



calculate your organisation's economic contribution to its community

www.lm3online.org

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Calculating your company's economic contribution to its community is now easier than ever!

The launch of LM3 Online, a web-based tool for use in all sectors, now enables any organisation to measure its economic impact and identify how to improve it.

Across the UK, companies face the same challenge – deliver more for less. The private sector, from SMEs to multinational corporations, faces both increasing competition and growing demand to demonstrate their value to the community.

Now there is a new tool that makes it possible for any organisation to underpin its CSR commitments by understanding where its money goes, proving how beneficially that money impacts on the local community, and, most importantly, how to improve the local economy while spending the same or less money.

The tool is LM3 Online.

LM3 dates back to 2000, with the first UK pilot projects led by nef (the new economics foundation). In 2005, the North East Centre of Excellence and One NorthEast co-funded a regional project to support the use of LM3 throughout the region. LM3 has become a recognised methodology for public procurement, cited in both the recommendations of the Sustainable Procurement Task Force and the Government's response to those recommendations. LM3 is in active use by over 20 local authorities and over 30 private and not-for-profit organisations across the UK.

LM3 Online marks a step-change in measuring economic sustainability by enabling any organisation to measure any expenditure on any geographic area using current data. LM3 Online brings these benefits to organisations of any size by minimising the work effort required. The user simply uploads their spending data, such as a contract or company turnover, specifies the target local area, and the system does all the surveying and calculations.

Best of all, LM3 Online is available free to social economy organisations and on a sliding scale for public and private organisations.

If measuring and proving your economic impact is important to you, visit LM3 Online at www.lm3online.org to get started!

Notes

1. For more information, please email info@lm3online.org or call Justin Sacks on 07753 408 692 or Adam Wilkinson on 07811 160 822.
2. LM3 stands for Local Multiplier 3 and was developed originally by nef (the new economics foundation). LM3 is based on the multiplier effect, an economics concept first articulated in the 18th century and popularised by Keynes in the mid-20th century to measure how income entering an economy then circulates within it. The theory is that a change in income has a multiplied impact on that economy. LM3 is an adaptation that can be used at the local level and measures three 'rounds' of spending; hence, Local Multiplier 3.
3. LM3 Online is produced by a partnership of Justin Sacks, Adam Wilkinson, and Richard Wilde.
4. Justin Sacks authored three publications related to LM3. In 2002, he wrote the handbook for using LM3, *The money trail: Measuring your local economic impact using LM3*. In 2005, he wrote *Public spending for public benefit: How the public sector can use its purchasing power to deliver economic development*, sponsored by the Local Government Association. Both publications can be downloaded for free from the nef website, www.neweconomics.org. Justin Sacks also co-authored *More for your money: A guide to procuring from social enterprises*, sponsored by the Society of Procurement Officers (SOPO) and the Social Enterprise Coalition (SEC). This publication can be downloaded from the SEC website, www.socialenterprise.org.uk.
5. Adam Wilkinson has led implementation of LM3 in the public sector, initially with Northumberland County Council and later as the developer of the LM3 Project for the North East Centre of Excellence and One NorthEast, the regional development agency for the North East.
6. LM3 is cited as a methodology for measuring economic sustainability in public procurement in *Procuring the future: Sustainable Procurement Action Plan, Recommendations from the Sustainable Procurement Task Force*, DEFRA, 2006, pages 21, 64. LM3 is accepted in *UK Government Sustainable Procurement Action Plan: Incorporating the Government response to the report of the Sustainable Procurement Task Force*, DEFRA, 2007, pages 51, 58.
7. For more information on how LM3 Online benefits the public and not-for-profit sectors, please go to www.lm3online.org and download the press release for those sectors.