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Arriving at the True Value of Plaats de Wereld

A study towards understanding the externality effects of Plaats de Wereld

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Management samenvatting

Doelstelling van het onderzoek (Pagina 5/6 in het rapport)

Het berekenen van de “eerlijke waarde” van Plaats de Wereld door het achterhalen en prioriteren van de positieve effecten van de activiteiten, waarmee de toegevoegde waarde en potentiële financiële besparingen kunnen worden aangetoond.

Methode: True cost accounting (pagina 7 in het rapport)

Wij hebben achterhaald wat de positieve effecten zijn (de toegevoegde waarde van PdW) en gekeken hoe belangrijk deze zijn voor de belanghebbenden. Als vervolg stap hebben wij de meest belangrijke effecten gekwantificeerd en in geld uitgedrukt. Waaruit wij vervolgens conclusies trekken en aanbevelingen kunnen doen.

Resultaten: positieve effecten (pagina 8 in het rapport)

In totaal hebben wij 15 positieve effecten gevonden die de deelnemers ervaren door te zijn op een zorgzame plek als- of mee te doen met de activiteiten van Plaats de Wereld. De 4 meest voorkomende positieve effecten waren: *Een community gevoel, het geeft een doel in het leven, een sociaal netwerk opbouwen, het hebben van een structuur.*

Resultaten: het belang/toegevoegde waarde van zulke plekken

De definitie van een gelukkig leven volgens een Belgische psycholoog: *een zinvol leven, een leven met anderen, een leven dat zorgzaam is, een leven dat gedeeld is. Het gevoel dat wat je doet, dat dat zinvol is (De Wachter, 2019).*

Dit heeft betrekking op de positieve effecten van Plaats de Wereld zoals, een doel hebben, sociaal netwerk, gevoel van erbij horen, wat laat zien hoe Plaats de Wereld een zorgzame plek (geen zorginstelling) is voor de inwoners van Tynaarlo.

Resultaten: prioriteren van de effecten (pagina 9-11 in het rapport)

In totaal zijn er 4 belangrijke geïdentificeerde effecten op basis van prioriteit volgens elk van de belangrijke stakeholders. Als eerste het gevoel van ergens bij horen, ten tweede het hebben van (nieuwe) sociale netwerken, als derde gezond oud worden, als laatste indicatie reductie. Ondanks dat geïndiceerde zorg niet als belangrijkste positieve impact werd gezien, is deze wel cruciaal om mee te nemen omdat het nodig is wanneer we naar de toekomst willen kijken en potentiële uitbreiding van de subsidies.

Potentiele besparingsmogelijkheden (indirecte toegevoegde waarde) (pagina 15 in het rapport)

Na het meetbaar maken van de effecten zijn deze uitgedrukt in financiële waardes.

Volgens de deelnemers van PdW blijkt dat eenzaamheid (het gevolg van weinig sociale interactie/activiteiten) verminderd wordt met 16%. Hiermee is berekend dat PdW een potentiële besparing kan behalen op eenzaamheid van 45,6%. Dit betekent theoretisch dat elke euro geïnvesteerd in Plaats de Wereld een waarde van € 1,46 opbrengt, gebaseerd op de het besparingspotentieel t.o.v. de kosten van eenzaamheid. Verschillende kosten en baten zijn gevonden voor de effecten van ongezonder leven vs. gezonder oud worden.

De huidige uitgaves naar geïndiceerde zorg kan worden verminderd als er nauw wordt samengewerkt met- en gebruik gemaakt wordt van de positieve impact die PdW heeft.

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1. Introduction, Goal & Structure

1.1 Introduction

Within this consulting report, the social enterprise Plaats de Wereld will be consulted. Plaats de Wereld was founded by Johan and Yvonne Westerhof in 2012 in the village of Vries located in the municipality of Tynaarlo. The vision of the two founders is to “connect people and to make the world a better and cleaner place together out of solidarity and kindness” (Plaats de Wereld, 2017). From this vision, they organize daily activities that are free of charge for anyone who wants to join. Besides daily activities, they organize workshops to teach them manual jobs that contribute to a healthier aging lifecycle. During the activities, participants (henceforth; volunteers) work in the garden, cook together or create some homemade products that they sell in their shop on the site of Plaats de Wereld. Currently, there are around 92 active volunteers who join the daily activities of Plaats de Wereld on a weekly basis (Plaats de Wereld, 2022).

1.2 Problem statement

By organizing activities for the citizens of the municipality of Tynaarlo, Plaats de Wereld desires to provide benefits to its volunteers and ultimately have a positive social impact on society. In order to identify these benefits and social value, two prior research projects were conducted. In 2018, a first attempt was made to research the benefits and identify the social value of Plaats de Wereld (HANN, N=20; 2018). They found that the activities of the enterprise have a positive effect on participants’ mental, social and physical health. They made the supposition that it could help to reduce traditional health care costs, but nothing has been proved so far. In 2019, a second study made by another group of students from the University of Groningen provided insights into the main benefits of their activities on the volunteers. Although these studies helped to create insights about the benefits of Plaats de Wereld on the participants of the activities, it is currently unclear whether these are still relevant and/or if there are additional benefits.

Since the pandemic of Covid-19, a mental shift has occurred and society started to understand deeper the importance of mental health (Moreno et. al., 2020). This has led to an increase of interest in Plaats de Wereld from multiple stakeholders e.g., other social organizations have reached out to Plaats de Wereld to implement a similar organization within their village. In particular, the municipality of Tynaarlo has developed the idea of potentially transitioning the type of care they provide (IJst, 2022). Tynaarlo wants to focus more on prevention or delaying health problems using a more human/social approach. A place like Plaats de Wereld offers this by providing activities with a more people-oriented approach, focused on social connections, healthier- and more sustainable lifestyles, and providing more structure in life. Implications of these benefits can potentially result in financial savings, which provides besides social value also financial savings. Therefore, the municipality can justify increased funding to

Plaats de Wereld. But, currently, Plaats de Wereld is unaware of the most valued benefits by the municipality and therefore unable to show their true value. This addresses the issue that Plaats de Wereld faces, namely, having secure annual funding.

To understand the need of Plaats de Wereld to obtain funding, it is important to identify what kind of organization Plaats de Wereld is. They aren't a care organization but also not a social foundation. In consequence, from the start of this project, Plaats de Wereld is identified and agreed upon to be best identified as a *social enterprise organization* (SEO). SEO can be described as a “business with social aspect being the main focus and not the revenue they are creating” (Conolly & Kelly, 2011). This means that although revenue is made, profit is not the main goal and their existence relies upon funding from investors and the funds of the municipality of Tynaarlo. Currently, they have enough funding for 2022, but still need assurance to attain funding for 2023 in order for Plaats de Wereld to maintain their daily activities (Plaats de Wereld, 2022).

To best address the issues as identified and described above, the following problem statement has been developed:

Plaats de Wereld is unsure about their current added value to the society of Tynaarlo and is unaware of the interest/ priorities of the key stakeholders. This leads to insecurities in arguing for funding.

1.3 Goal of the report

To address the problem statement, the goal of this project is to identify the current benefits, grade their importance according to the different stakeholders, and develop a method to analyze the potential savings that the externalities of Plaats de Wereld can generate on the society. This will help for more security when applying for funding. This goal can be formulated as the following statement:

Calculating the true value of Plaats de Wereld by identifying and prioritizing the positive externalities of their activities and proving their financial saving potential.

1.4 Structure of the report

The report will be structured as follows, the relevant methodology that we used will be described in part 2.1 ‘methodology’, followed by the results in part 2.2 ‘results’ and a final conclusion and advice will be given in part 3 ‘conclusion and recommendations. Any additional material not provided within the main structure of the report will be added at the end, part 6 ‘appendices’.

2. Organization Advice Report

2.1 Methodology

The focus of this study is to generate more information on the benefits and the interests/priorities of key stakeholders and finally provide evidence of the saving potential. Multiple methods exist to identify social added value e.g., ‘the social impact model’, this model quantifies three layers of social impact: sustainability, added value, and spillovers (Hadam & Gauca, 2014). Yet, we have chosen to use the methodology of True Cost Accounting (TCA). TCA provides insights into positive and/or negative hidden external (i.e., economic, social, ecological) impacts of a product or service, which is highly important since most economic reporting currently fails to adequately incorporate the values/costs of these impacts (Gusc et. al., 2022; Scialabba et. al., N.B.). In total, there are four steps of data collection and analysis and a fifth step that considers management decisions based (Gusc et. al., 2022). The first step of TCA, assessing the organizational situation, provides insights into the benefits of the activities at Plaats de Wereld to the volunteers and the key stakeholders of Plaats de Wereld. In the second step, identifying relevant impacts, TCA identifies key priorities of each stakeholder regarding the activities of Plaats de Wereld. The third step, measuring the impacts, is about gathering data on the costs or value of the impacts, and in the fourth step, monetizing the impacts, TCA allocates monetized value to some externalities selected regarding the priorities of the client and the key stakeholders (Gusc et. al., 2022). The steps of TCA touch upon all the important elements of the goal of this research. It provides insights into all the benefits and how they are valued (i.e., prioritized) by key stakeholders. Furthermore, the measurement and monetization of these benefits consider the ‘hidden’ value of social impact and thus can provide evidence of any potential financial savings. Therefore, the TCA method has been chosen as the most relevant solution.

2.2 Results

2.2.1 Identification of the benefits

Step 1: assessing the organization's situation (1)

During this step, the overall situation of the organization is assessed. Firstly, we identify the benefits of Plaats de Wereld. To identify the benefits of the activities to the volunteers, we conducted semi-structured interviews. This allows us to elaborate on answers given by the volunteers. Example of a question: *What are the benefits that you experience by participating in the activities of Plaats de Wereld?*



Figure 1: Diagram mapping the benefits.

In total, five volunteers were interviewed on the site of Plaats de Wereld. We identified fifteen different benefits. We compared the benefits to the previous report. We confirmed every benefit identified during the previous report and we added some supplementary ones:

- **Ethics, values & culture:** Plaats de Wereld tries to have a sustainable perspective in each activity that they provide. They exercise all their activities in line with their values.
- **Job opportunities for foreigners:** The practices that the participants learned during the activities helped some of them who were looking for a job to find one.

- **Economic inclusion:** By taking part in the activities of Plaats de Wereld, the participants also add value to the local economy. This benefit was already proved in the previous report made by another group of students.
- **Manual jobs learning:** Plaats de Wereld educates its participants on different manual jobs such as gardening, cooking, or needlework.
- **Disability support:** Some of the participants have some disabilities that make inclusion in other organizations sometimes difficult but Plaats de Wereld adapted to include them.
- **Mental health support:** Some participants felt especially lonely or depressed before participating in the activities, but their participation helped them to feel more connected. This benefit was already proved in the previous report made by another group of students.
- **Healthy aging:** Most of the participants are already retired. Participating in manual activities helps them to age in a healthy way.
- **Community feeling:** The participants really appreciate being part of a community and having people ready to help each other.
- **Give them a purpose:** Coming to the site of Plaats de Wereld gives the participants a reason to leave their house during the day. This benefit was already proved in the previous report made by another group of students.
- **Social networks:** Being part of Plaats de Wereld helps people to meet more people, make friends and create a social network. This benefit was already proved in the previous report made by another group of students.
- **Indications reductions:** Indirectly, the participation of the citizens in the activities of Plaats de Wereld acts as preventive health care for the participants and then reduces the indications that the municipality has to pay.
- **Coffee time:** The participants valued the possibility of simply having a coffee with the other participants and discussing together.
- **Having routine/ structure:** Having a weekly meeting on the site gives a structure and a routine to the participants that are principally retired. This benefit was already proved in the previous report made by another group of students.
- **Medicine use reductions:** The participation in the activities of Plaats de Wereld can help the participants to maintain good health and consequently limit their medicine use. This benefit was already proved in the previous report made by another group of students.
- **Substance use reductions:** Plaats de Wereld provide a healthy environment and consequently, the participants tend to reduce their use of substances.

2.2.2 Power-Interest Matrix

Step 1: assessing the organization's situation (2)

In the second part of step 1, we identified the stakeholders and placed them in a power-interest matrix containing the dimensions of power/influence and interest in Plaats de Wereld as the topics of consideration. The power of the different stakeholders translates into the influence they have on the management of Plaats de Wereld and the interest means how much the stakeholders are invested in our project. Classifying the stakeholders in this matrix helps us to understand the place of each stakeholder better. Thus, it gives us some indications about the importance of the classification of the benefits presented further in the report. Also with the stakeholders, semi-structured interviews were conducted. The stakeholders within the dimension of low interest and low power are excluded, leaving only the key stakeholders regarding this research. The interviews help to understand the interrelation of the key stakeholders with an interest in Plaats de Wereld.

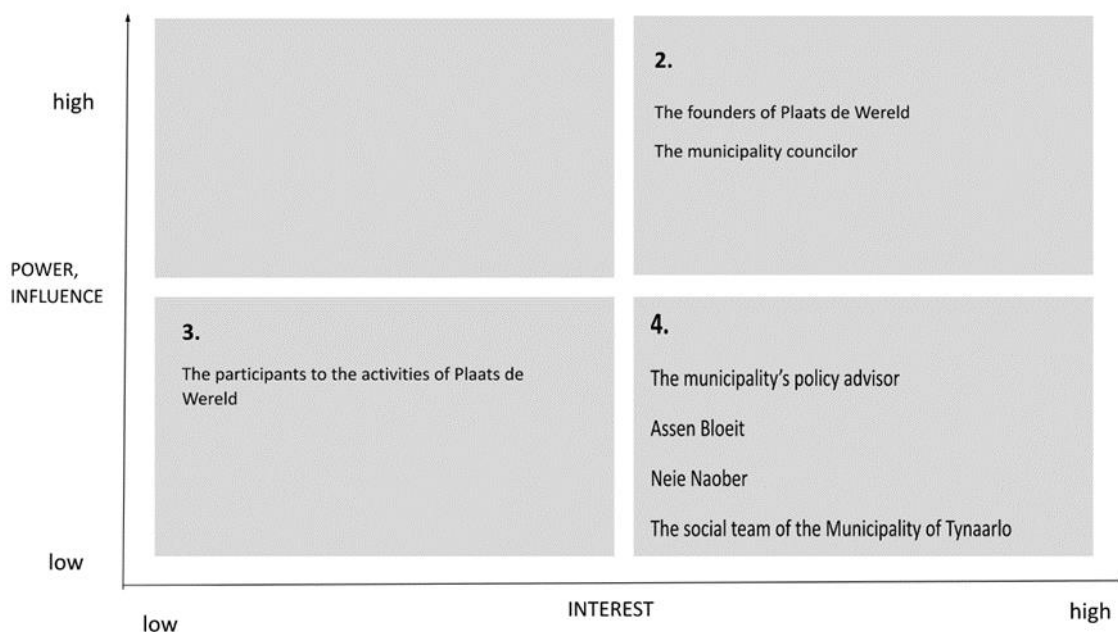


Figure 2: Power-interest matrix - Stakeholders plotted according to their power and interest.

Quadrant 2 (high influence, high interest):

- **founders of Plaats de Wereld** (Johan and Yvonne): They take the decisions regarding the management of Plaats de Wereld.
- **municipality councilor** (Miguel Ririhena): His role in the municipality is to be the alderman for art & culture, social domain, education, and sports. He is the main decision-maker for the allocation of funding to the welfare organizations and supervises municipal executives' implementation of the budget. Considering that the council represents local residents, his interest

and involvement in the cause should be high. However, his involvement in our research fell short of satisfaction.

Quadrant 3 (low influence, low interest):

- **volunteers:** participants at the activities of Plaats de Wereld. They don't have any power over the decisions to take and they are not especially involved in our project, this is why we identified them in this category.

Quadrant 4 (low influence, high interest):

- **policy advisor** (Margot Ijlst): She is the main contact for Plaats de Wereld in the municipality. She is responsible to collect information in order to make the decisions concerning the funding. She has the project to limit the indications given actually to the citizens of the municipality of Tynaarlo and replace them with suggestions to contact a welfare organization, which makes her a strongly interested stakeholder with a high influence.
- **the social team of the municipality** (Gees Klein): Her role is to have contact with people that need help and give them some advice on who to contact. She has the possibility to encourage people to contact Plaats de Wereld if she thinks it can help them.
- **Assen Bloeit:** a similar welfare organization located in Assen. They are interested to know the benefits identified in this study and with one can be transferable in their location but don't have a special influence on the project.
- **Neie Naober:** another welfare organization also based in the municipality of Tynaarlo. They organize some events that are accessible to the members of the community. They pursue the same mission as Plaats de Wereld.

2.2.3 Materiality Matrix

Step 2: identifying relevant impacts

In the second step, we want to identify the impact of the benefits on the stakeholders. We performed a materiality matrix with each of the key stakeholders. The list of key benefits identified previously was shared with the stakeholders and is scored on a scale of 1-5 (1 lowest interest and 5 highest interest). They had to score how important each benefit is according to them. The combined results of these data resulted in an overview of what benefits are most valued by whom.

Based on the materiality matrix results, we were able to calculate the most critical impacts (see Figure 3). It makes clear which benefits are most important. Within the critical impact model, the impact of the externalities on Plaats de Wereld is plotted on the X-axis based on the answers of the founders,

and the importance to stakeholders is plotted on the Y-axis. The threshold of 5 was set as this narrows down the graph and makes it more accessible to interpret.

In total, we conducted the materiality matrix with four key stakeholders. The results are shown in Table 1. In total, a list of 15 benefits as identified in “2.2.1 identification of the benefits” have been rated. *community feeling (sense of belonging)* was rated highest with a score of 35. Besides, *healthy aging* and *giving them a purpose* were secondly most rated with a score of 33. Overall, most benefits were rated rather high, but there seems to be a general consensus on the importance of the social benefits (i.e., *mental health support, community feeling, social networks*).

| Materiality Matrix | | | | | | |
|--|-----------------|------------------|-------------------------|-------------------------------|-------------|--|
| Priorities | Previous report | Plaats de Wereld | Municipality Counsellor | Municipality - account holder | Neie Naaber | |
| ethics, values & culture | no | 3.5 | 4 | 4 | 3.5 | |
| Job Opportunities for foreigners | no | 1 | 4.5 | 3 | 3.75 | |
| economic inclusion | yes | 1 | 4.5 | 3.5 | 3.75 | |
| manual jobs learning (e.g. needlework) | no | 2.5 | 4.5 | 3.5 | 4 | |
| disability support | no | 2 | 4 | 4 | 4 | |
| mental health support | yes | 2 | 4 | 4 | 4 | |
| healthy ageing | no | 4 | 4 | 4 | 4 | |
| sense of belonging | no | 4.5 | 4 | 4.5 | 4 | |
| Gives them a purpose | yes | 4 | 4.5 | 4.5 | 4 | |
| social networks | yes | 4.5 | 3.5 | 4.5 | 3.75 | |
| Indications reduction | no | 1 | 4 | 3.5 | 4.5 | |
| coffee time | no | 2 | 3 | | 4.5 | |
| Having routine/structure | yes | 4 | 2.5 | 4 | 4 | |
| medicine use reduction | yes | 1 | 2.5 | 3.5 | 4 | |
| substance use reduction | yes | 1 | 3 | 3.5 | 3.75 | |

Table 1: Rated benefits according to each stakeholder.

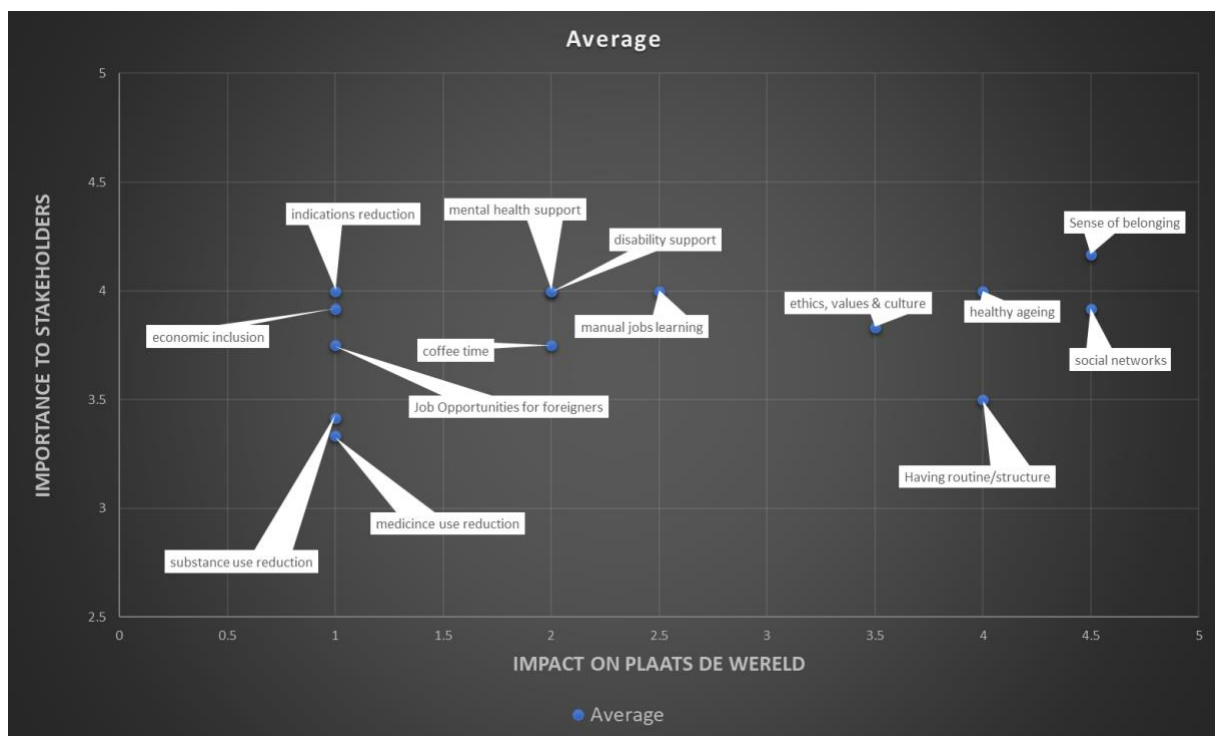


Figure 3: Important benefits according to stakeholders and its impact on Plaats de Wereld.

Step 3: measuring the impacts

For the third step, we selected all benefits that can add to the hidden social value of Plaats de Wereld. We collected data on the costs/values of these benefits so we are able to monetize them according to Plaats de Wereld and the municipality of Tynaarlo.

As a main criterion, we chose the values that scored at least 4 on the vertical axis (importance to stakeholders). It becomes evident that *community feeling (sense of belonging)* together with *social networks* is rated as the most important among the stakeholders and is most important/impactful according to Plaats de Wereld. We have chosen to monetize these two benefits as one benefit combined. The costs related are calculated in terms of *loneliness*, as this is a negative proxy for having a community to rely on or a sense of belonging and social network (National Institute on Aging, 2021). It doesn't suggest that loneliness by means is the only effect possible to calculate for community feeling, but one of several.

As a second benefit, we have chosen *healthy aging*, because it is highly valued by Plaats de Wereld and thus represents an important factor for them. It is also highly rated by the stakeholders. For the quantification and monetization of healthy aging, we follow a report, "Kosten en Baten van de Gezonde wijk" conducted within the Netherlands by LPBL in 2018 on request from the 'Ministerie van Binnelandse Zaken en Ministerie van Volksgezondheid' (Lubbe & Larsen, 2011). The aim of the report is to quantify a more healthy village and identify the costs of that and the benefits and mainly look at indirect effects (i.e., positive externalities). Examples of healthcare costs are costs of smoking, overweight, mental health care, and regular doctor visits. So, basically, this report has indicated all the costs associated with people aging unhealthy and compared this to the benefits of people aging healthy.

Finally, we also chose to monetize *indications (support)*, in spite of being poorly evaluated by Plaats de Wereld, it seemed important to other stakeholders and reached the threshold of 4 on the vertical axis. Moreover, it does represent the current costs of healthcare and by identifying these costs and calculating the savings, Plaats de Wereld is able to share critical information with the municipality, since lowering these indications is a key priority to them (IJlst, 2022). Therefore, we included this benefit in our calculations even though it was not rated highly by Plaats de Wereld as it is important to the municipality. Plaats de Wereld and its important values are generally most important to this report, but since the municipality is a very important stakeholder to them for funding and the municipality has an interest in knowing the savings potential of indications as it can save them money we decided to include this benefit in our report as well, even if it is not Plaats de Wereld's priority.

2.2.4 Survey Participants

Step 4: monetizing the impacts (1)

In order to calculate the potential savings for decreased loneliness and monetize this impact, we have conducted a Qualtrics online survey among the volunteers at Plaats de Wereld.

Loneliness has been chosen as a benefit to showcase financial saving potential because it was valued highest amongst the stakeholders. In total, 32 participants out of all 92 active participants of Plaats de Wereld took part in an online survey, which resulted in a participation rate of 34%.

The survey delivered the following results for the decrease in loneliness, see also figure 4. In total 38,45% of the respondents reported some degree of loneliness **prior** to participating in the activities of Plaats de Wereld. In total, 22,5% of the respondents reported some degree of loneliness after participating in the activities of Plaats de Wereld. Thus, it becomes evident that by participating in the activities of Plaats de Wereld loneliness can be decreased on average by 15.5 %. This decrease serves as the % of saving potential for the costs of loneliness.

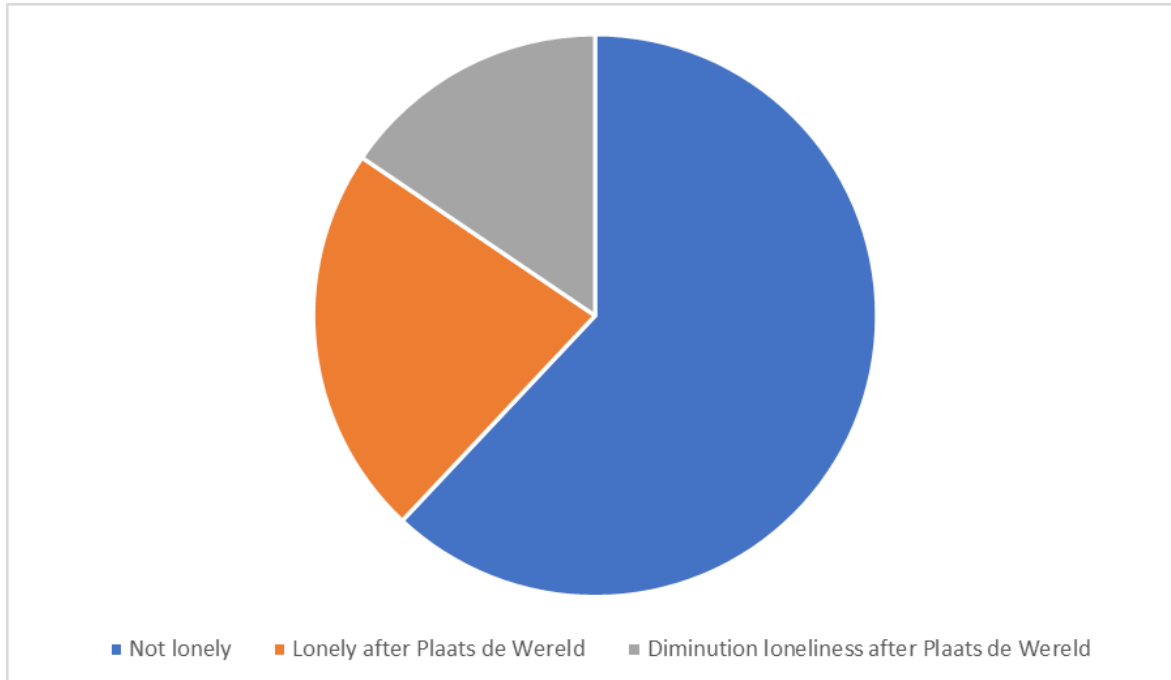


Figure 4: Diagram survey results

2.2.5 Monetization of the externalities

Step 4: monetizing the impacts (2)

In step 4 of the process, we used monetization as a tool that will show the (indirect) financial value of the activities of Plaats de Wereld. We will monetize the selected benefits based on identified impacts and rated value, according to the stakeholders.

Total true value

In total, we monetized the externalities of *community feeling (sense of belonging)* and *social networks* in terms of loneliness, *healthy aging*, and *indications (costs)*. The total added value of these externalities combined results in a true value of €106.082,15 when assuming the second scenario for healthy aging benefits as that is the most likely percentage to be achieved by the activities.

Community feeling and social network

The costs of loneliness are identified by Meisters and colleagues (2021). In their report, they have gathered all financial data of healthcare expenditures as a result of being/feeling lonely within the Netherlands. This has been estimated at €5.9 million euros of GP expenditures and mental healthcare expenditure of €340.2 million euros (see Table 2). Based on these findings we have calculated the marginal effect of a single person reporting varying degrees of loneliness and estimated that the total costs of loneliness for one person are €58,84 (see Table 3).

| Data from the study: Meisters et al. (2021) | | | | |
|---|----------------|--|-------------------------------|--|
| Kolumna1 | GP expenditure | percentage of all healthcare expenditure | mental healthcare expenditure | percentage of all healthcare expenditure |
| somewhat lonely | € 3,300,000.00 | 0.5% | € 243,400,000.00 | 7.4% |
| moderately lonely | € 1,700,000.00 | 0.2% | € 55,200,000.00 | 1.7% |
| severely lonely | € 900,000.00 | 0.1% | € 41,600,000.00 | 1.3% |
| total | € 5,900,000.00 | 0.8% | € 340,200,000.00 | 10.3% |

Table 2: Data from the research by Meisters et al. (2021) at the University of Maastricht in the Netherlands.

| Degree of Loneliness | GP Expenditure | Mental Healthcare Expenditure |
|--------------------------|----------------|-------------------------------|
| somewhat lonely | 0.70 | 51.64 |
| moderately lonely | 2.24 | 72.65 |
| severely lonely | 2.21 | 101.95 |

| | | |
|--------------|------|-------|
| total | 1.00 | 57.84 |
|--------------|------|-------|

Table 3: Marginal Effect of Loneliness on Healthcare Expenditure per Person, All amounts are in Euros (€)

Knowing how much lonely people incur healthcare costs in the Netherlands, we could calculate the numbers for Plaats de Wereld and Tynaarlo. In order for us to calculate the reduction of loneliness experienced by Plaats de Wereld's volunteers, we have conducted a Qualtrics survey. For the total of 32 respondents, their percentages have been extrapolated to all 92 participants. In total 40.6% reported experiencing to some extent issues of loneliness prior to participating at Plaats de Wereld. Results after participating in Plaats de Wereld show that 21.9% of the people experience loneliness. The results of the survey were multiplied by the marginal effect of a cost a lonely person incurs from Meister's study. Combining these with the cost-saving results (see Table 4) we calculate a total cost reduction, in relation to loneliness, of €1090.89 which represents a financial saving potential of 45,7%.

| | Before Plaats de Wereld | | After Plaats de Wereld | |
|-----------------------------|--------------------------------|---------------------------|-------------------------------|---------------------------|
| Degree of Loneliness | GP Expenditure | Mental Health Expenditure | GP Expenditure | Mental Health Expenditure |
| Somewhat lonely | €15.19 | €1,120.58 | €13.02 | €960.49 |
| Moderately lonely | €27.74 | €900.89 | - | - |
| Severely lonely | €6.84 | €316.06 | €6.84 | € 316.06 |
| Total | | €2386.30 | | €1296.41 |
| <u>Total savings</u> | <u>€1090.89</u> | | | |

Table 4: Monetization of the costs of people feeling lonely before and after, in Euros

Healthy aging

In order to calculate the value of healthy aging, we followed the results of the report, "Kosten en Baten van de Gezonde wijk". They indicated, based on gathered data over a period of three years, that the financial benefits of young people (till 25 years old) yield €5000,- annually, adults (25-65 years old) (Junior) BR&C research report, FEB Career Services

€1200,- and elderly (65+ years old) €800,-. This benefit is based on people who experience behavioral change due to the healthy activities provided.

Plaats de Wereld has currently 16 active volunteers between the ages of 15 and 45, assuming that 22% ($25-15 / 45 = 22\%$) within that category are below the age of 25, resulting in a total of approximately 4 young volunteers and 12 adults. Between the ages of 45 and 65, Plaats de Wereld has 41 active volunteers resulting in a total of 53 active volunteers within the category of adults. For the elderly (65+ age) Plaats de Wereld has a total of 35 active volunteers. In order to indicate the value of healthy aging for Plaats de Wereld three scenarios are created, to account for assumptions that are needed to make the calculations possible. The first scenario assumes a behavioral change of 100%, implying that each volunteer experiences behavioral change. The second scenario assumes a behavioral change rate of 50% and the third scenario assumes a behavioral change rate of 25%. A 100% rate of change is unlikely yet it does provide the maximum value potential and thus is included.

Scenario 1: a total of 4 young volunteers results in a financial estimated added value of €20.000,-, for a total of 53 adults the value is estimated at €63.300, and finally for a total of 35 elderly the financial estimation is €28.000. This yields a total of €111.300

Scenario 2: a total of 2 young volunteers results in a financial estimated added value of €10.000,-, for a total of 27 adults the value is estimated at €32.400,-, and finally, for a total of 18 elderly, the financial estimation is €14.400. This yields a total of €56.800,-.

Scenario 3: a total of 1 young volunteer results in a financial estimated added value of €5.000,-, for a total of 14 adults the value is estimated at €16.800,-, and finally, for a total of 9 elderly, the financial estimation is €7.200. This yields a total of €29.000,-.

Indication costs reduction

The values for indications and subsidies for Plaats de Wereld were retrieved from the reports Packet of Measures for Social Domain in perspective, Tynaarlo Council, 10th June 2020 (Maatregelenpakket Sociaal Domein in perspective, Raad Tynaarlo 10th June 2020) and Perspective Note 2021 (Perspective Nota, 2021). As indicated in the interview with Margot Iljst, we expect that the activity of Plaats de Wereld will exempt people from getting indications for two mornings per week. Following this assumption, we are able to calculate any potential savings for the municipality of Tynaarlo regarding their current expenses on indications.

The rows five days per week, twice per week in a year were calculated in the following way. Knowing that Plaats de Wereld helps the disabled to be exempt for two mornings a week from indications, we have estimated that the annual savings $((\text{indications} / 365) * (2 * 52))$ on indications for 2020 were €95.191,26 then subtracting the annual funding to Plaats de Wereld of €47.000,- we estimate a total saving potential of €48.191,26. This proves that Plaats de Wereld provides a financial savings potential of 14,3% and thus implies that funding Plaats de Wereld results in positive returns for the Municipality. Out of the available online financial data for 2021 and 2022, we feel like it is not representing the true expenses on indications. Although it showcases a small amount of savings we feel like it is not realistic for the saving potential (an example of the indication expenses reported by Tynaarlo is put in the Appendix. Thus, we follow the total savings of twice a week for 2020 and estimate that Plaats de Wereld has a true value of €48.191,26 (in savings) regarding indication expenses.

Savings potential for Municipality of Tynaarlo thanks to Plaats de Wereld's participation instead of receiving indications

| | 2020 | 2021 | 2022 |
|---------------------------------------|------------------|------------------|------------------|
| Indications | 335,000.00 | 165,000.00 | 175,000.00 |
| Subsidies Plaats de Wereld | - 47,000.00 | - 47,000.00 | - 47,000.00 |
| Five days per week | 0.715 | 0.715 | 0.715 |
| Twice per week in a year | 0.284 | 0.284 | 0.284 |
| | 239,808.74 | 117,986.30 | 125,136.99 |
| Savings (twice per week) | 95,191.26 | 47,013.70 | 49,863.01 |
| <u>Savings minus subsidies</u> | 48,191.26 | 13.70 | 2,863.01 |

Table 5: Estimation of the cost in 2020, 2021, and 2022 in Euros (€)

3. Conclusion and recommendations

3.1 Conclusion

The goal of this project was to calculate the true added value of Plaats de Wereld by identifying the current benefits, rate their importance according to the different stakeholders, and develop a method to analyze the potential savings that the externalities of Plaats de Wereld can generate on the society.

Identifying the positive externalities:

In total, we have identified fifteen externalities that each have a positive impact on the volunteers' life and on the society of Tynaarlo. The benefits range from impact on social lives or mental health to the development of new skills. By having identified these benefits, Plaats de Wereld can reassure the relevancy of the benefits that were already in mind. This in turn will help them to communicate the advantages that a place like Plaats de Wereld has to offer to its local environment. Which will raise awareness among key stakeholders e.g., by showing the effectiveness of alternatives to healthcare to the municipality, helps to inspire like-minded individuals to start similar organizations, and increases the reputation of Plaats de Wereld among similar organizations, like Neie Naober to allow the opportunity for future collaboration.

Prioritizing the positive externalities:

It was found that among all the stakeholders the most valued externalities were (1) community feeling (sense of belonging), (2) giving a purpose and (3) healthy aging. These insights help Plaats de Wereld to better understand the intent of each stakeholder. This can assist Plaats de Wereld to innovate their services and expand their business, as this will lead to more funding according to Margot IJlst from the municipality of Tynaarlo and it becomes evidently a much bigger social impact.

Furthermore, it is pivotal that social value is the most important effect for all stakeholders. Due to this, we can make a fair assumption that a need to transition parts of the healthcare-providing processes is desired. This importance that Plaats de Wereld offers strengthens its organizational position.

Proving the financial savings potential:

The positive impact of the activities that Plaats de Wereld provides has proven to also contain financial benefits. Since the costs of loneliness were decreased by 45,7%. This finding gives us a good understanding of the true value of Plaats de Wereld and shows the potential benefits for society and the municipality of Tynaarlo.

This finding also creates more urgency for the municipality of Tynaarlo to get more involved in understanding the implications of these externalities for their current indication processes.

3.2 Recommendations

Step 5: developing and applying management actions based on the results

Finally, during the last step, we suggested recommendations based on our analysis and in line with the problem statement and the goal of the research. These recommendations are managerial implications that the management of Plaats de Wereld should consider as the next steps to take.

Answering the goal of our research: *Calculating the true value of Plaats de Wereld by identifying and prioritizing the positive externalities of their activities and proving their financial saving potential.* Based on our results, we provide Plaats de Wereld with the following recommendations.

The first recommendation is based on the application of funding at the municipality. Since the municipality has a high interest as Plaats de Wereld is a means to achieve their desired transition of current healthcare provided (i.e., indications). Since it is to the benefit of the municipality to identify the saving potential by funding Plaats de Wereld they should start and fund a research project that can calculate the financial saving potential of Plaats de Wereld for their healthcare expenses. It is thus recommended to leave the responsibility for this to the municipality and not at Plaats de Wereld. This allows Johan and Yvonne to have more focus on Plaats de Wereld.

Secondly, Plaats de Wereld should really understand the current intent of each stakeholder according to their most valued externalities. That would help them to argue for funding, collaborate more with other parties to increase their social impact, and communicate the benefits of Plaats de Wereld to other individuals.

At last, we recommend Plaats de Wereld to innovate its current activities offering. By including more activities focused on younger people (age up to 25), it can increase its current true value a lot. Since the effects of healthy aging of younger people were estimated at €5000,- compared to for example €1200,- for adults (25-65 years).

3.3 Limitations

Even though we used a scientific methodology that was already validated by professionals before, we have to be aware that there are still some limitations that can appear. In this section, we made a list of the possible limitations of our research.

First, there is the limitation of the time we could spend on this project, since the project deadline was tight we needed to scope our project accordingly. This led to the decision of only calculating a selected

number of externalities that were identified as important to Plaats de Wereld. Future research could elaborate on this study by broadening the number of externalities, as identified important to stakeholders, calculated.

Secondly, there is a limitation of the data we were able to include in the report, which led to the inability to calculate, for example, all the savings for the municipality. This is due to the fact that they may have more internal data to accurately measure the true value, but we are not in possession of this data for our calculations.

Our final limitation is the lack of stakeholder information, we could not conduct an interview with Gees Klein from the social team of the municipality of Tynaarlo and Assen Bloeit due to the fact that they haven't responded to our requests. In addition to this, we surveyed the participants of Plaats de Wereld with an online questionnaire. About a third of all participants responded, which is already a decent amount. But it might be biased as participants that do not have any affinity with technical tools such as computers potentially did not take part in it. This might have biased the data as the elderly that are potentially more lonely are often not as well versed with technical tools and the internet as younger participants are.

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5. Accountability

Accountability Statement for Business Research & Consulting

We hereby declare that we are the authors of the attached report for which we are responsible, hereinafter referred to as this portfolio and that all materials from reference sources have been properly acknowledged.

We understand what plagiarism is and what penalties may be imposed on students found guilty of plagiarism by the University of Groningen.

Plagiarism & External Assistance

We verify that this paper contains no plagiarized material and that we received no external assistance from unauthorized outside sources:

- All quotations taken from other works have been referenced to the source from which we obtained them and indicated in this portfolio by the use of quotation marks or intended paragraphs;
- All paraphrased and summaries of material taken from other works have been appropriately framed and/or referenced;
- In our bibliography all works from which we have taken ideas of or consulted have been included and appropriately referenced with the correct formatting (APA 6th edition);
- We verify that this is our own body of work and that we did not receive any unfair outside assistance from others (including unauthorized collaborations) in its creation.

We verify that this portfolio (or any part of a subsection of it) has not previously been submitted to the FEB or any other faculty or educational institution previously.

We verify that the work is the responsibility of each member of the group and each member of the group has contributed fairly and equally to the development of this portfolio. Every member of the group normally took part in the weekly meetings together, with the client or with the supervisors, with some rare exceptions. We defined regularly together which task we have to do and everybody respected the deadlines. The division of tasks was as follows:

- Martijn: managing project deadlines, and project tasks, writing the weekly logbooks, creating the interview in Qualtrics, searching for financial relevant data.
- Lisa: Regular contact with the client and with the different stakeholders, creation of the questionnaires for the different interviews, help with the other tasks.

- Krzysztof: creation of values of interest, materiality matrix, search of relevant data, methodology, survey, calculation of results, writing.
- Anjana: prepping final report, working on different project tasks e.g., creating the questionnaires, support when needed for others in the group, final on-campus presentation.

6. Appendices

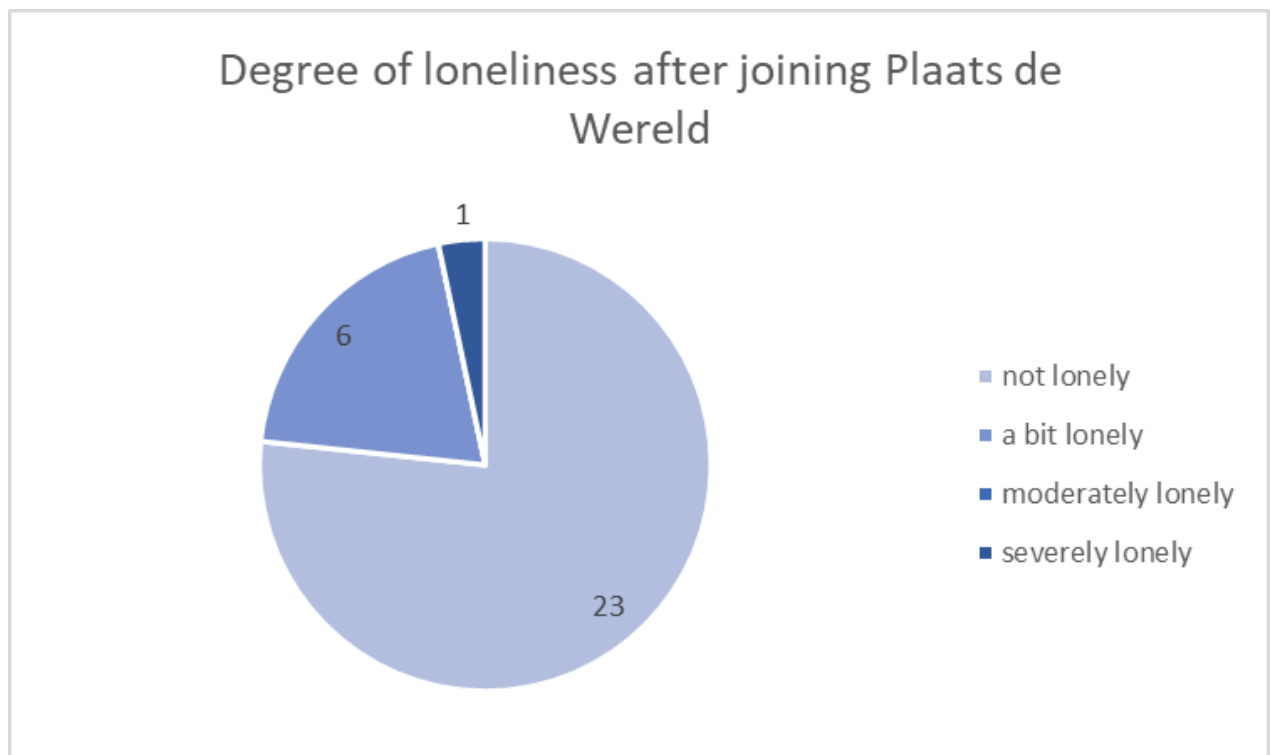
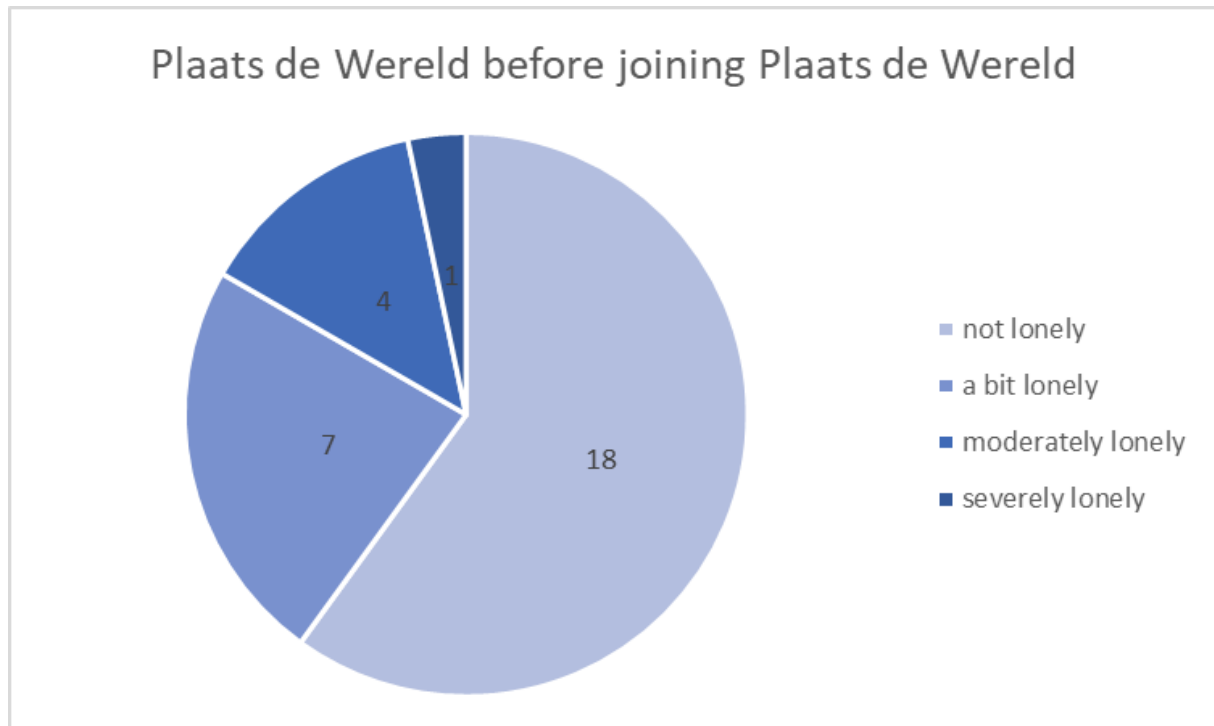
Appendix A

Interviews participants

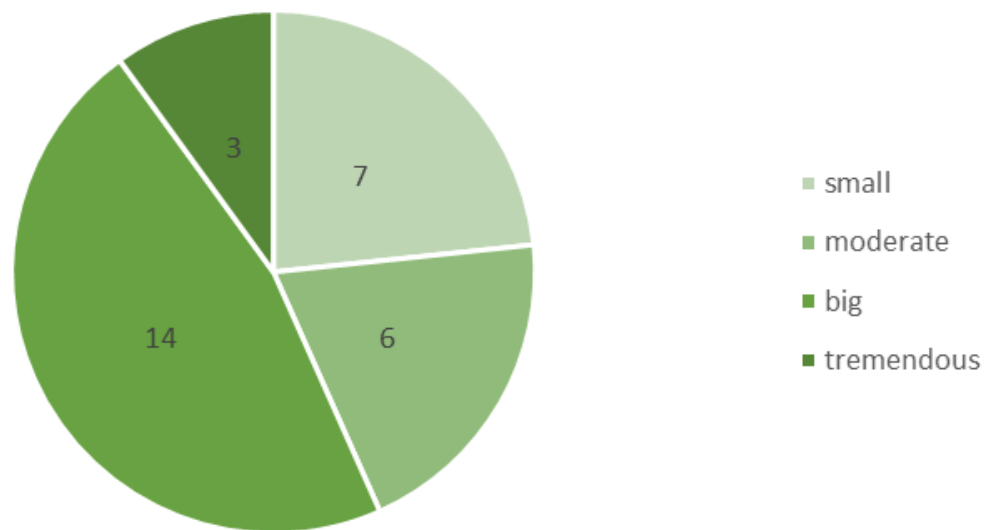
1. How did you become aware of (the existence of foundations such as) Plaats de Wereld?
2. Why did you choose to start to take part in the activities of Plaats de Wereld?
3. What does it bring to you - spiritually/mentally and physically? What are the benefits that you experience by participating in the activities of Plaats de Wereld?
4. What impact does it have on your personal welfare/healthiness/mood?
5. If you started participating in this organization for specific reasons, did you find what you were looking for in Plaats de Wereld?
6. How would you feel or life look without it?

Appendix B

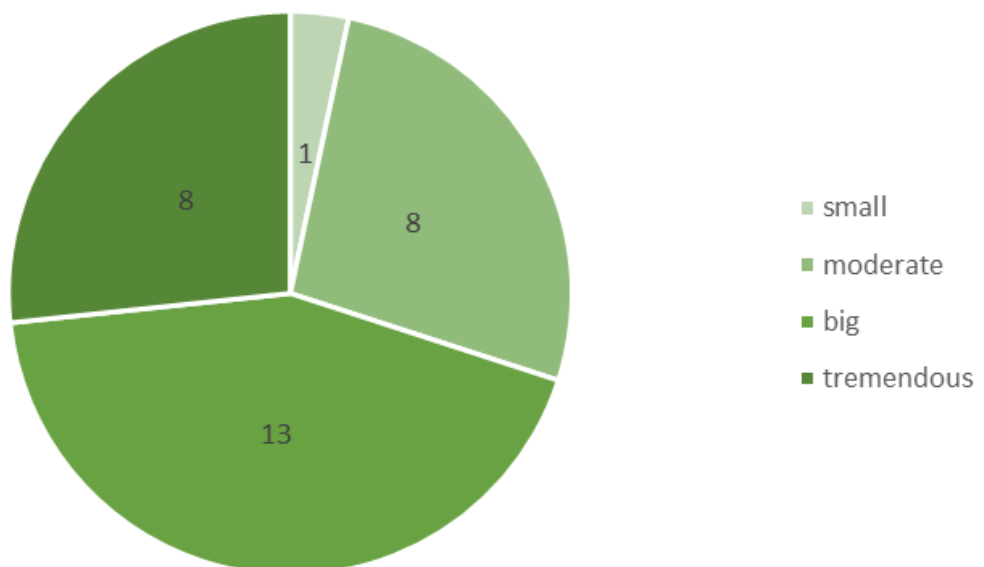
2. Survey results



Social network before joining Plaats de Wereld



Social network after joining Plaats de Wereld



Appendix C

Marginal effects of loneliness on healthcare expenditure

Marginal effects of loneliness on the healthcare expenditure per person*

| Degree of Loneliness | GP Expenditure | Mental Healthcare Expenditure |
|----------------------|----------------|-------------------------------|
| somewhat lonely | 0.70 | 51.64 |
| moderately lonely | 2.24 | 72.65 |
| severely lonely | 2.21 | 101.95 |
| total | 1.00 | 57.84 |

*All amounts are in Euros (€)

Marginal effects of loneliness on the healthcare expenditure in the municipality of Tynaarlo*

| Degree of Loneliness | GP Expenditure | Mental Healthcare Expenditure |
|----------------------|----------------|-------------------------------|
| somewhat lonely | 4,237.70 | 312,562.27 |
| moderately lonely | 2,183.06 | 70,885.12 |
| severely lonely | 1,155.74 | 53,420.67 |
| total | 7,576.49 | 436,868.06 |

*All amounts are in Euros (€)

Reduction in loneliness impact on healthcare expenditure thanks to PdW extrapolated to the entire municipality of Tynaarlo*

| Degree of Loneliness | GP Expenditure | Mental Healthcare Expenditure | GP Expenditure | Mental Healthcare Expenditure |
|----------------------|----------------|-------------------------------|----------------|-------------------------------|
| a bit lonely | 2,951.62991 | 217,705.0667 | 2,529.968494 | 186,604.3429 |

| | | | | |
|-----------------|--------------|--------------|--------------|--------------|
| somewhat lonely | 5,390.262093 | 175,024.9809 | 0 | 0 |
| severely lonely | 1,328.431733 | 61,403.06677 | 1,328.431733 | 61,403.06677 |
| | | 463,803.4381 | | 251,865.8099 |

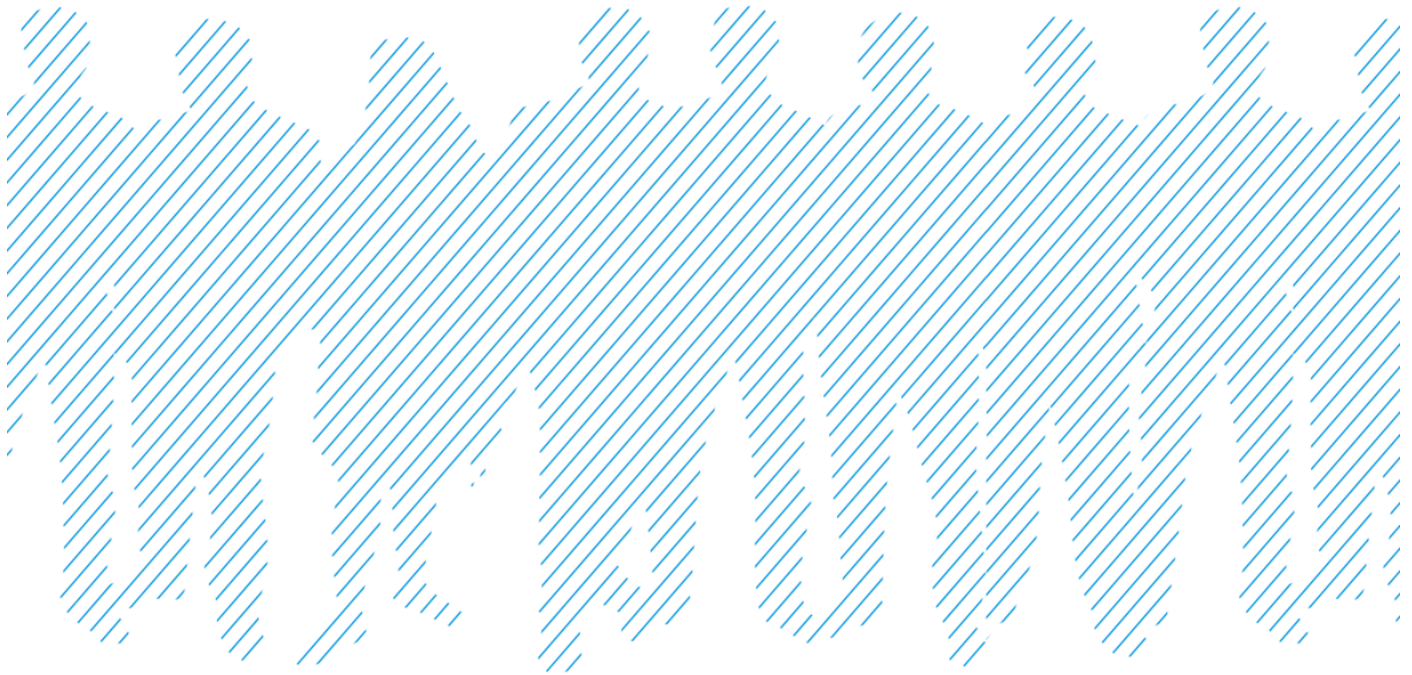
*All amounts are in Euros (€)

Appendix D

Indications decomposed

(source: [Maatregelenpakket](#)).

| | <i>estimated</i> | <i>estimated</i> | <i>estimated</i> | <i>estimated</i> |
|--|------------------|------------------|------------------|------------------|
| Indications (wmo and youth) | 2020 | 2021 | 2022 | Total |
| Youth, Practice support at GP | €125,000 | | | €125,000 |
| Sharp assessment of your own indications | €30,000 | €30,000 | €40,000 | €100,000 |
| Uniform working method with clear frameworks | €15,000 | €15,000 | €20,000 | €50,000 |
| Stacking control and testing | €10,000 | €15,000 | | € 25,000 |
| Indications by third parties within legal and contractual agreements | €15,000 | €15,000 | €20,000 | €50,000 |
| Uniform working method with clear frameworks | €65,000 | €65,000 | €70,000 | €200,000 |
| Less spending on living facilities | €50,000 | | | €50,000 |
| Offering collective facilities in the field of daytime activities | € 25,000 | € 25,000 | € 25,000 | € 75,000 |
| Total | € 335,000 | €165,000 | €175,000 | €675,000 |



This advice report is the result of your participation in the Student Consultancy project of the Faculty of Economics and Business of the University of Groningen. We want to thank you very much for offering our students the opportunity to do up valuable practical experience during their academic training!

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We will gladly cooperate with you again in the future.