Embedding Impact:
A Roundtable Discussion
10th September 2013
Convened by Anton Simanowitz &
hosted by Big Society Capital
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Contact Details:

For further information contact:

Anton Simanowitz – antons@pkrc.co.uk
Summary

A Roundtable brought together senior staff from 15 social purpose organisations working in different sectors to discuss how to be effective in reliably achieving targeted outcomes and delivering impact. The discussion highlighted the commonality in issues faced, a sense of shared vocabulary and a high level of agreement about the key elements necessary to deliver impact. Key points included:

Most measurement does not lead to change

Practical barriers highlighted were:
- Lack of clarity of purpose, so the relevance of information is not understood and therefore does not feed into improved strategy or design;
- Inappropriate information which cannot easily be used operationally;
- Lack of organisational capacity to collate, analyse or report on data;
- Information not appropriately communicated or fed into decision-making processes.

More fundamental is the motivation for measuring outcomes and impact:
- Investors often do not use outcomes information to influence their decisions;
- Front-line organisations compete for funding on the basis of claimed impact;
- Staff lack openness to criticism or challenges about the way they do things;
- Expectations to deliver outcomes by donors/investors are unrealistic;
- Little real accountability to end-users/beneficiaries/clients.

Importance of clarity of purpose, strategy and business model

Perhaps the strongest message to come out of the Roundtable is that impact can only be achieved as a result of clear objectives and strategy. Intent needs to be translated into strategy - what are the steps that will be taken to deliver on intended outcomes? The model for delivery needs to both deliver impact and be viable.

Outcomes management

Much progress has been made in impact measurement, but outcomes need deliberate management for an organisation to deliver impact. Key elements are:
- Governance that make strategic decisions to deliver outcomes;
- Leadership & accountability for outcomes throughout the organisation;
- Frontline staff and their managers use feedback from beneficiaries/clients;
- Business model is implemented as intended through quality management;
- Appropriate information systems and IT to support performance management;
- Balance between financial and social outcomes focus to ensure sustainability;
- Human capacity at all levels to be able to deliver this.
Appropriate and effective measurement is at the heart of outcomes management

- Information needs to be appropriate for different stakeholders;
- Measurement needs to relate to the outcomes that the organisation is designed to deliver (additional information to meet external needs can be added to this);
- Averages tend to hide useful insights – segmentation of information is important to understand the experience of different groups;
- Measurement needs to be driven by individual need, but common frameworks are also useful;
- For management, need to track process of delivery and the outcomes achieved.

More effort is needed to support organisations to manage to outcomes

- Many organisations are weak in their ability to analyse, interpret and effectively communicate information in a way that it feeds into decision making and improved strategy and delivery;
- The complexity can be off-putting, but there are simple entry points;
- Building capacity takes time, is resource intensive and investors/donors need to recognise this. Impact cannot just be ‘bought’. External incentives are important;
- There is a strong business as well as impact case for investing in managing outcomes.
Background

Positive impact and effectiveness are core concerns for social purpose organisations. This is being driven by demand from investors and donors for evidence of impact, but also front-line organisations with a desire to maximise their impact. Increasingly it is recognised that whilst external accountability is important, organisations seeking to deliver consistent positive outcomes need to embed systems to measure and manage impact in their business model, strategy, systems and the quality of their services. Funders and commissioners in the UK are increasingly looking for well organised, competent organisations able to marshal their assets for clear social change. The focus is shifting from proving to improving impact. The central question is what is necessary to enable organisations to be effective in reliably achieving targeted outcomes or impact?

A Roundtable discussion, Embedding Impact, hosted by Big Society Capital, aimed to promote dialogue between representatives of different sectors (inclusive business, microfinance, social investors, social enterprise, venture philanthropy, charity) where remarkably similar conversations are taking place about effectiveness, outcomes and impact. Although the relative emphasis placed on commercial viability and profit compared to social value and impact may differ, all of these sectors are grappling with the issue of how to build organisations that are effective in reaching vulnerable or excluded people, developing the products and services that make a difference to their lives, and delivering these with consistency and quality so as ultimately to have a greater impact.

The Roundtable brought together representatives from 15 organisations with significant experience in this field (see participant list in Annex). Most were from intermediary organisations (those that work to support front line service delivery organisations or develop sector level resources or collaboration). Two social investors and one front-line organisation were also present. The three hour discussion confirmed the premise that although coming from different contexts there is a lot of commonality in the issues faced in different sectors, and a sense of shared vocabulary and a high level of agreement about the key elements necessary to deliver impact.

This report summarises this conversation and the annex presents resources available from participating organisations.
Consensus from discussion

Most measurement does not lead to change

Research by NPC reports that 75 per cent of the time impact measurement is not leading to learning and improvement. The discussion identified a number of barriers. There are practical issues (discussed in more depth later in the report), such as:

- Lack of clarity of purpose, so the relevance of collected information is not understood and therefore does not feed into improved strategy or design;
- Inappropriate information which cannot easily be used operationally;
- Lack of organisational capacity to collate, analyse or report on data;
- Information that is not appropriately communicated or fed into decision-making processes.

More fundamental is the motivation for measuring outcomes and impact. Many participants felt that often there is not real interest or incentives to learn and change. One participant asked “do we really care as a sector if we are not investing enough to really get organisations to a position where they can deliver?”

- Investors often do not use outcomes information to influence their decisions. They like to be able to pick and choose outputs for their investments, not being constrained by outcomes.
- Front-line organisations have to compete for funding, often on the basis of claimed impact. This undermines the incentives to be open and accountable.
- Individual people and organisations have conviction in what they are doing, and often are not open to criticism or challenges about the way they do things.
- In some contexts there has been a rapid change towards high expectations for outcomes, for example with Government contracts increasingly focussed on payment by results. This is causing confusion and anxiety.

The power relationships between different actors are important in determining what is valued. The “ethnography of virtuous organisations is important”; what does it take to build business models that work giving these different perspectives:

- There is usually little real accountability to end-users/beneficiaries/clients who mostly have little voice. Greater transparency is needed in terms of what front-line organisations ‘promise to deliver’ and systems to increase accountability for outcomes to users will strengthen both measurement and use of information for improvement.
- Investors/donors have significant role in terms of what they require from front-line organisations. Despite front-line organisations feeling “initiatively out” in relation to the externally driven outcome/impact measurement activities, these are not seen to be achieving their potential to deliver due to mis-matches between purpose and capacity of different stakeholders.
Importance of clarity of purpose, strategy and business model

Perhaps the strongest message to come out of the Roundtable is that impact can only be achieved as a result of clear objectives and strategy.

Objectives
All sectors and all levels of organisation are weak at articulating their specific intended outcomes. Without this measurement becomes meaningless – “you don’t know what you are measuring against, and your activities are not linked to outcomes”. A clear articulation upfront of what an organisation wants to achieve and its measurable outcomes are important:

- Who is the organisation trying to reach?
- What changes is the organisation trying to deliver (short term and longer term)?
- What will these changes look like if they happen and how can this be evidenced?

Strategy & business model
Intent needs to be translated into strategy - what are the steps that will be taken to deliver on intended outcomes? This will be built into a viable business model that identified impactful products & services, delivery mechanisms and management systems that can achieve desired outcomes?

Often there is often poor alignment between what organisations say and what they do; as one participant described it “a business muddle rather than business model”. Without this clarity organisations often focus on deliver and outputs – focusing on quantity rather than quality. This creates a risk of negative outcomes particularly where the activity is focused on the need to raise finance such as social investment, or financial services.

Ambition of purpose
Whilst it is important for organisations to deliver on their mission, there was some discussion about how ambitious organisations need to be in their purpose. For example in microfinance social performance is defined as the effective translation of mission into practice. Specific desirable outcomes are not defined, and therefore an organisation may be effective in delivering against its intended outcomes, but these outcomes may not be transformational.

Whilst transformational changes are more difficult to achieve and measure, it was felt that some qualitative perspective on the social value of social outcomes and transformational ambition is important.
Impact management

Whilst much progress has been made in impact measurement, with greater clarity of what outcomes to measure and practical tools to collect information, there remains a challenge in how to hardwire organisations so that they can deliver outcomes that are then worth proving. Outcomes need deliberate management – as one participant organisation puts it: no impact without impact management.

Whilst many practitioners have a real interest in impact, too often assumptions are made about impact or decisions are based on values or professional judgement rather than relevant and reliable information. Front-line staff have limited space/capacity to measure or think about outcomes/impact therefore the challenge is to make it relevant and practical. Key steps in managing towards outcomes/impact were highlighted:

- Governance that demands the information needed to make strategic decisions focused on incremental steps to deliver outcomes;
- Leadership & accountability for outcomes – CEOs who are results driven and promote accountability for achieving these throughout the organisation (not just reporting);
- Frontline staff and their managers use feedback from beneficiaries/clients in relation to outcomes to ensure they are delivering outcomes;
- Quality of delivery monitored and managed to ensure business model is implemented as intended;
- Appropriate information systems and IT to support performance management;
- Appropriate balance between financial and social outcomes focus to ensure sustainability – not only does the product and service need to designed to achieve impact, but the model for delivery needs to be viable;
- Human capacity and expertise at all levels to be able to deliver this.
What is measured?

Whilst delivering outcomes/impact requires more than measurement systems, appropriate and effective measurement is the engine of impact management. A number of issues were highlighted.

Information needs to be appropriate for different stakeholders
Different stakeholders care about different impacts and have different information needs and expectations; this has a big impact on what information is collected and how it is used.

**Front-line organisations** need to track who is using their services and how, whether use of services is leading to short-term outcomes, and how this can be improved. At a strategic level they may also be interested in longer term outcomes to test their theory of change. They have a more specific, technical, direct use for the information that is collected.

**Investors/donors** need evidence of outcomes and need to be able to make strategic decisions about where to invest for greater impact; generally they need aggregate level information about broad impact measures. This leads to a tendency to measure changes that are further along the impact chain and are less operationally relevant in terms of helping to inform decisions and improve practice. They have a more diverse need for performance data for comparability and decision making.

There is a feel that expectations from investors/donors are not realistic in terms of what information front-line organisations can reasonably be expected to report. Does having to ‘prove’ to investors interfere with improving? It is therefore important that front-line organisations are not made to take on the burden of measurement for the field; investors/donors need to fund this or to find ways of collecting data that is proportionate and does not disrupt operations. There is a need to have focused dialogue with front-line organisations about what they expect their outcomes to be, what information they are collecting for their own purpose, and what they can reasonably report externally.

Where in the impact chain should measurement take place?
Some participants made a distinction between outcomes ‘internal’ to the work of the front-line organisation and those ‘external’. Others argued that this is really about the ambition of the organisation, and how far along the impact chain it is interested in measuring its outcomes. For some businesses it is just about reaching certain target groups with a good quality service. Others have a wider view of the impact. So for
example if an organisation aims to provide access to clean sanitation for women, it needs to measure the presence of the sanitation, who accesses it and the cleanliness. If the mission is to provide this access in order to reduce incidence of diarrhoea then an additional outcomes measure would relate to this.

This relates to the question about different stakeholder needs. Investors/donors need to align their investments with the outcomes they wish to encourage – a donor may look for a bigger change (eg. reducing cholera) and invest in a business that works towards this (e.g. delivers clean toilets). The business may measure whether it delivers clean toilets, but would not be responsible for demonstrating whether it is reducing cholera.

**Averages tend to hide useful insights**

A lot of outcomes/impact measurement focuses on average change. To improve impact it is important to segment information to understand both positive and negative changes and who is benefitting. Averages are particularly problematic when they mask and perpetuate inequality. The challenge is not just measuring impact, but understanding the perspectives of different groups.

**Universal or specific measurement**

Related to the discussion of what information is appropriate for different stakeholders is a question of whether outcome/impact information is best tailored to individual organisations, or whether common indicators, tools or benchmarks are useful. Participants highlighted that there is a lot more commonality than many suppose. For example the Big Society Capital has identified 9 key outcome areas and 15 key beneficiary groups that consistently emerge in any assessment of social need in the UK.

Common frameworks and taxonomies (for example the Impact Reporting Investment Standards (IRIS)) allow for aggregating and benchmarking of data, and reduce the burden place on each organisation to develop a bespoke measurement system. Tools such as the Outcomes Star provide organisations with a low cost way to start measuring outcomes, freeing the limited available management capacity to focus on using the information.

The group discussed the value in collaborative, sector-wide efforts to develop common framework for outcomes and processes to deliver these, citing the examples of the Universal Standards for Social Performance Management in the microfinance sector, and the work of BOND with UK development NGOs.
Information systems

Information is core to management; outcome focused organisations need to have reliable ways to gather feedback about how well their systems are working and whether they are achieving desired outcomes.

Useful information comes from different sources
Whilst impact measurement often focuses on routine systematic data collection an understanding of outcomes/impact can also come from simple feedback mechanisms such as customer satisfaction surveys, complaints or informal discussions with frontline staff, as well as ad-hoc surveys and research.

User feedback was highlighted as particularly important, but it was noted that in some sectors working with very marginalised or vulnerable people it may be hard to collect this information.

Participants also note that a lot can be learned from the tracking and feedback systems from mainstream customer focused businesses that collect information about the profile of their customers and their patterns of product/service use (for example through the use of loyalty cards). The background paper for this meeting suggested that client/beneficiary data collection might therefore include:

- **Who is served**: data about the profile of clients/beneficiaries. This can be captured and used to segment and analyse performance, preferences and outcome information;

- **Transactions**: Information about how products and services are accessed and used, and whether clients use a certain product, attend meetings, training sessions, receive staff advice is very useful for understanding performance and outcome data;

- **Feedback and monitoring**: Direct feedback from clients/beneficiaries about their experience including for example timing & reliability of product/service delivery; service of staff; relationships with other clients/beneficiaries (e.g. within groups); satisfaction with training is very useful for understanding the extent to which the strategy of the organisation is working and for segmenting outcome data. In addition internal monitoring of the quality of delivery helps an organisation understand whether weaknesses in outcomes relate to delivery or design.
Using process as well as outcome indicators

Whilst it is important to be clear on what data and evidence is needed to understand the outcomes/impacts, this needs to feed into decision making and management within organisations as well as funders/investors and commissioners. This challenge is not just a technical one, and gets to the heart of how to keep organisations honest in meeting their clients’ real needs where there are competing demands for growth, financial and other returns.

In microfinance for example a focus on growth and profitability in the absence of a clear focus on client needs and outcomes has led to negative outcomes such as a move away from poorer clients, harsh collection practices and over-indebtedness. In response the industry has developed a set of performance management standards - Universal Standards for Social Performance Management in Microfinance (USSPM) - which define key elements in the design, governance and management of microfinance that need to be in place to deliver social impact. The standards can be used to assess the risk of failure to deliver on social goals such as through a social rating process, which is benchmarked into a rating scale and can thus track positive and negative progress over time. The framework is also useful to identify organisational strengths and weaknesses.

Participants stressed that to deliver outcomes social purpose organisations need to track both the process of delivery and the outcomes achieved. A clear theory of change and outcomes framework need to sit alongside quality management frameworks - such as the USSPM or PQASSO, a quality audit developed by Charity Evaluation Services and widely used in the UK Third Sector.
Supporting organisations to be effective in delivering outcomes

Intermediary organisations
Many organisations are weak in their ability to analyse, interpret and effectively communicate information in a way that it feeds into decision making and improved strategy and delivery. There is an important role for intermediary organisation to build capacity. However, it is important to recognise that this is a resource intensive process which can take several years. Several of the participant organisations have expertise in this process.

Front-line organisations
A concern was raised that presenting this as a lengthy and resource intensive process is not attractive to practitioner. A number of points were noted:

- The process is a step by step, incremental one, which delivers benefits at each stage.
- Entry points can be different. It is important to work from where the organisation is and to deliver early tangible benefits.
- Whilst there are costs, it is important to also see the business case for investing in systems to deliver outcomes/impact. There is a strong correlation between a business model that effectively delivers value for clients/beneficiaries and the sustainability and success of the organisation. For example many organisations do not see the value of collecting client profile or outcome information, even though this may be valuable for the business model. An example was given of the CEO of a toilet business who did not see the value in collecting data on the sex of clients. When it was pointed out to him the men and women use toilets in very different ways (women are more concerned about security, lighting and paper), he started to see the value of this data in the design and marketing of his products.
- The costs of embedding impact are not clear. There are some norms around expenditure on impact measurement, but this is focused on external evaluations, rather than the costs of internal systems. Whilst the costs of new data collection, new information systems, and processes may be significant, the on-going costs might be much lower. Many activities may be embedded in the routine activities of staff and therefore very hard to cost separately.
Investor’s donors
There was strong consensus that the complexity of building organisations to reliably deliver outcomes/impact is not sufficiently recognised or supported by donors/investors. Impact cannot just be ‘bought’. The capacity of front-line organisations needs to be developed and this takes time and money which needs to be properly resourced. Interventions are too short and expectations too high. Where funds are given as an investment with the expectation of financial returns this is particularly problematic. An impact readiness fund was suggested.

In the case of social investment there is a need to fund capacity building separately from the investment to ensure a reasonable cost of capital and financial returns for investors.

Participants highlighted the need to combine capacity building with the right external incentives. Investors/donors need to integrate social impact into their decision making processes. This is particularly important in social investment where there is a tension between revenue and impact and therefore a need to ensure that front-line organisations remain focused on delivering outcomes/impact. Investors at the meeting noted that investors are increasingly moving to look at outcomes and not just financials in their investment decisions. At a practical level this includes consideration of target market, clarity of purpose, outcomes committed to, products and services, business model, governance and leadership; previously structuring of the deal was the main focus – this has shifted significantly.
Annex: Participants & Resources

Caroline Ashley, Director Inclusive Business Results, Business Innovation Facility

Inclusive Business Impacts Network: This group aims to capture emerging lessons about the impacts of inclusive business and how to measure it.

We will use this space to share what we learn from our projects about the commercial and development impacts of inclusive business ventures, and to tackle the challenging question of how impact can be tracked and measured; whether to report to donors or to help companies monitor their key performance indicators.

We do a lot to track commercial and social results of the inclusive businesses supported in our BIF portfolio, but we also give direct technical support to some of the businesses on how they can best set Key Performance Indicators and metrics for their own purposes. This gives us a bird’s eye view of how needs of businesses and needs of donors that support business differ or overlap.

My aim was to consider and question some common hypotheses:

- if results tracking must be done to inform and improve decision-making, then businesses and donors (and by implication investors) must need different results, because they are making different kinds of decisions
- businesses need context-specific indicators, while donors need universal indicators that can be aggregated
- Businesses focus on measurement of outputs (what is delivered, such as units sold) while donors want to know about outcomes (the difference it made to somebody).

http://businessinnovationfacility.org/group/inclusive-business-impacts-network

Philip Brown, Managing Director, Capital Markets, Citi

Geoff Burnand, CEO & Louise O’Sullivan, Social Bonds Manager, Investing for Good

Investing for Good mobilises investment capital into social purpose organisations. Our vision is for a financial system that enables socially-motivated investors to make investments that connect money to social value. Through our affiliate The Good Analyst, we also provide the tools and services to evidence social impact so that management and investment decisions can be made rationally, effectively and aligned with social value.

Impact measuring and reporting: Develop a bespoke impact measurement and reporting system for your organisation. As part of this, we will help you to set up a framework for measuring and
reporting your impact. This includes:

- Defining your mission and theory of change
- Mapping your activities to an impact chain
- Choosing indicators
- Designing and setting up practical systems to measure and track your impact
- Using results both within your organisation and externally through reporting.

**Impact Investment Advisory:** Integrate impact into your investment decision making process. We work with you to design a holistic approach to impact investing. This covers screening and analysis, making investment decisions and deals, right through to evaluation and impact reporting.

**Auditing, Rating and Reporting:** Annual independent social audits against best practice benchmarks for quality control and updating. Independent impact analysis, ratings and reports for impact investment opportunities.

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**Ellen Carey, Manager Impact Reporting & Investment Standards, Global Impact Investing Network**

IRIS is a catalogue of generally accepted performance metrics used to measure social, environmental, and financial performance of organizations. By bringing together well-established metrics from a range of sectors including microfinance, affordable housing, education and others, IRIS makes it easier for users to create informed performance measurement systems and avoid mistakes that affect results and credibility. Further, by providing a common language to talk about results, IRIS makes it easier to compare outputs and communicate performance to others.

While IRIS development and adoption efforts are targeted at the impact investing market, the metrics themselves have value and relevance for all industries, organizations and programs measuring impact. The IRIS metrics catalogue is free to use and can be found on the IRIS [http://iris.thegiin.org](http://iris.thegiin.org). To support users looking to find the metrics most relevant for their work, the IRIS initiative also provides a suite of resources, some of which are noted below.

1. **Case Studies:** The IRIS initiative has published a handful of case studies demonstrating how different organizations are using IRIS. Some examples include: **IDB Group** (the Opportunities for the Majority Initiative), **Accion** (an emerging markets fund), **KL Felicitas** (a family foundation), and **Triodos Bank** (one of their agriculture-focused funds).

2. **Partner Recommended Metrics Sets:** Several partner organizations have endorsed specific sets of IRIS metrics which you can learn more about [here](http://iris.thegiin.org). Examples include the microfinance metrics recommended by the Social Performance Task Force (SPTF) and agriculture metrics endorsed by the Finance Alliance for Sustainable Trade (FAST).

3. **IRIS Registry:** The IRIS Registry highlights examples of IRIS use by more than 70 different organizations. Each registered organization provides a full list of the IRIS metrics they track. Registry profiles can be searched by organization type, social/environmental focus, and geographic region.

4. **Getting Started Guide:** A step-by-step guide that helps users to select and apply metrics from the IRIS catalogue to their work.
Nick Karr Triangle Consultancy (Triangle Consulting)

Triangle has developed a suite of tools for measuring outcomes when working with individuals. The tools are collectively called the Outcomes Star and there are currently 20 different versions tailored to different client groups including people who are out of work (The Work Star), vulnerable families (The Family Star) and people with drug and alcohol misuse issues (the Drug and Alcohol Star).

The tools are designed to be used as an integral part of the work with the individual and support worker and service user to explore their situation and set goals as well measuring movement towards those goals. They provide nuanced management information about change at individual and project level and can also be used to compare projects to identify good practice and areas requiring attention. They can be used as part of Payment by Results or Social Impact Bonds to track progress towards the hard outcomes which are linked to payments.

The Stars are widely used in the UK in voluntary and statutory sectors and are also used in Australia, New Zealand, Canada, the USA, France, Denmark and Italy. The Recovery Star for people with mental health issues is profiled in the Department of Health’s mental health White Paper ‘New Horizons’. More information and preview versions of all the Stars are available on www.outcomesstar.org.uk

Becky Evans, Head of Effectiveness Programme, BOND

NGOs working for international development based in the UK. Effectiveness programme – demonstrating impact of international development sector. The Bond effectiveness programme aims to strengthen the management and reporting of Non-Government Organisations’ performance. It’s based on the conviction that effective development work depends upon the ability to provide robust evidence of performance through rigorous measurement using appropriate techniques.

The effectiveness programme has three main strands:

1. The Impact Builder - developing a sector-wide framework of common indicators and agreed assessment methods to improve the rigor and consistency of how NGOs measure and demonstrate effectiveness.
2. An organisational Health Check – an online self-assessment to help identify an organisation’s strengths and weaknesses.
3. The Evidence Principles – aim to set a common standard for the quality of evidence.

www.bond.org.uk/effectiveness
Caroline Hartnell, Editor, Alliance Magazine

Alliance aims to facilitate the exchange of information and ideas among philanthropists, social investors and others working for social change worldwide in order to maximize the impact of funding for social development.

Alliance is the leading magazine for philanthropy and social investment worldwide. It provides news and analysis of what’s happening in the philanthropy and social investment sectors across the world. It also acts as a forum for exchange of ideas and experiences among practitioners.

www.alliancemagazine.org

Richard Kennedy, Chair, The SROI Network

SROI is a framework based on social generally accepted accounting principles (SGAAP) that can be used to help manage and understand the social, economic and environmental outcomes created by your activity or organisation.

http://www.thesroinetwork.org/

Tom Ling, Head of Impact, Innovation and Evidence, Save the Children UK

Improving ways in which SCF measures what it does and using this to improve programmes and innovation and SCF as an organisation.

Tris Lumley, Head of Development, New Philanthropy Capital

Inspiring Impact is a programme that over a 10 year period aims to embed useful impact measurement in practice across the UK charity sector. Its core hypothesis is that impact measurement is most useful if it leads to incremental improvements in practice and therefore improved outcomes—so this should be its primary purpose, NOT reporting to external stakeholders.

From this foundation, Inspiring Impact is developing guidance/principles to support impact leadership, digital resources to help organisations implement appropriate impact measurement approaches, and collective programmes to develop common impact measurement frameworks in specific subsectors/outcome areas.
1. Code of Good Impact Practice – guidance for charities and social enterprises;
2. Funder Principles – guidance for grant-making funders;
3. Impact Diagnostic – an online self-assessment to help identify strengths and weaknesses;
4. Tools Marketplace – an online platform collecting impact measurement tools and resources, navigable by searching, browsing, and by outcome area;
5. Shared measurement – a Blueprint for the development of shared measurement frameworks based on research into existing initiatives, and projects to develop shared measurement frameworks in specific areas (currently youth employability).

http://inspiringimpact.org/

Caroline Mason, COO, Big Society Capital

The creation of real and evidenced social value is increasingly important in the development of business models, public policy and finance. The social sector is ideally placed to be a leader in this area. It has a strong history of using its skills, passion and expertise to generate social benefit alongside its ability to innovate, deliver and grow.

At Big Society Capital, our focus is on the integration of social value into the investment decision making process for social investment in the UK. Our aim is to help social investors and investees build real evidence and common ground on which to develop and implement the growth of the market.

Our approach as investor is to assess each and every investment to try and ensure that Big Society Capital delivers maximum social value. This is done through our Social Impact Tests and Thresholds Assessment.

Our approach as champion has been to work collaboratively across the sector to establish best practice amongst social investment financial institutions and provide a standardised taxonomy and set of definitions for outcomes based investing. These best practice guides are aimed at the SIFI model and will therefore not necessarily apply to all investors. They do not include environmental outcomes.

The following have been developed with the collaboration and intellectual generosity of social investors and experts across the social sector:

- Best practice guide for impact first social investors that integrates social value into a robust investment process; from creating an impact strategy through to screening, due diligence and monitoring and reporting.
- An outcomes matrix that standardises definitions for key outcomes areas as well as providing research, context and suggested indicators for each of these outcome areas.
- Some guidance for social sector organisations on what social investors expect to see in an impact plan.

www.bigsocietycapital.com/social-impact
**Sam Matthews, CEO, Charity Evaluation Services (CES)**

CES is a national charity with over 23 years’ experience of helping charities, social enterprises and funders to improve their effectiveness.

**Monitoring and Evaluation:** Charities and funders regularly ask CES to provide expert advice and consultancy to monitor and evaluate their programmes.

[www.ces-vol.org.uk/consultancy](http://www.ces-vol.org.uk/consultancy)

**Training:** CES has built up a reputation for delivering some of the best outcome and impact training available.

[www.ces-vol.org.uk/training](http://www.ces-vol.org.uk/training)

**PQASSO:** In 1997 CES created PQASSO, the third sector’s leading quality standard. It is used by over 15,000 voluntary organisations of all sizes, from those with a handful of employees, to organisations with over 2,000. Organisations can also apply for the PQASSO Quality Mark. This nationally recognised award provides external verification of the quality and effectiveness of organisations, and is endorsed by the Charity Commission.

[www.ces-vol.org.uk/PQASSO](http://www.ces-vol.org.uk/PQASSO)

**JARGONBUSTERS:** CES created and administers the Jargonbusters website on behalf of an informal partnership of funders, government departments, regulatory bodies and voluntary sector organisations. This website is dedicated to providing clear and simple definitions to the third sector around the language used to describe what organisations are doing and the difference their work is making.

[www.jargonbusters.org.uk](http://www.jargonbusters.org.uk)

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**Anton Simanowitz, Social Performance Specialist, Oikocredit & Independent**

The Universal Standards for Social Performance Management is a comprehensive manual of best practices created for and by people in microfinance as a resource to help financial institutions achieve their social goals. The standards provide a common approach that is a foundation for in microfinance set a common framework for the microfinance industry for the improving management processes, auditing, rating, and reporting of social performance. The USSPM has 6 dimensions:

1. Define and Monitor Social Goals;
2. Ensure Board, Management, and Employee Commitment to Social Goals;
3. Treat Clients Responsibly;
4. Design Products, Services, Delivery Models and Channels That Meet Clients’ Needs and Preferences;
5. Treat Employees Responsibly; and Balance Financial and Social Performance

[www.sptf.info](http://www.sptf.info)
Nicola Wagner-Rundell, Head of Impact Management, Impetus-PEF

Impetus – The Private Equity Foundation (Impetus-PEF) is a registered charity whose vision is of a country where children and young people are not trapped in the poverty of their birth, but are able to access effective support that will give them the best chances for sustained economic independence. Children and young people who disengage from education at secondary school run the risk of leaving school without a qualification and as a result may struggle to find work. Given the current high levels of youth unemployment, there is an imperative to do more to address this serious problem; becoming reliant on benefits can be tragic for young people and also expensive for society. Helping to improve the life chances of these children and young people, helping them to become more economically independent, is an exciting and timely area of focus. Hundreds of thousands of young people could benefit from our help in turning their lives around.

To achieve this aim, Impetus-PEF brings strategic resources to charities and social enterprises working to improve the lives and life prospects of children and young people living in poverty in the UK. Our venture philanthropy model provides investees with a package of support – consisting of long-term, unrestricted funding, management support from our in house investment executives and specialist pro bono expertise – through which we aim to ensure that these charities and social enterprises are effectively delivering targeted outcomes, and then achieving scale in the areas of educational attainment and work readiness.

www.impetus-pef.org.uk
About Big Society Capital:

Big Society Capital is the world’s first social investment bank. BSC formally launched in April 2012, with an estimated £600 million of equity to be paid-in over 5 years, of which £400 million will be from unclaimed assets left dormant in bank accounts for over 15 years and £200 million from the UK’s largest high street banks.

Big Society Capital seeks to support the growth of a social investment market in the UK by revolutionising the way in which the social sector is funded. Through supporting the growth of social investment finance providers, BSC will improve access to innovative forms of financing, and connect the sector to capital markets.