnational investment and capacity building. Participating in these umbrella organisations also allowed us to further promote important issues such as the benefits of diversity and inclusion in the workforce and ethical consultancy, to the need of further and more developed impact investing in countries and geographies that have less local players.

In 2021-2022 we participated in over 50 events, mainly related to our core values, i.e. diversity and inclusion and sustainability, or our areas of expertise, namely impact measurement and management, venture philanthropy and impact investment or special events designed to deal directly with complex social or environmental challenges. The role we had in these events differed: in some we were speakers, others we helped design format or content and in others we were present as participants. The main reason why we chose those events is that we thought they were a) good learning spaces; 2) great sharing spaces; 3) good networking spaces. This is part of an overall strategy to build the ecosystem and our skills by being able to participate in insightful discussions with different players, capturing the perspectives of social entrepreneurs, NGOs, foundations, companies, and social investors on complex issues and helping to design solutions together. Maybe one of the best examples of this was our work on building a systemic change model on disability in Portugal. It allowed us to co-design with representatives of all sectors, the best long-lasting and impactful solution for the beneficiaries.



Since 2018, Stone Soup has also been on the board of EsImpact, a Spanish association promoting Impact Measurement and Management, first as its President and, since 2022, as Board Secretary. EsImpact is the national chapter of [Social Value International](#). In the reporting period, Stone Soup gave 270 pro bono hours to the non-profit. This contributed to the growth of the association from 52 to 61 members. During that period, EsImpact contributed to translate course materials from SVI, an introduction

to the 7 principles of Impact Measurement and Management, transform itself into the Spanish examination centre of Level 1 Accreditation of SVI Practitioners, translate in Spanish the line course on UNDP Impact standards led by Duke University and available on Coursera. We also contributed to organise one on-line event in 2021 and to publish [one report on IMM standards](#).

AWARDING A SOCIAL INNOVATION RELATED RESEARCH

The Stone Soup Award on Research in Social Innovation recognises a research project that identifies strategies and actions linked to social innovation. Our aim with this award is to encourage students and professionals to work in the field of entrepreneurship and social innovation. Also, to contribute to fostering systemic improvements in social justice, both in theory and practice.



In 2021, Stone Soup granted the 4th edition of its Award on Research in Social Innovation to the academic research “Inclusion starts with I: Reducing identity threat to promote an inclusive environment and to improve performance, career aspirations, and satisfaction” by Delia Mensitieri. This edition was dedicated to “Diversity in the workplace” and a grant of 5,000€ was allocated to support Mensitieri’s work in this academic field.

[Reducing identity threat to promote inclusion \(stone-soup.net\)](https://stone-soup.net)

“Receiving the Award on Research in Social Innovation has been an absolute game-changer for me. It has propelled my research beyond the confines of academia and into the wider world. Thanks to this honour, I’ve had the incredible opportunity to share my insights at several conferences, including a particularly meaningful one in South Africa. These experiences have enriched my work by exposing it to a diverse array of perspectives and catalysing new collaborations. Moreover, the award’s support has allowed me to publish my findings in open access, ensuring that they are freely available to anyone who is interested. No longer confined by paywalls, my research can now reach a wider audience, potentially sparking innovative solutions on the subject of microaggressions in the workplace. I am immensely thankful for this award, and I am eager to see how it will continue to shape the trajectory of my research.”

Delia Mensitieri, winner of the award in 2021.

IMPACT ON ECOSYSTEM - MAIN LEARNINGS

- Stone Soup has been active in the ecosystem for over 14 years and since then, has been contributing to it mostly through direct consultancy work and trainings.
- In general, we recognise we have a very limited influence in the wider social economy ecosystem and recognise that we are just a drop in it. However, we also believe that our contribution, however small, can be important in that it has the potential to influence others working or interested in joining, the social economy.
- Since our inception we have always believed in the importance of being part of a wider ecosystem, hence our belonging and contribution to Umbrella organisations at national or international level.
- Nonetheless, it is only recently that we have increased our effort to systematise and share our community knowledge on specific topics – impact measurement and management, social innovation, investment readiness, etc. The number of articles published has increased as a result, but more needs to be done.
- At the end of the 2022, we have started to dedicate an R&D (research and development) fund to promote Stone Soup publications where, we feel, the ecosystem can most benefit from our knowledge. The first one, scheduled for 2023, will be on Systems impact analysis.
- In the period, we have also re-launched or tested new activities to influence the ecosystem in a diverse way (Recipes for Impact, Serendipity Network). This is a slow process: the Serendipity Network offers an interesting channel to share thoughts and experiences with a wide array of professionals who, from their current and diverse professional positions and sectors, also aim at positively impacting people and/or the planet. But, despite great initial interest, we have had a lower participation and proactivity than expected, although we had involved our former consultants in the process. Building a network takes time, and even more when it is done online.

6

ENVIRONMENTAL IMPACT



Finally, we have also looked at our environmental impact. As a company working mainly remotely, which gathers a heterogeneous group of consultants spread around the globe, with different levels of interaction and participation in Stone Soup related work, this is not an easy task!

Since the last reporting period, we have progressed to find the tools and methods better suited to understand and estimate our environmental footprint. Because of that, we have changed the metrics to track environmental data from our community members, between 2021 and 2022, which explains that the information provided below sometimes considers either one or the other year of the overall reporting period.

In this period, we also started developing our approach to GHG Accounting and Reporting, together with a working group set up to work collaboratively on this in 2021-2022, and with the expert support of [Stravillia, Sustainability Hub](#). This joint effort equipped Stone Soup with the know-how to be able to work consistently towards our long-term goal of reaching net-zero emissions by 2030. Taking three highlights from our progress, we managed:

- 1) to start collecting information on energy use for Stone Soup related work through an annual characterisation of electrical and heating/cooling equipment,
- 2) to introduce further changes to our community monthly survey to complement and strengthen our activity data collection, and
- 3) to start working on a customised GHG emissions accounting tool.

Based on our consultants' feedback on the Monthly survey, we can report that:

> In 2021, 99% of community members report they consume a low amount of paper as part of consultancy work and increased the percentage of FSC certified / recycled paper. It was 95% in 2022. On average for the period, 97%. Moreover, in the period, most consultants reported not using any type of paper most of the time (80% monthly survey entries) and when using it, it was for a specific purpose (in workshops, for accountancy, and as notebooks).

“ Whenever possible I avoid using plastic or paper materials. I avoid keeping electrical appliances on unnecessarily, although it is a period in which it expends more energy (heaters, for example). ”

A consultant, responding to the Monthly survey.

“ I have almost always opted for digital, so it is rare to consume any type of paper. Whenever I can, I avoid using plastic or other disposable materials. ”

A principal consultant responding to the Monthly survey.

“ I don't usually print anything unless is strictly necessary, although I do use notebooks quite a bit, but that doesn't translate into paper use. ”

A consultant, responding to the Monthly survey.

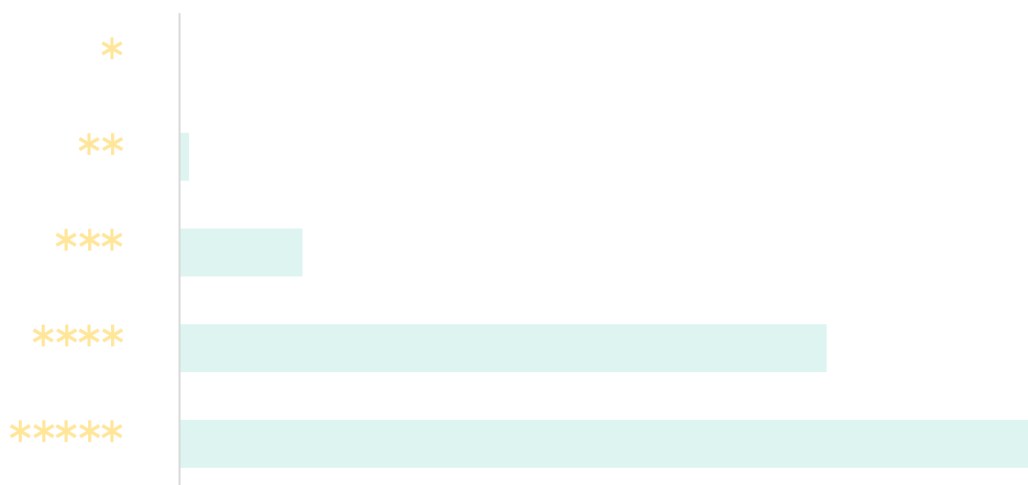
> In 2022, 36% of Stone Soup publications and educational and training initiatives promoted the ideas of sustainability and environmental protection. However, only 15% projects integrated an environmental component (data from 2022).

“ Sustainable practices are incorporated into the proposals and the type of relationship we establish with customers. It is not always noticeable, or there is a degree of «closeness» with the clients for it to be evident (e.g. most meetings are online). Not all clients, but most of them already incorporate some practices (at least with regard to consulting work with us). However, a more in-depth knowledge of all its practices would be needed so that change can be leveraged. ”

A consultant, reflecting on how environmental components are integrated in activities in Stone Soup, shared as part of the Monthly survey.

> All community members mentioned generating a low amount of waste after use of goods purchased by Stone Soup from paper/cardboard, plastic, metal, textile, food/drink or other resources/materials) as part of Stone Soup related activities (target: less than 100 Kg / year). The amount of waste reported for 2021 for the entire community was 26,5kg, with almost a double increase in 2022 with an estimate of 50,5 kg for that period.

Graph. 18 - % answers by self-rated practice on waste management in Stone Soup work context (1- worst / 5- best)



“... for several months now, I’ve been using Ecosia as my main search engine, contributing to the planting of trees.”

A consultant, responding to the Monthly survey.

> The result is slightly more positive for e-waste: 86,6% community members report generating a low amount of E-waste as part of Stone Soup related activities (target: 100%), with about 23,5kg e-waste for the 2021 period and 21,5 kg for 2022 (target is less than 10kg).

> **Where more needs to be done is on Energy Saving:** On average for the period, only 60% of community members report applying an excellent energy saving practice (shut down any source of energy when finished, not over-using artificial lights, using LED lamps, etc.). The graphic below gives information on how community members self-assessed their practice on a monthly basis.

Graph. 19 - Self-evaluation of energy practice



“I’ll try to work during day light hours instead of dragging my work rate until late at night.”

A consultant reflecting on his practice in the Monthly survey.

“house is already energy efficient.”

A consultant reflecting on his practice in the Monthly survey.

> During the period, 44% of survey respondents claimed travelling outside their city of residence for Stone Soup. In 2021, 84% of trips outside town of residence in the context of a Stone Soup related activity were by public or low carbon emission transportation (each month/year). This number was reduced to 76% for trips in immediate surroundings for activities related to Stone Soup by public or low carbon emission transportation in the following year. Both were higher than target (50%), so it needs improvement for Stone Soup to reach its ambition to reach net-zero emissions by 2030.

For the reporting period, in terms of Km, most transport was done by Plane (at least 107.811km) followed by Train (at least 18.725 Km) and Car (at least 6.108K) and car sharing with 4.993Km.

> Even though it appears that most distance travelled has been done through unsustainable means of transportation (mostly car and plane), the community did travel mostly long distances: in 2022, according to answers to the monthly survey, there were 124 trips (98 trips were outside town of residence (79%), of which, 25 by train, 25 by car, 17 by car sharing, 4 by bus and 27 by plane, and 26 trips were in the immediate surroundings (the majority of which were by car (alone). If we look at trips over 500Km outside town of residence, we have just 41 trips (33% of all trips). If we consider trips over 100Km, the community made 78 trips outside town of residence (63% of number of trips) of which 83.230Km were by plane (80% of Km travelled).

> This means that our average is 0,76 trip by consultant (considering an average number of 54 consultants for the period 2021-2022). Moreover, it means on average a 0,24 long-distance trip per project (considering 168 projects for the period) and 0,73 trip per project if we consider all short and long-distance trips reported.

> Finally, in 2021, 65% of Stone Soup community members reported they applied good practices in raising awareness on environmental issues as part of their Stone Soup consultancy/training activity, either having or not any explicit environmental component (through the working methodology, processes, products or recommendations).

IMPACT ON ENVIRONMENT - MAIN LEARNINGS

- Our environmental footprint is mainly due to some (but limited) paper consumption and waste generated in consultancy and training activities, besides some travelling, and especially due to our energy use at the workplace. That is why we need to continue raising awareness on our environmental responsibility to increase shared understanding of our environmental footprint especially on energy use and travelling, namely by reducing electricity consumption and reducing (at least by 10%) our travelling outside town of residence. In particular, we need to travel less from Europe and be able to work with more local consultants for projects worldwide.
- We also need to ensure that environmental protection is embedded in all our consultancy and training activity, either having or not any explicit environmental component, through working methodology, processes, products, or recommendations.

- We are just at the beginning of our emissions accountancy efforts. To be able to implement our first emissions report soon, we will need to keep on consolidating internal capacity to perform consistent and transparent accountancy and reporting. Our next challenge will be to start consistent compensation for the emissions we were not able to avoid, so we will have to start implement a saving scheme as part of our project proposal budget, and hopefully be able to implement an annual emissions compensation project in 2024.
- Last but not least, we are starting a reflection we will further develop on ethics and responsibility in selecting clients and business development opportunities to minimize risks of climate washing, and to assure that our client portfolio is coherent with our environmental commitments.

7

FINANCIAL ACCOUNTABILITY

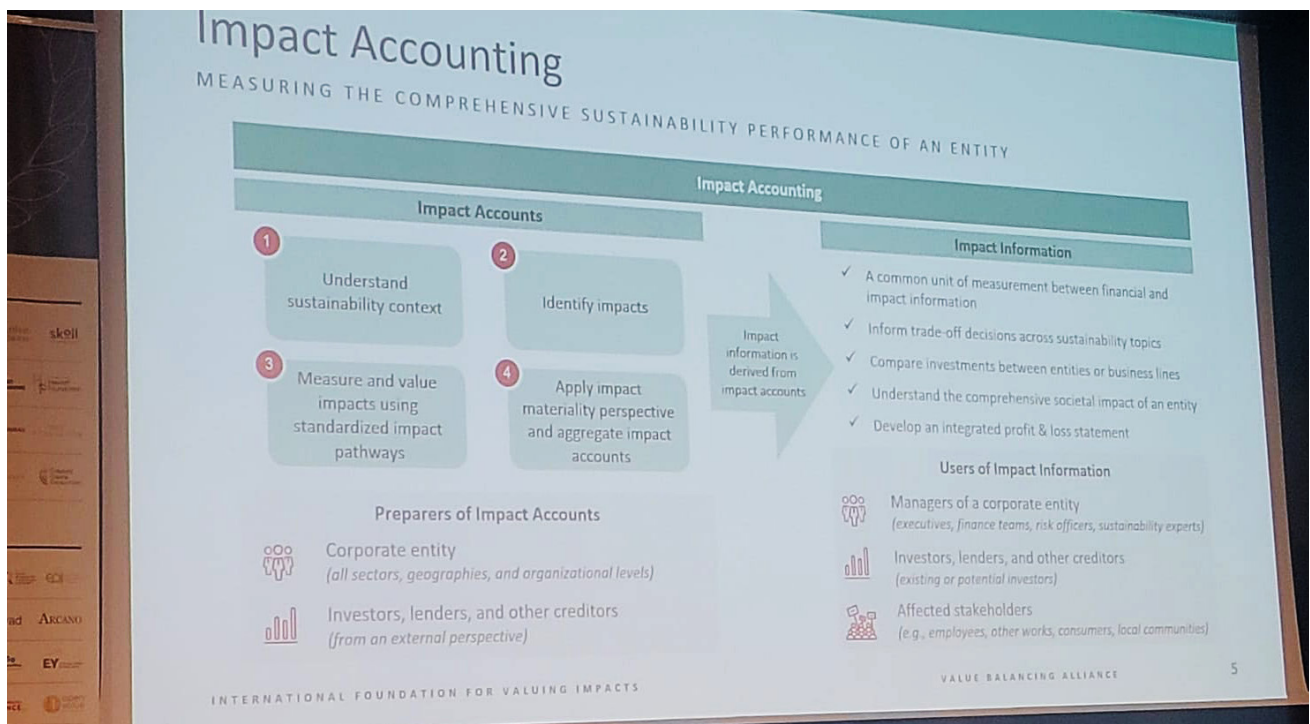


At Stone Soup Consulting we seek to act in a financially responsible way, and we develop our financial reporting respecting all relevant laws and regulations that apply to an entity of our nature and size. It is not something we can act on, but it is important to mention that our head office location in Portugal brings some challenges due to a stricter regulation than other countries and sometimes higher tax rates. All of those that have impact in all our community sometimes require an extra effort from all of us to be compliant. We focus on establishing our internal procedures following all those requirements, but it is also our concern to apply some best practices (e.g. Bottom – Up budgeting process) and improve our ways of running finance processes, keeping in mind transparency, accountability and looking for active participation from our community.

Our legal and fiscal financial compliance and accountability as a company is not only an internal concern but also part of the work done by our external service provider for accounting (addressing official reporting to competent authorities and reviewing our actions) and reinforced by an external audit procedure we sought for extra scrutiny. From that audit process, our external auditors (Bizarro do Vale & Associado SROC) have issued the following declaration:

We have audited the accompanying financial statements of “STONE SOUP, Consulting, L.da (the Entity), which comprise the statement of financial position as at December 31, 2022 (showing a total of 274,394 Euros, and a total net equity of 111,384 Euros, including a net profit of 11,124 Euros) and the income statement by nature for the year then ended, and the additional information.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the Entity as of December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Accounting Standards for Micro-entities adopted in Portugal under the Portuguese Accounting System.”



Stone Soup Consulting Lda Financial Statements 2020 - 2022

P&L	2020	2021	2022
Sales & Services	476 569.02 €	697 478.49 €	802 471.15 €
Operating Subsidies	10 264.00 €	20 263.52 €	0.00 €
Other Operational Income	3 752.69 €	888.61 €	6 009.88 €
Financial Income	0.00 €		0.00 €
Total Income	490 585.71 €	718 630.62 €	808 481.03 €
Supplies and services	366 414.43 €	561 876.77 €	636 783.28 €
HR Costs	109 065.33 €	120 762.73 €	136 377.87 €
Other Operational Costs	8 487.20 €	15 245.66 €	20 373.03 €
Financial Costs	0.00 €	0.00 €	0.00 €
Total Cost	483 966.96 €	697 885.16 €	793 534.18 €
Operating Results	6 618.75 €	20 745.46 €	14 946.85 €
Financial Results	0.00 €	0.00 €	0.00 €
EBT (Earnings before taxes)	6 618.75 €	20 745.46 €	14 946.85 €
	1.4%	3.0%	1.9%
Income Corporate Tax	2 256.01 €	4 303.37 €	3 822.56 €
Net Earning	4 362.74 €	16 442.09 €	11 124.29 €
	0.9%	2.4%	1.4%

During the last years (except in 2020) Stone Soup Consulting experienced an increase in sales, 46% from 2020 to 2021 and 10 % from 2021 to 2022. As we have more consultants and more projects, our external service providers have grown, as well as our staff costs do support this systematic growth. Stone Soup increased its net profit from 2020 to 2021 but experienced a slight decrease from 2021 to 2022 lowering EBT from 2,4% to 1,4%.

The number and value of projects has increased. The average new project value in 2022 reached 16,642 euros. Thus, Stone Soup sales have been consistently increasing in the last years because of a growing pipeline of projects. Although we believe we cannot promote unlimited growth without considering very carefully how to do it right and managing the impact of this growth in our projects' quality and within our community and culture.

BALANCE SHEET	2020	2021	2022
ASSETS			
Non-Current Assets	675.13 €	1 024.93 €	1 489.38 €
Financial participation - other methods	675.13 €	1 024.93 €	1 489.38 €
Current Assets	148 881.60 €	225 202.03 €	272 904.84 €
Clients	16 262.94 €	44 893.66 €	116 188.12 €
State and other public entities	5 817.00 €	0.00 €	0.00 €
Other accounts receivable	3 584.00 €	13 963.72 €	49 265.16 €
Accruals and deferrals	1 637.82 €	3 309.23 €	3 432.31 €
Cash and cash equivalents	121 579.84 €	163 035.42 €	104 019.25 €
Total ASSETS	149 556.73 €	226 226.96 €	274 394.22 €
EQUITY AND LIABILITIES			
Equity	74 582.25 €	100 259.34 €	111 383.63 €
Share Capital	5 000.00 €	6 000.00 €	6 000.00 €
Paid in capital and other capital	0.00 €	8 235.00 €	8 235.00 €
Legal Reserves	1 000.00 €	1 000.00 €	1 200.00 €
Other Reserves	93.83 €	93.83 €	93.83 €
Retained Earnings	64 125.68 €	68 488.42 €	84 730.51 €
Net earnings	4 362.74 €	16 442.09 €	11 124.29 €
Liabilities	74 974.48 €	125 967.62 €	163 010.59 €
Short term Liabilities	74 974.48	125 967.62	163 010.59
Suppliers	4 215.92 €	6 178.19 €	25 343.53 €
State and other public entities	16 206.04 €	18 954.06 €	23 009.68 €
Loans	21.75 €	175.14 €	826.23 €
Other payable accounts	14 782.37 €	49 388.48 €	56 382.10 €
Accruals and deferrals	39 748.40 €	51 271.75 €	57 449.05 €
Total EQUITY AND LIABILITIES	149 556.73 €	226 226.96 €	274 394.22 €

Looking at the assets and liabilities of Stone Soup there is a 51% increase in assets from 2020 to 2021 and 15% increase from 2021 to 2022. In terms of liabilities Stone Soup registered also an increase of 68% and 29%, respectively. Equity was at 74 528.25 euros in 2020, up from 111 383.63 euros in 2022.

In the presence of low but systematic Net Profit, the partners have been choosing to keep it in the company and reinvest in Stone Soup operations and growth. Also, to keep in mind guidelines in a pact signed by all partners, that determines that at least 80% must be reinvested back into the company. This is part of our model as a business tending to be a social business.

8

FINAL REMARKS



This report shows that, according to our community members and clients, we are indeed progressing towards our goal of generating a positive impact on the social economy.

Despite some progress, we are still not managing to respond with certainty – objectively - on our impact. We have only gathered subjective evidence from our stakeholders, and only those who wanted have responded to the survey we have sent (especially in the case of our final stakeholders, our clients). As impact practitioners ourselves, we are aware that our data might not be as impartial as we would like it to. Nonetheless, we believe it gives enough evidence for us to think that we are going in the right direction.

It would be interesting, for the ethical consulting sector as a whole, to go beyond first impression and, collectively, study how we are impacting the sector, using a Randomised-control trial (RCT) or quasi RCT method. This has been done in the past for management consultancies supporting Small and Medium Enterprises in Mexico, with positive results¹², but overall, the consultancy sector lacks clear, compelling evidence about its additionality. Stone Soup Consulting could propose to other social consultancies registered as B Corp to hire an independent researcher or support a PhD student interested in tackling this question.

Moreover, this report also shows that we have been growing in number of consultants and projects and therefore are more able to spread our impact across different sectors and geographies. We have also accumulated sector-based knowledge and know-how that we are now finally able to systematise and share with the wider ecosystem.

We want to use a growth mindset to keep growing our impact.

But all this growth, as in any other sector, comes at a cost – and these are risks that we need to be constantly monitoring and managing so that the positive impacts are not over-shadowed by negative ones:

> **Human cost.** Evidence shows our community has gained friendship, contacts and learning opportunities. But some have suffered more stress and anxiety and others didn't find enough opportunities within Stone Soup to grow as professionals, or sustain themselves or their families, and left us. In all cases, we need to make sure that people always come first. This is easier said than done as there are as many situations and perceptions (of needs, fairness, workload etc.) for each person. Diversity is a real asset but needs to be managed constantly and with the right balance between head and heart. Something rendered even more difficult in on-line contexts. On-line "people" management is tricky and there is not enough experience and best practices shared worldwide. We are convinced that our more than 14 years' experience can be useful for other companies looking to transition towards such on-line models.

> **Environmental costs of growth.** More projects, more consultants...means more travel, more energy use from computers and on-line meetings, etc.: if we want to become net zero, how can we reconcile it with our ambition for growth?

12 - [sme_consulting_mexico.pdf \(publishing.service.gov.uk\)](#)

> **Ethical risks.** The more we grow, the more our community will come with ethical dilemmas that will need to be solved. Can we become more global, have a global impact, and keep a firm ethical practice? Is growth ethical in the first place? Now that impact is on everyone's agenda, how can we choose our projects and only work with those truly committed to generate a positive impact on people and or the planet? How do we make sure that the right ethical choice is made throughout our value chain, by everyone in the community?

Regarding our social impact, we also have been wondering if what we are doing reflects the maximum impact we could have in society. We asked ourselves what we could do to have a greater and more direct impact. Our peer consultancy, the Social Consulting Agency, has decided to create a direct impact programme to help young people from marginalised communities gain access to a future career in impact. This is truly inspiring and very replicable. Other social businesses also support target groups that would otherwise find it hard to enter the labour market (Specialisterne etc). These initiatives inspire us: although we are promoting diversity in the workplace and have programmes such as the Social Innovation Research Award, we think we could do more to generate direct positive impact. We would like, in the future, to think about ways Stone Soup can generate a more direct positive impact on society.

Finally, we mentioned in previous reporting periods how important it is to walk the talk. Principle 7 of Social Value International, which we have adhered to, states that impact should be independently verified (principle 7, [Verify the Results](#)). Aside from presenting this report's insights and their conclusions to our main stakeholders, we have also taken our first step towards external certification. This is only a partial, outcome-based verification process based on EQA's impact verification methodology. The results are linked to this report. We hope that our next reporting period can evolve towards a more ambitious and holistic verification process.

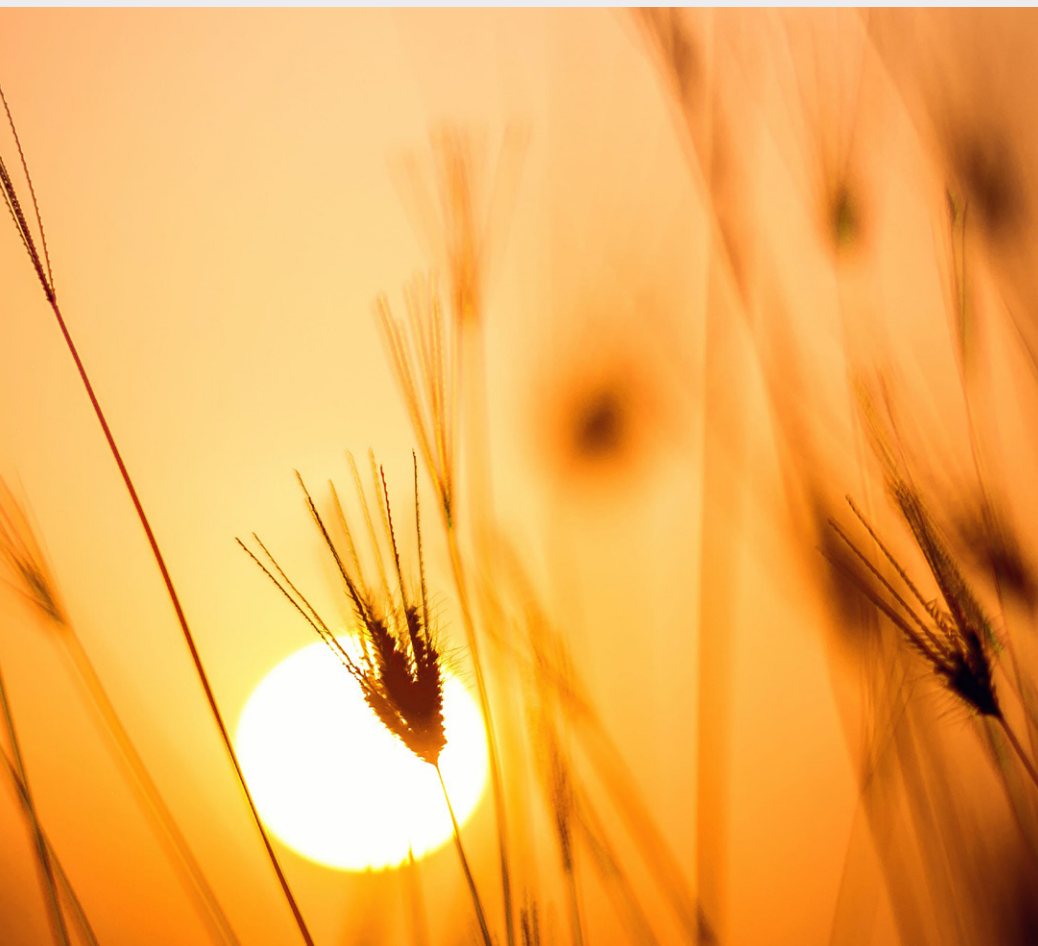
All of these considerations will be in our minds as we walk the path of our next reporting period which will cover activities implemented in 2023 and 2024.

“ A company that cannot self-correct cannot thrive ”

Carol Dweck, author of *Mindset - The new psychology of success*.

9

ANNEXES



ANNEX 1. HONESTY REPORT 2019-2020 RECOMMENDATIONS

RECOMMENDATIONS	ACTIONS TAKEN
<p>We want to provide a better service to our community of consultants so that they feel that we care and protect their well-being at work. We want them to improve the sense that they can learn through and by the community and increase their sense of belonging it.</p>	<p>Explained in the current Honesty report on the section linked to the Community.</p>
<p>We also recognise that our ability to transform organisations so that they have a stronger social or environmental impact is limited and we are committed to improving that. We need to embed an impact-driven mindset into our work so that organisations understand that whatever the challenge we are tackling with them, we are aiming at improving their impact.</p>	<p>No proactive action has been taken to improve these components. Pending action for the 2023-2024 period.</p>
<p>We need to be better at connecting the dots: what SDGs are the organisations we work with responding to? How do they expect, before we intervene, that our intervention might improve or scale up their impact? How many people or organisations can potentially benefit from our common work? How can we make sure the learnings from our common processes benefit more than just the team we have been working with?</p>	<p>We have harmonized our surveys to clients to better understand our impact.</p> <p>Action pending on systematizing impact expectations prior our intervention.</p>
<p>We want to improve our processes so that these questions get a better answer.</p>	
<p>All of this reflects our position: we are not “just” consultants, we are “social” consultants. As such, we would like these learnings about what it means to be social consultants - our impact, expected and real, positive and negative - to be shared with other social consultancies. We want to be at the forefront of a transparent and ethical consultancy sector and hope to be able to inspire our peers to be accountable for their impact</p>	<p>We have written articles on ethical consulting and are pushing on ethical consulting through our impact reporting process. We have partially audited the impact claims in this report (reporting period 021-2022) and plan for a more fully audited impact report for the next reporting period.</p>
<p>We hope that in the future we will be able to provide Stone Soup with a fully integrated report, one that combines activities, financial results and impact in a way that reflects our adherence to the principles of double materiality.</p>	<p>We are exploring ways to do that including the Impact Weighted Accounts and other integrated reporting systems. For the time being, this impact report includes a financial balance sheet as well as financial and impact audit statements.</p>
<p>For all that to take place, we are aware that our current model where partners have been investing thousands of hours of their time freely to develop and manage the network is unsustainable. We want the next period to reflect a change in Stone Soup’s governance so that, whilst maintaining its flexibility, the organisation can build a stronger management capacity and a hybrid way of working with our consultants, improving their sense of belonging to our community.</p>	<p>Partners are now working as full-time staff for Stone Soup Consulting, leaving project coordination/ technical roles and embracing an overarching management role (to grow People management, Administrative / Executive management, Impact & Learning, and Governance areas in Stone Soup).</p>

ANNEX 2. PROFIT & LOSSES STATEMENT

Company: STONE SOUP CONSULTING LDA
Contribuinte: 508742765

Fiscal year: 2022

Currency: EUR

Profit and Losses as of 31 of December of 2022

Accounts ledger			Years	
Pos	Neg		2022	2021
71/72		Sales and Services	802.471,15	697.478,49
75		Operation subsidies	0,00	20.263,52
	62	Supplies and services	-636.783,28	-561.876,77
	63	Payroll costs	-136.377,87	-120.762,73
78		Other operations income	6.009,88	888,61
	68	Other operations costs	-20.373,03	-15.245,66
		Earnings before interest, taxes, depreciation and amortization	14.946,85	20.745,46
		Earnings Before Interest and Taxes	14.946,85	20.745,46
86		Earnings before taxes	14.946,85	20.745,46
	812	Income taxes	-3.822,56	-4.303,37
		Net Income after taxes	11.124,29	16.442,09

Company: STONE SOUP CONSULTING LDA (508742765)

Fiscal Year: 2022

Currency: EUR



Balance sheet as of 31 de December de 2022

	Notes	2022	2021
ASSETS			
Non-current Assets			
Financial investments		1.489,38	1.024,93
	Subtotal	1.489,38	1.024,93
Current Assets			
Customers		116.188,12	44.893,66
Deferrals		3.432,31	3.309,23
Other current assets		49.265,16	13.963,72
Bank deposits and petty cash		104.019,25	163.035,42
	Subtotal	272.904,84	225.202,03
	Assets Total	274.394,22	226.226,96
CAPITAL AND LIABILITIES			
Capital			
Capital share		6.000,00	6.000,00
Supplementary Capital		8.235,00	8.235,00
Legal reserves		1.200,00	1.000,00
Other reserves		93,83	93,83
Retained Earnings		84.730,51	68.488,42
	Subtotal	100.259,34	83.817,25
Net Income after taxes		11.124,29	16.442,09
	Capital Total	111.383,63	100.259,34
Liabilities			
Non-current Liabilities			
Current Liabilities			
Suppliers		25.343,53	6.178,19
Tax authorities		23.009,68	18.954,06
Loans		826,23	175,14
Deferrals		57.449,05	51.271,75
Other current liabilities		56.382,10	49.388,48
	Subtotal	163.010,59	125.967,62
	Liabilities Total	163.010,59	125.967,62
	Capital and Liabilities Total	274.394,22	226.226,96



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