Maximise Your Impact

A guide for Social Entrepreneurs

GUIDE

KNOW YOUR impact

HOW TO ENGAGE WITH YOUR STAKEHOLDERS, COLLECT DATA AND DESIGN GOODS AND SERVICES TO MAXIMISE IMPACT

The guide was developed within "Know Your Impact: Social Impact Management Tools for Young Social Entrepreneurs" by Estonian Social Enterprise Network, Koç University Social Impact Forum, Mikado Sustainable Development Consulting and Social Value UK.

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PREFACE

The guide in front of you is the output of a two-year of cooperation by four organisations – Estonian Social Enterprise Network, Koç University Social Impact Forum, Mikado Sustainable Development Consulting and Social Value UK – within the *Know Your Impact: Social Impact Management Tools for Young Social Entrepreneurs* programme.

We set out on this journey together with an aim of empowering social entrepreneurs and equipping them with the tools to manage and maximise the social impact they create. We all believe in social entrepreneurship as a successful model to tackle the social issues experienced in Turkey, Estonia, United Kingdom and other parts of the world. Social entrepreneurs often struggle to overcome the obstacles in their way and sustain their social enterprises. We hope this guide will help them to increase the positive social impact they make and to create more social value for the people whose live they are changing.

I would like to express my gratitude to all the project team members and people involved in our work during the last two years, who made this experience a great pleasure. As I am not able to mention all the names, I will limit my list to the great project team: Jeremy Nicholls and Ben Carpenter from Social Value UK for all their work on the guide and for providing us with the guiding light during the whole project; Serra Titiz and Elif Urgan from Mikado Sustainable Development Consulting for all the support and insights provided from the perspective of the social enterprise; Jaan Aps and Marko Uibu from Estonian Social Enterprise Network for their expertise, experience and motivation during the project; Gonca Ongan, Ayşe Seda Müftügil Yalçin, Naz Çakıroğlu, Tuba Emiroğlu, Merve Güney and Tuğçe Aktepe Dursun and Duygu Güner from Koç University Social Impact Forum for their passion, experience and contribution to the project.

The publication of this guide means the *Know Your Impact* project has come to an end but our cooperation will surely continue.

Agata Fortuna
Koç University Social Impact Forum

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This is the first version of this guide and we would welcome your feedback which will inform an updated version planned for 2019. Please send comments and suggestions to info@socialvalueuk.org or kusif@ku.edu.tr

WHAT WE MEAN WHEN WE SAY…

Definitions of the key terms used in this guide:

Activities is the term we use to describe all the things that social enterprises do, including: deliver products and services, offer programmes and carry out advocacy.

Stakeholders are people, or groups of people, or even organisations, that have an effect on your activities or are affected by your activities.

Outcome covers the different kinds of change that happen as a result of the activities of social enterprises.

Material outcomes are outcomes that matter to someone. Data on these outcomes will influence decisions to maximise impact.

Social impact are changes in peoples lives caused by an activity.

Social value is a way of quantifying the relative importance of impacts that are not already captured in financial or market transactions.

"IF THE RATE OF CHANGE ON THE OUTSIDE EXCEEDS THE RATE OF CHANGE ON THE INSIDE, THE END IS NEAR".

JACK WELCH, FORMER CEO OF GENERAL ELECTRIC

USING THIS GUIDE

WHO IS IT FOR?

This guide is written for social entrepreneurs who want to maximise their positive impact and want a practical approach to help them do that. By impact we mean creating changes in people's lives. You could be already running a social enterprise or on the way to setting one up.

The key to this approach is 'Impact Thinking' and at its heart this means involving and being accountable to stakeholders, primarily those that the social enterprise aims to support.

It is about collecting data from stakeholders to improve the design of products or services aimed at addressing a particular social issue.

This guide does not tell you how to produce an impact report. We hope that users of this guide will focus on producing recommendations: to change, stop or scale their activities. However this groundwork will also make it easier to report your impact to funders and to let them know how you are using data to inform change.

There is much more that could be said about how people can go on to develop and co-produce new products and services, especially as an opportunity for innovation.

If you don't intend to change anything you are doing as a result of thinking about your impact, or you only want to confirm that you are having an impact, then this is probably not the guide for you.

USING THIS GUIDE

ARE YOU STARTING OUT?

If you are about to set up a social enterprise, this guide will help you to:

- Understand the social issue you want to change
- Develop your strategy and goals for impact to address the social issue (also known as your 'Theory of Change')
- Design - and over time consider redesigning - your activities (products, services, advocacy etc.) to have maximum social impact
- Develop an impact plan for collecting data so that you can keep improving
- Plan your data collection and analysis so you will know whether your strategy is working and can produce a set of recommendations to change, stop or scale what you are doing

ARE YOU ALREADY OPERATING?

If you are already running a social enterprise, this guide will help you to:

- Check that you really understand the social issue you want to change
- Review your strategy and goals for impact on that issue and change them if necessary
- Change your organisation if needed to help achieve your goals and be sustainable
- Improve and continually redesign your activities to maximise social impact
- Develop a plan for collecting the data you need to keep improving your services
- Plan your data collection and analysis so you know if your changes are working and can produce a set of 'Data Driven Recommendations: to change, stop or scale'.

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BEFORE YOU START

Before You Start

INTRODUCTION

This guide is written for social entrepreneurs who want to maximise their impact and provides a practical approach to help them do that. Whether you are starting an enterprise or want to get more value from one that is already established, this guide will help you engage with stakeholders, collect data, and design (or change) your activities for maximum impact. Our goal is to help you to maximise your impact, to help you allocate resources as best you can to have as much impact as possible.

You will learn how to use data to drive decisions to improve the design of your activities and to maximise your impact. You will arrive at some recommendations: to change, stop or scale. Have a quick look at the table on page 118 to see what you are working towards. The reporting of impact is a natural and easy next step that will then follow.

You may want to leap ahead and get started straight away – but please bear with us. In thinking about maximising impact we may be introducing some new ideas which underpin the rest of the guide.

MAXIMISING IMPACT

Impact Thinking means focusing on creating as much net positive impact as we can with the resources we have, where 'impact' means the changes in people's lives caused by our activities, whether directly or indirectly.

Nonetheless when thinking about impact, there is a risk that you focus your data collection on demonstrating your impact to other people. The data collection in this guide is directed more broadly towards informing your operational decisions and improving the design of your products and services and being able to report the change in impact over time.

So we want to focus on collecting 'good enough' data – good enough to inform your decisions and to encourage a culture that seeks change in response to feedback. This will include decisions on:

- Upgrading existing products and services
- Scaling up products and services that are working well
- Replacing ones that aren't working with new ones
- Developing strategic partnerships to increase impact
- Being prepared to go back to the drawing board to transform the business and its goals.

You can always find a reason why your data isn't good enough to decide to make changes. We want to equip you with ways to avoid this, to frequently evaluate options and choose one of them. This guide encourages trial and error in prototyping and piloting service improvements, and not hiding from tough decisions.

BEING ACCOUNTABLE

There is an important difference between financial and social value. Organisations that create financial value are generally held to account by investors and the customers who gain value from their products and services. People who are expected to benefit from the social value created by an organisation are generally not able to hold organisations to account for that value to the same extent and sometimes not at all.

Private sector businesses pursue value for their investors and customers. Social value is harder to measure, and social enterprises face a challenge to maximise their social value. Social enterprises can take that on by relentlessly seeking to increase their impact and by finding ways to be held to account for that impact.

HOW TO USE THE GUIDE

The Guide is set out in four stages[1], corresponding with the four quadrants of the diagram below:

1 *These stages are similar to the four stages in the 'cycle of impact practice' set out in the Code of Good Impact Practice, Inspiring Impact [http://inspiringimpact.org/resources/are-you-leading-for-impact/#1]*

BEFORE YOU START

MAXIMISING IMPACT

Stage Four - Revise

Develop ideas and improvements for products and services

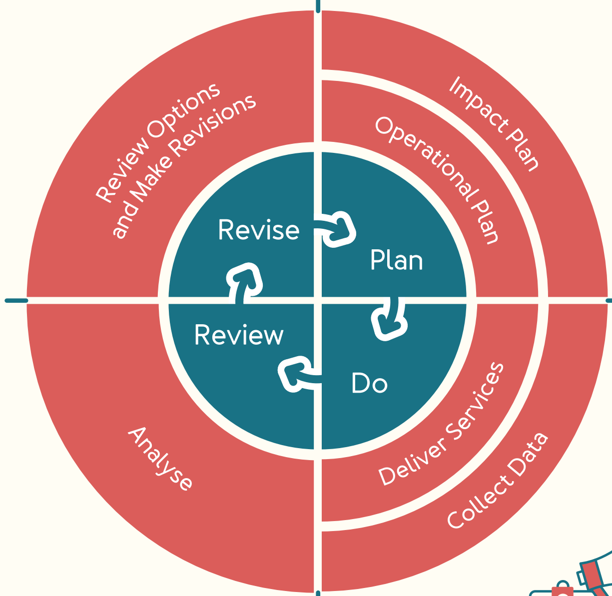
Assess risk of each option

Identify viable options

Stage One - Plan

Identify problems and solutions and develop an operations and impact plan

Identify stakeholders and conduct focus groups



Identify Data Insights

Analyse data. Consider overlap of shared outcomes, characteristic and values.

Stage Three - Assess

Design surveys based on changes in people's lives

Collect information from stakeholders

Put data in to a spreadsheet

Stage Two - Do

We have separated impact planning from operation planning because this is primarily a guide for maximising impact in organisational set up, specifically to create positive change in people's lives. Although the two things should be integrated within business planning, impact management is often not given the focus it needs, if we are to create significant and systemic social change.

STAGE 1: PLAN / PAGE 24

Stage 1 is about business planning, making sure you know the thinking, planning and consultation you need to do to run an enterprise that seeks to maximise impact.

STAGE 2: DO / PAGE 60

In stage 2, the social enterprise is up and running and you now collect quantitative data to measure the impact you have had to plan to have.

STAGE 3: ASSESS / PAGE 89

In Stage 3, you will analyse the data you have collected. This includes comparing performance against our targets as well as looking for relationships between outcomes and stakeholders shared characteristics.

STAGE 4: REVISE / PAGE 106

In Stage 4, you use the data you have collected to make recommendations on whether to make changes to your strategy or to improve your products or services; to stop some of them, or to scale them up.

IMPACT QUESTIONS

MAKING DECISIONS BETWEEN DIFFERENT OPTIONS FOR CREATING IMPACT

Impact Thinking[2] means making choices, for example between one strategy and another, between one product and another, or between trying to improve one product or another. Choices intended to create more impact than before. Constantly exploring different options and changing what you do makes it more

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2 Who changes could include the environment. This is often shorthand for changes that people experience as a result of a change in the environment.

likely that you will be creating as much impact as you can.

To make these choices there are some questions you will need to answer.

THE TEN IMPACT QUESTIONS

The Impact Questions are set out in the table below and are fundamental to everything we cover in the Guide.

The table shows at what stage of the process we answer the differing Impact Questions. During Stage 1 (Plan) we are focusing mainly on the first four Impact Questions (although we will also touch on the last question)

THE TEN IMPACT QUESTIONS	PLAN	DO	ASSESS	REVIEW
1. What problem are we trying to solve?	X		X	X
2. What is our proposed solution to the problem?	X		X	X
3. Who experiences changes in their lives as a result of what you do?	X		X	X
4. What changes are (or likely to be) experienced?	X		X	X
5. How can we measure these changes?	X		X	X
6. How much of each change has happened (or is likely to happen)?		X	X	X
7. How much of each change is caused by our activities?		X	X	X
8. How long do we need to measure the changes for?		X	X	X
9. What is the relative importance of the different changes?		X	X	X
10. Which changes matter and are important enough for us to manage?	X	X	X	X

We refer to these questions throughout this Guide. We will show you how to go about answering them – You will answer some of them as you gather qualitative information [Stage 1], then you will refine your understanding and answer all of them in detail as you collect quantitative data [Stage 2].

You'll notice that the questions aren't just about discovering how many people's lives have changed or how much those people's lives have changed. If we want to make choices between different ways of doing things we'll also need to know how much our actions caused these changes, how long they lasted and how important they are to the people experiencing them.

There are also three overarching questions you will need to consider:

- Who should answer them?
- How rigorous do the answers need to be to inform your decisions?
- What assurances do you need that the information is relevant, complete and accurate before you are able to make those decisions?

GIZAJOB – AN ILLUSTRATIVE CASE STUDY

Gizajob is a social enterprise that we have invented to illustrate some of the decisions you will need to take to maximise your impact. This social enterprise may be very different to your situation, but the approach and principles are applicable to any organisation that seeks to change people's lives.

There are not many people involved in this social enterprise. So the size of any sample you use to collect data will be small. This doesn't mean it can't provide useful information.

THE GIZAJOB STORY

This social enterprise was set up two years ago by a small group of people who wanted to address the problem of high unemployment among young people. Gizajob's efforts are focused on people living in a city and region where there has been long-term industrial decline and where unemployment rates are significantly higher than the national average, and highest among young people between the ages of 18 and 25.

WHAT DOES GIZAJOB AIM TO ACHIEVE?

Gizajob's objectives are to help young people between the ages of 18 and 25: increase their skills and confidence to make informed decisions about their future and secure employment.

WHAT DOES GIZAJOB DO?

Young people apply to join the programme which is full time and lasts six weeks. Participants are involved in a range of activities including: job searching, support to create good CVs, practice interviews, and work experience. In addition, each participant is assigned a mentor at the end of the programme who will support the young person for the following year.

WHAT IS GIZAJOB'S BUSINESS MODEL?

Gizajob has two main sources of income: grant funding for three years from a charitable foundation; and sales income from a contract with a local government agency. Every time a young person who has attended the programme secures a job, Gizajob receives a small payment. If the young person still has the job after 12 months they receive a bigger payment.

WHAT IS GIZAJOB'S IMPACT?

Over the last year Gizajob has supported 50 young people. They have collected some anecdotal feedback on their impact and created case studies that highlight the success they have had with some young people. Regular reports to their funders include the case studies, the number of young people in the programme and the number who then secure work.

Their funders are satisfied with this level of reporting and the staff of Gizajob think that the social enterprise is making a positive impact on society. However, the board and staff of Gizajob realise that this information does not help them design any improvements to their service and they are not able to say whether they are creating as much value or impact as they could with their existing resources. As a result, Gizajob have decided to rethink their approach to impact.

We return to this story at different points in this Guide to find out what they did, why and what happened as a result. This Guide leads you to the point where you can make a set of proposals about how to maximise your impact. Jump to page 110 in Stage 4 now to see Gizajob's recommendations to change, stop or scale.

STAGE 1 =

BUSINESS PLANNING

"If I were given one hour to save the planet, I would spend 59 minutes defining the problem and one minute resolving it."

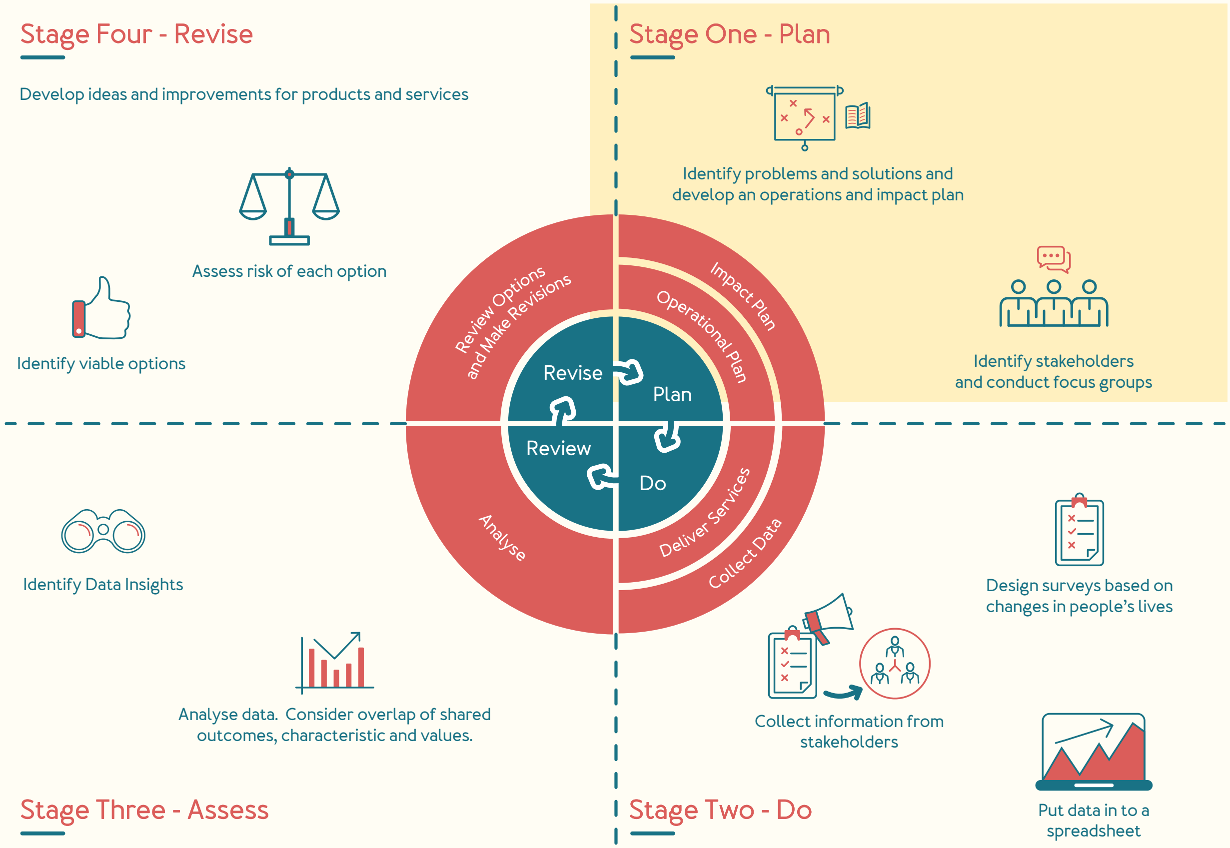
ALBERT EINSTEIN

Stage 1: Business Planning

Creating (or reviewing) your strategy and business plan. There are two parts, an Impact Plan and an Operations plan. This is the longest stage.

Business Planning means setting out your goals, activities and outcomes, informed by consultation with stakeholders as you start on your journey to maximising your impact.

MAXIMISING IMPACT



CHECKLIST

By the end of this Stage, you should have either created or thought about updating

- *A Problem Tree*
- *An Objective Tree*
- *An Impact Goal*
- *A Theory of Change*
- *Stakeholder analysis (mapping; table of who to include/exclude; key characteristics that help identify sub-groups or segmentation)*
- *A list of outcomes, showing sequence of events, including positive and negative outcomes*
- *An Outcome Map (a table combining stakeholders and potential outcomes)*

IMPACT PLAN

Your Impact Plan sets out how you will answer the 10 Impact Questions.

If your social enterprise is already operating, you may already have parts of this Impact Plan in place. If you do, make sure you review and update it regularly as you collect data on your impact.

It is essential that your Impact Plan is informed by your stakeholders. Their views are vital to establish whether the problem you are tackling is real, whether your proposed solution will work and they will influence the type of information you will need to collect once you start delivering your activities.

If you are a start-up or new enterprise, you won't be able to ask stakeholders for feedback. However, you can talk to people who are very similar to your stakeholders (or people who might become your stakeholders) just like a private business carries out market research with potential customers about a new product or service.

The next section introduces qualitative research as the basis for developing answers to the first four questions and starts considering the tenth.

1. What problem are we trying to solve?
2. What is our proposed solution to the problem?
3. Who experiences changes in their lives as a result of what you do?
4. What changes are (or are likely to be) experienced?
10. Which changes matter and are important enough for us to manage?

QUALITATIVE RESEARCH

Qualitative research is the basis for answering the first four questions. There are two issues being addressed:

- **How to understand and develop a strategy to answer the first two questions; What problem are we trying to solve and what is the solution?**

  It's useful to start by agreeing a Theory of Change, a document that sets out how you might achieve your Impact Goal. If you already have a Theory of Change you can review it to make sure it is still current or move on to answer the other Impact Questions.

- **How to determine the impact data you need to collect to maximise your social impact and be accountable.**

  This means involving stakeholders in answering Impact Questions 3 and 4 (Who experiences changes and what changes are (or are likely to be) experienced.

INVOLVING STAKEHOLDERS IN QUALITATIVE RESEARCH

The key message of this section is that you must be talking to your stakeholders during the planning stage; asking open questions and listening to their views. Involving stakeholders early puts their needs and preferences at the heart of your design activities.

You can start with a small number of representatives of your different stakeholder groups – bringing them together in a focus group or interviews. This is not quantitative research which comes later from question 5 onwards.

APPROACHES TO TALKING TO STAKEHOLDERS

You will need to decide on the best approach or method of involving your stakeholders in planning. Different stakeholders may require different approaches.

Organisations (e.g. a government department or a delivery partner): It will often be possible to talk to one person who understands both your work and their own aims.

Stakeholder groups containing a number of people. A common question is "How many people do I need to speak to?" There is no definitive answer. A good approach is to talk to as many as you can until you stop hearing new things. This is called 'saturation point'.

Selecting a sample of people from a group. The key thing to consider is how representative your sample is of the group as a whole. You should think about the characteristics of your stakeholders and what makes them diverse, and try to select people that represent the group's diversity. Try to avoid biases, for example, recruiting only the most willing and engaged participants.

Selecting your approach: Be aware that focus groups and one-to-one conversations (interviews) have different pros and cons. The table below sets out some of these.

APPROACH	ADVANTAGES	DISADVANTAGES
Focus group	Less time, more opportunity for discussion to unfold More opportunity to find the important outcome	Risk of bias (especially in case of a dominant voice) Some issues may be too personal and intimate to discuss in a group
One-to-one interview	People may feel more comfortable in sharing their experience	Less opportunity for experiences to be informed by the discussion More time-consuming
One-to-one phone call	Convenient for a researcher Some people may feel more comfortable talking on phone	Cannot establish deep contact

IMPACT QUESTION 1: WHAT PROBLEM ARE WE TRYING TO SOLVE?

The first thing to be clear about is what you are trying to do – what problem are you trying to solve? It's easy enough to say you are going to reduce world poverty, for instance, but much harder to turn this into something that will make a 'real difference' (a phrase that is used a lot but which often doesn't tell you very much about what has been achieved).

If you don't spend time thinking about the problem you want to address at the start there is much more risk that you won't make any kind of difference or even that you could make a net negative impact. For instance, your activities could take resources that could have been used elsewhere, or draw people and organisations away from their focus. There are lots of risks. And wherever you start, you will probably have to change and develop as you learn. Thinking this through will be helpful but at the same time you'll need to get started in order to learn and adapt. It's an iterative process.

LOOK FOR THE ROOT CAUSES OF THE PROBLEM

It's great to want to address a social problem. But how is the hard question. In the case of Gizajob, the problem the founders wanted to focus on was unemployment in a city with high unemployment.

How can Gizajob reduce the rate of unemployment for 18 to 25 year olds? Social problems are often complex – there are typically multiple causes of a problem. Will you be able to overcome them all or enough of them to have an impact?

Trying to figure out why the problem has developed will help create effective solutions. If you don't (or didn't) do this you may spend more time later having to adapt before your approach is effective.

A 'problem tree' is a tool that can help you explore the range of root causes behind a social problem – and it can help you identify the ones you may be able to do something about. Thinking about the underlying causes is essential for social entrepreneurs when they are starting out. It will help you brainstorm different problems and how they relate. It is also important to revisit this issue periodically to see if anything has changed and whether the root causes (and the assumptions underpinning your enterprise) are still valid.

CREATING A 'PROBLEM TREE'

The best way to create an accurate and realistic problem tree is to involve some of your principal stakeholders – the people who are affected by the social problem that you want to change – as well as others who have a good understanding of the problem.

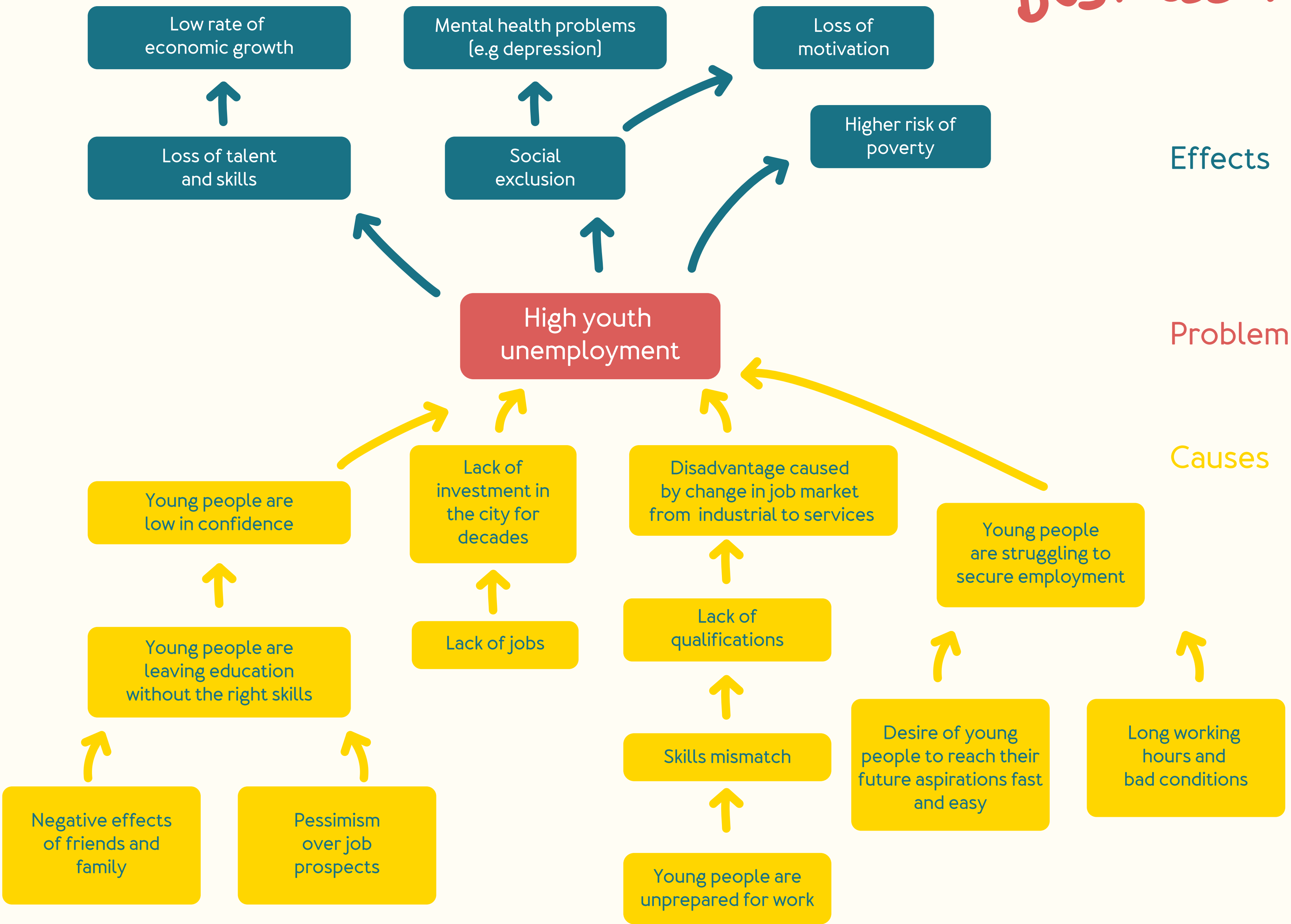
To create a problem tree, you will need a large sheet of paper or a whiteboard – the top part is reserved for the effects the social problem causes, the bottom part for the underlying causes. Now take the following steps:

1. Put the core problem at the centre of the tree (and the page).
2. Consider direct causes to the problem.
3. Place the direct causes below the core problem. Here, each cause needs to be written in negative terms.
4. Think of other secondary causes linked to direct causes.
5. Place them under each relevant direct cause.
6. Place the direct effects above the core problem.
7. Consider the effects of the secondary causes.
8. Place them above each relevant direct effect.

Here is the problem tree developed by the Gizajob team and their stakeholders.

PROBLEM TREE: GIZAJOB

STAGE 1 = BUSINESS PLANNING



IMPACT QUESTION 2: WHAT IS OUR PROPOSED SOLUTION TO THE PROBLEM?

The next step after identifying causes and effects using a problem tree is to use your findings to create an 'objective tree' which will help you design your solution.

The objective tree shows you how things could be if the social problem were reduced or eliminated. You create the objective tree simply by taking the negative statements from your problem tree and turning them into positive statements. The result of this will help you design your solution – the products or services that will address the social problem.

The objective will be to reverse the effects of the problem you have identified.

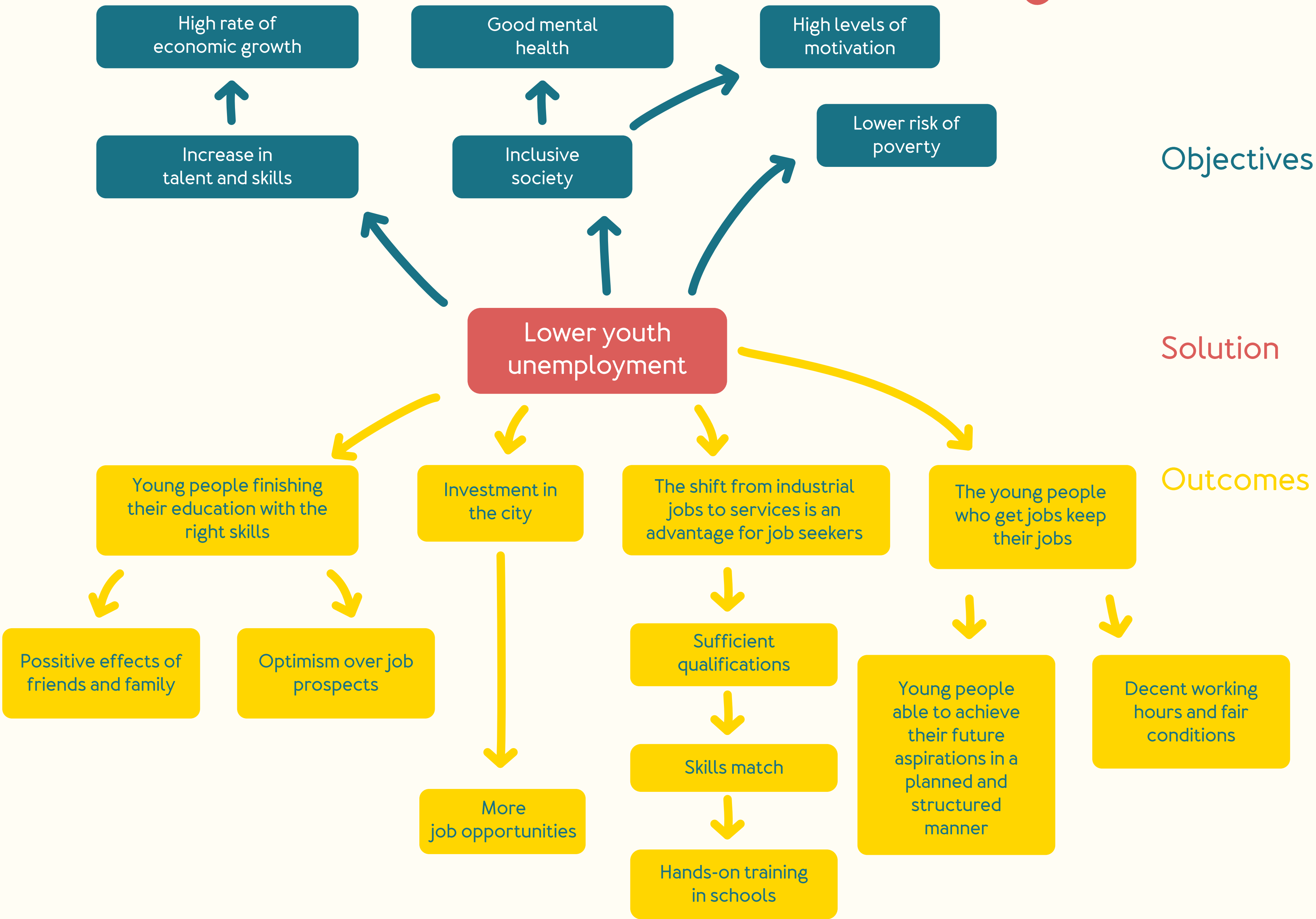
REMEMBER

- *Always involve stakeholders. Try to understand the problem from your stakeholders' point of view. It will help you identify what your stakeholders consider to be root causes and create effective, sustainable solutions or products. It will definitely help you create value and maximise your impact.*
- *Focus on those underlying causes where you think you have most to offer and where you think you will be able to get the resources needed.*

Once you have defined the problem you want to solve, go and find a critical friend and listen to what they think of your proposal.

STAGE 1= BUSINESS PLANNING

OBJECTIVE TREE: GIZAJOB



REMEMBER

- *Just as with your problem tree, it is best to involve your stakeholders during the process of creating an objective tree. It will help the objective tree to be reflective of their views.*

WHICH PART OF THE PROBLEM SHOULD I TACKLE?

Once you have mapped out the root causes of the problem, you need to decide which of the causes to focus on. It is unlikely that you will have the all the resources (or range of skills) needed to offer solutions for every root cause of the problem.

The factors you need to take into account are the financial and non-financial resources available to you (the skills in the team, their abilities, capacities, interest areas, expertise) and the value you want to create for your stakeholders. You will then choose which root cause to focus on and then design your solution accordingly.

You may have a direct connection to your chosen social problem; perhaps, you have experienced it yourself, or know people who have.

In the case of Gizajob, the team reviewed and evaluated their resources and the need to generate income to keep going, and decided to focus on two root causes of the problem of youth unemployment:

- low confidence
- lack of preparation for work

WHO ELSE IS TACKLING THE SAME PROBLEM?

It is important to know who else is working to address the same social problem as you – so you don't waste your resources or risk not being able to create any value. Once you have scanned the sector, you have several options:

- Continue focusing on your chosen solution by yourself
- Develop your solution or product by seeking to work with other organisations or individuals working on the same root cause
- Change your solution by tackling a different root cause or causes

For instance, Gizajob scanned the youth employment sector and realised that:

- The local government runs some job fairs to promote local employment opportunities
- A housing cooperative runs a job club once a month that provides some support to unemployed residents
- A local college helps their students and ex-students write their CVs

Consequently, Gizajob formed good relationships with these organisations and made sure that their programme was providing a complementary service and not competing.

REMEMBER

- *Once you are up-and-running, it is important to step back periodically, perhaps annually, to look at the big picture to see where your social enterprise (and its impact) fits in. Doing this will give you a different perspective, so that you can prioritise your activities, spot opportunities, make strategic decisions and focus on quality.*

CREATING AN IMPACT GOAL

Understanding the root causes of the problem can help you to identify the areas where change needs to take place – and to decide which particular part you are trying to solve. Your Impact Goal is what you want to achieve: the part of the bigger problem that you have decided you will try to change.

In the case of Gizajob, the social problem is high youth unemployment, their Impact Goal is to: help 18-25 year olds in their region to find and keep employment.

When deciding your Impact Goal you should take your resources and skills and other factors (such as the feasibility of your approach) into consideration. The objective tree presents you with the ideal situation and helps to define your impact goal. You need to be ambitious but also realistic.

THEORY OF CHANGE - A STRATEGY FOR ACHIEVING YOUR IMPACT GOAL

Social entrepreneurs need to be clear about what they want to achieve (their Impact Goal) but also about how they are going to achieve it. A Theory of Change (ToC) is a useful tool for working out the 'how'.

A ToC represents your organisation's approach to creating change and will include a range of stakeholders. It is an effective strategy document and a succinct communication tool for informing stakeholders about your organisation.

Your ToC should be periodically updated and referred to throughout the four stages of the process set out in this Guide.

In Stage 2 (Do) and Stage 3 (Assess), the ToC is tested through data collection and analysis. In Stage 4 (Revise), you may find you it needs to be revised.

REMEMBER

- *You will probably have an Impact Goal that is smaller than the social problem and its root cause. That's fine, nobody expects you to solve all the world's problems.*
- *If you have been working to address a particular social problem for some time, you need to review whether you should still be trying to address the same problem and be prepared to modify your approach.*

REMEMBER

- *A ToC is a summary of how change is expected as a result of a set of activities. It includes the problem you are trying to address, the changes you want to make (your Impact Goal), what you plan to do (your activities, the assumptions you are making and describes how your activities meet the Impact Goal.*

REMEMBER

- *Periodically, perhaps annually, and whenever your external situations changes, revisit your ToC.*

HOW TO CREATE A TOC

Developing your ToC with the involvement of a representative group of your stakeholders – staff, volunteers, funders and the people who you expect to benefit from your activities - will help inform the design of your products or services. However you should also review existing research that is available which may either support or contradict your ToC and may provide useful insights into the other Impact Questions. For example, if there is research on supporting people back into work showing that the duration of unemployment affects chances of getting a job.

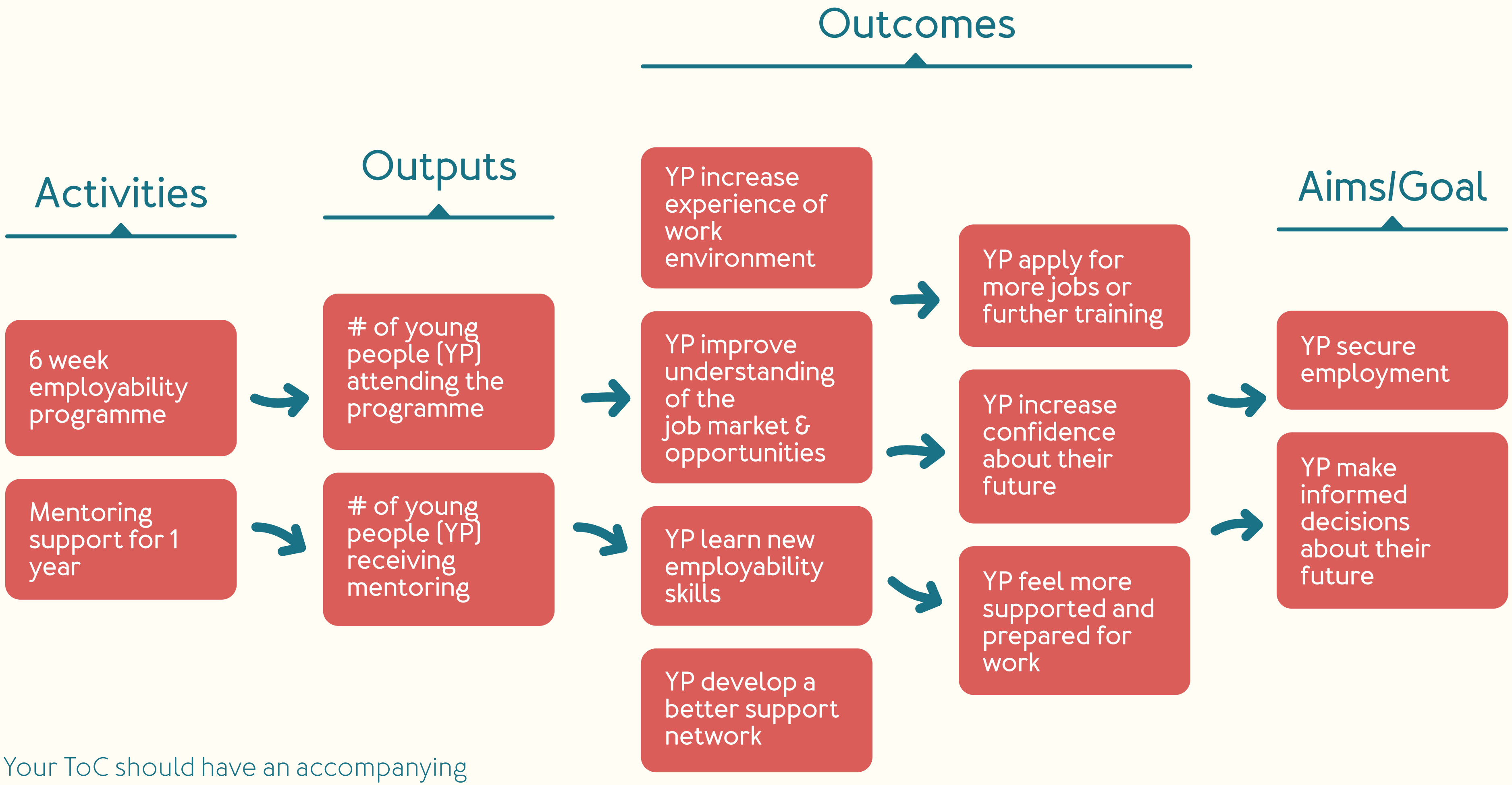
So far we have been talking about changes that people experience. Changes can also be referred to as outcomes and this is commonly used in ToCs. We will continue to use 'change' in the Impact Questions but from this point we will also start to use 'outcome'.

1. The first step is to get the group to work back from the Impact Goal to identify the conditions (and how these relate to one another causally) for the goals to be achieved.
2. Get the group to talk about the relationship between your goals and your activities. We recommend capturing the discussion using a large sheet of paper and Post-It notes.
3. Now ask: what kind of outcomes do beneficiaries need to experience for you to achieve your Impact Goal?
4. Next identify your activities. Each desired outcome should be linked to an activity. Activities should be described in enough detail that someone unfamiliar with the programme could understand what is happening.
5. Now add the causal links between the activities and the outcomes that lead finally to your Impact Goal.

   Some activities may lead to more than one outcome, some outcomes will have more than one activity leading to them, and many outcomes will lead to other outcomes.
6. Finally, explore the assumptions that underpin each causal link. You should clearly explain your assumptions and ideally back them up with other evidence (from management experience, other programmes, and academic studies relating to similar activities).

There are typically three important types of assumptions to consider: assumptions about the connections between outcomes and other outcomes; assumptions that activities lead to those outcomes; and assumptions that all of the preconditions for activities leading to outcomes have been identified.

ToC EXAMPLE – GIZAJOB



Your ToC should have an accompanying narrative that explains the context and the logic underpinning it. As well as drawing out causal links, this narrative provides more detail on the aspects of your theory that are central to achieving your intermediate outcomes and final Impact Goal.

REMEMBER

- *Refine your ToC when you collect qualitative and quantitative data.*
- *Over time, as you revise your strategy, goods and services based on stakeholder involvement, the consequences of your activities and your goals should become aligned.*
- *Avoid the risk of bringing people together and then ignoring their input.*
- *Don't get too attached to the ToC you have developed – it may be wrong or conditions may change, either way it will need to be revised.*
- *We have talked about a goal and then a strategy/ToC to achieve it. Other people may refer to a strategy and then develop a ToC or have a ToC as the basis for their strategy. Whatever approach you take the purpose is to make what you do more effective.*

HOW TO USE YOUR TOC

Your ToC is not a 'magic wand' that can solve all of your planning and evaluation challenges, but it will start your thinking about how you are going to create as much impact as you can.

One risk from developing your ToC is that people can become attached to the ToC they have developed, less able to recognise information that is not aligned or consistent with it and so don't change it even when they should.

Focusing too closely on the ToC's goals and outcomes can mean that the consequences of your activities are not considered. You should have considered possible negative outcomes so you can mitigate them from the start but there is a risk that unplanned and unexpected, positive or negative outcomes are not managed – and yet these are critical for the decisions you will be making to either stop, change or scale-up your products or services.

DEVELOPING YOUR IMPACT PLAN: SUMMARY SO FAR

Your Impact Plan is beginning to take shape: you have answered the first two questions.

1. What problem are we trying to solve?
2. What is our proposed solution to the problem?
3. Who experiences changes in their lives as a result of what you do?
4. What changes are (or are likely to be) experienced?
5. How can we measure these changes?

10. Which changes matter and are important enough for us to manage?

If this was your only goal, you might now be tempted to jump to Impact Question 5 (and then you won't need Impact Question 10 as you have already decided that it's only your objective that matters and should be managed). However, Impact Thinking is about maximising the impact you create with the resources that you have. If you want to do this you'll need insights from your stakeholders' experiences and preferences from answering questions 3 and 4.

IMPACT QUESTION 3: WHO EXPERIENCES CHANGES IN THEIR LIVES AS A RESULT OF WHAT YOU DO?

Every social enterprise or programme will result in a range of outcomes for different stakeholders. To understand these, you first need to identify who your stakeholders are.

You have already identified some of your stakeholders but as you consider the consequences of our activities your list of stakeholders may get longer and more detailed.

The following questions can help you develop your understanding of your stakeholders:

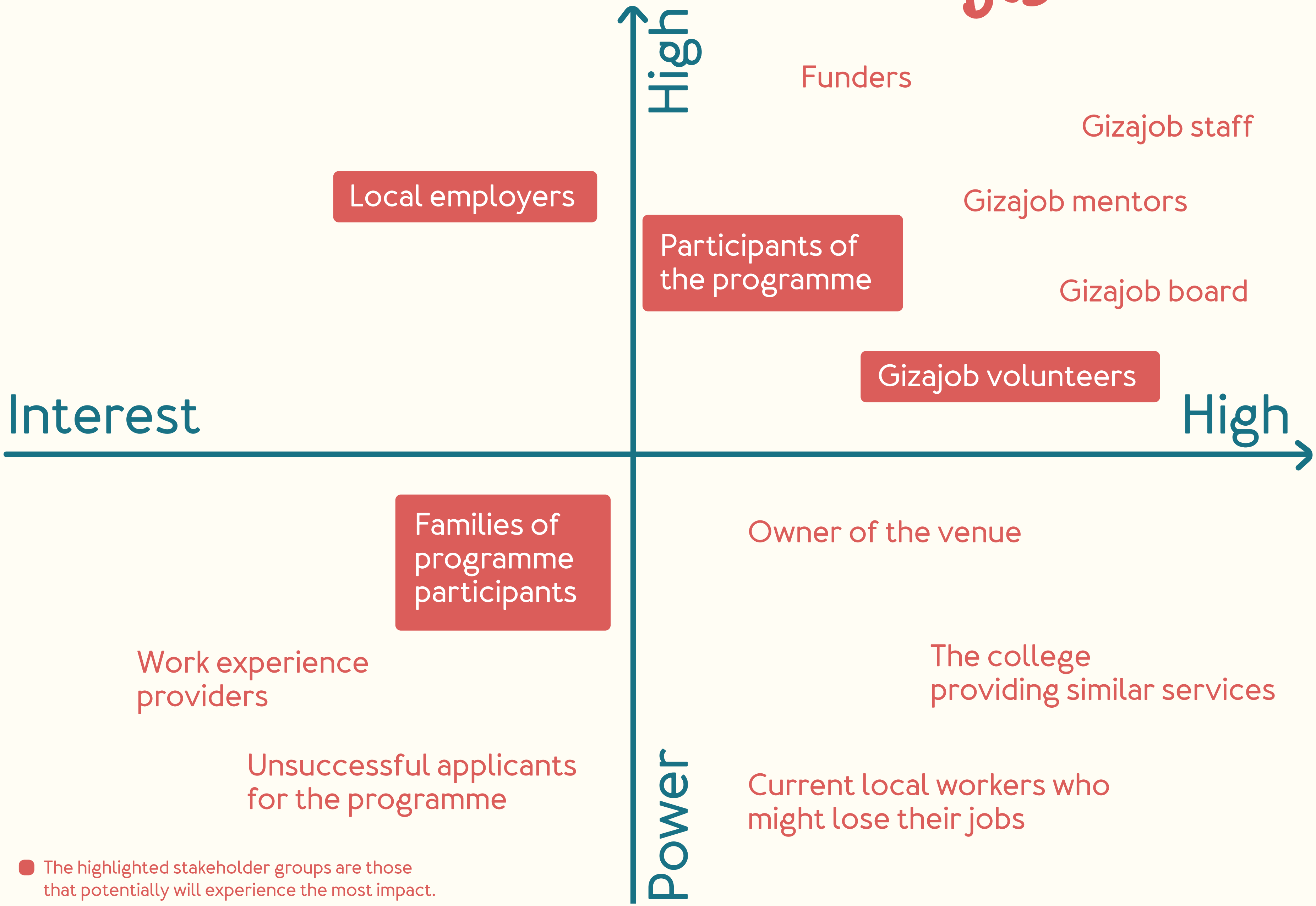
- **Who do you need to deliver your activity?** List all of the people or groups of people who are needed to make your activity happen (e.g. funders, delivery staff, volunteers).
- **Who do you expect will be affected by your activity?** These are your intended beneficiaries. It may be useful to know more about their characteristics.
- **Who else might be indirectly affected by your activity?** Can you think of any other people who may be affected by what you do?
- **Who might experience a negative outcome as a result of your activity?** To get the data you need to maximise your impact, you cannot leave out groups of people who might experience negative consequences of your activities.

This doesn't only mean people who directly work with you. Your activity could just move the problem somewhere else or the people you work with could just move over from another organisation doing something very similar.

STAKEHOLDER MAPPING

Once you have identified your stakeholders and target groups, it can help to map them visually. One way to do this is to use a grid where the vertical axis ('power') describes the influence the stakeholder has towards the success of your project, and the horizontal axis ('interest') shows the stakeholder's level of motivation to be involved.

GIZAJOB STAKEHOLDER MAP



REMEMBER

- *Stakeholder mapping is a collective exercise for your team. Discuss, identify and place your stakeholders on a map using Post-Its.*

TARGETING KEY STAKEHOLDERS

There is a risk of putting all your emphasis on stakeholders who have more power. Impact Thinking means focusing on people for whom you can create the most impact and value – even though they might have the least power. *Highlight or circle these groups on your map – they are the key stakeholders you need to consider in your Impact Plan.*

Stakeholders with power are still important – you will have to manage the relationships with them if your social enterprise is to function successfully. However, these may not be the groups for whom you want to or can generate the most impact.

Power can change. Stakeholders with less power could get more and vice versa. Part of your task could be to empower some of your stakeholders?

CONSIDER WIDER IMPACT: WHO ELSE EXPERIENCES CHANGE?

You have already started to answer Impact Question 3 (Who experiences changes in their lives?) but when you conduct focus groups or interviews to answer the next question, it is worth asking "Who else experiences change?" This can help you identify other potential stakeholders.

Your activities rarely happen in a void but will inevitably have an effect on other organisations, groups and people. In the case of Gizajob, although there are no other programmes like it in the area, the college nearby provides a similar service to help young people find a job and so there is a risk that people just move over from the college. This means you will have had an effect on the college.

Similarly, you need to consider negative outcomes for groups other than those you are targeting. Successful participants in the Gizajob programme might tighten competition in the job market and – possibly – some people might lose their jobs. Or, to give another example, some young people may not be accepted onto the Gizajob programme and could feel even less motivated and self-confident as a result.

WHICH GROUPS TO INCLUDE?

You may be concerned that there are too many groups to consider. The Impact Questions will help you work out those groups that are significantly affected by your activities. You can then save time in future by only collecting data related to those groups. However, if you exclude any groups early on, there is a higher risk that the outcomes they experience may have affected your decisions to stop, change or scale-up your activities.

In reality, you may not have the capacity or resources and may have to start by focusing on one or two stakeholder groups. You can go on to collect data from the other groups in future years. Make sure you at least consider this risk.

The decision on who to include touches on Impact Question 10: Which changes matter and are important enough for us to manage? This is something you will have to ask yourself at every stage. You start to be able to answer this question once you have some data from stakeholders (Stage 2 starting on page 61).

GIZAJOB'S STAKEHOLDERS

The table below uses Gizajob to illustrate the process of identifying stakeholders and then deciding whether to include or exclude them in your impact data collection.

QUESTION	STAKEHOLDERS	INCLUDE OR EXCLUDE?	REASON
WHO IS INVOLVED IN DELIVERING YOUR ACTIVITY?	Funders	Include (Year 1)	They provide significant funding, so they need to know if the activity is successful
	Gizajob staff	Include (Year 1)	The lives of full time staff may be affected by the programme they work on.
	Gizajob board	Exclude	There is some evidence that board members of social enterprises do not experience a significant change in their lives.
	Gizajob volunteers	Include (Year 1)	They dedicate a lot of their time to the programme, and other research suggests that volunteering may have a significant change in their lives.
	Gizajob mentors	Include (Year 1)	Spending the whole year mentoring and supporting the participants may have a significant effect on them.
	Company that owns the venue Gizajob rents	Exclude	Commercial rental arrangement only; it is likely that if Gizajob stopped hiring the venue they would rent the space to someone else and so they are not affected in a significant way.
WHO DO YOU EXPECT WILL BE AFFECTED BY YOUR ACTIVITY?	Young people who attend the programme	Include (Year 1)	As the group who are expected to benefit they should be included.
WHO ELSE MIGHT BE INDIRECTLY AFFECTED BY YOUR ACTIVITY?	The families of attendees	Include (Year 2)	The fact that a family member gets a job presumably affects the whole family. They will be included in year 2 to check.
	Local employers	Include (Year 2)	The programme contributes directly to their well-being by providing new employees.They will be included in year 2 to check.
WHO MIGHT EXPERIENCE A NEGATIVE CHANGE DUE TO YOUR ACTIVITY?	Young People who are not successful in applying to the programme.	Include (Year 2)	There is no evidence initially that they would be affected. However, there is a risk that these people experience disappointment and this could potentially be a harmful experience. They will be included next year to check.
WHO MIGHT BE EXPERIENCING SOMETHING THAT GETS DISPLACED DUE TO YOUR ACTIVITY?	The college providing a similar service	Include (Year 2)	They work closely with the programme so we think that our service doesn't affect theirs. They will be included next year to check

In the rest of the Guide, we will only refer to one group; the young people who attend the programme, and not to the other stakeholders included above.

Remember, when you exclude a stakeholder group there is always a risk that you are missing some outcomes that matter and that any excluded group experiences outcomes that would influence your decisions to stop, scale-up or change if you had known about them. Deciding which outcomes matter and should be managed is discussed in more detail later (see pages 52 and 103).

SEGMENTATION OF STAKEHOLDER GROUPS

When we identify stakeholder groups we tend to group people in terms of what they do in relation to your business (e.g. mentors, volunteers). However, this is only one way of grouping people. In order to maximise value, you will also need to identify any sub-groups or segments that share characteristics and experience things differently to the rest of that group. This will be critical when you are developing recommendations in Stage 4.

In the case of Gizajob, is there a link between rural participants and their outcomes or between people with care responsibilities and their outcomes? Although you don't have any data yet to support your thinking you can still start to consider what changes you could make to increase the value you are creating.

You will start with some preconceptions about the characteristics of your stakeholders. These are likely to change when you answer Impact Question 4 and you talk to stakeholders about how they change and learn about their background. Your initial segmentation of stakeholder groups could be based on shared characteristics, such as:

- demographics
- background (before the activity)
- relationships
- aspirations
- previous experiences
- value assigned to changes

Private businesses use segmentation all the time, to understand their different customers and their preferences and needs, to design services and products to suit each segment and maximise value for them. Social entrepreneurs should take a similar approach.

IMPACT QUESTION 4: WHAT CHANGES DO THEY EXPERIENCE (OR ARE THEY LIKELY TO)?

You now need to decide how to involve your stakeholders in understanding what changes they experience (or are likely to) as a result of your activities.

Answering this impact question is similar to the exercise you did when creating your ToC. However, you are trying to identify what outcomes happened (or might happen) as a consequence of your activities, whatever the goal or the intended outcomes of your activities.

HOW DO THEIR LIVES CHANGE?

It's important to explore in greater depth the changes that your stakeholders have experienced. As a guide, here are some questions you can use as a starting point for your conversations:

- What changed for you (or happened to you) as a result of our activity or programme?
- Were there any other changes?
- Did these changes lead on to anything else?
- Were the changes all positive?
- Were any of them unexpected?
- What did you want to happen?
- How did your situation/ circumstances effect your experience?

PROBING FOR WELL-DEFINED OUTCOMES (INCLUDING UNINTENDED OUTCOMES)

When asked about what changes they have experienced, it is possible that people will provide a simple and consistent list. It is much more likely that people will talk about the different experiences and it will not be clear whether these are unique and separate or whether they are linked and mutually dependent. People can experience several outcomes as a result of being involved in one activity.

For example, if people tell you that they became more confident and also got a job, you need to work out if these are different outcomes; or did the increased confidence contribute to getting a job; or did the job lead to the increased confidence? The risk in a situation like this is that you overstate your impact if the outcomes are actually related, if one leads to another in a sequence of events.

During your conversations with stakeholders you will often realise that one outcome leads to another or is dependent on another. You will need to decide how far to go in this sequence of events[3]. In deciding how far to go you are trying to make sure you reach a point where:

- The outcome is sustainable (or resilient i.e. there is a low risk that it will be reversed and the person revert to where they started).
- The person thinks that an outcome, in a sequence, is the most important to them.

The last point is important. A good outcome for the purposes of decisions to maximise your impact may not be entirely within your control. The moment when your stakeholders think the important outcome happens may come later, after your involvement. If you don't capture this later outcome, arguing that it is outside your control or cannot be attributed to you, you won't know if you have created value for your stakeholders. Consequently maximising your impact may also mean having to work with other people and organisations that have contributed to the well-defined outcome.

3 If there are environmental outcomes they may be in a sequence that leads to changes in people's lives.

DEFINING OUTCOMES – GIZAJOB EXAMPLE

Based on discussions in a focus group, two different types of experiences emerged from the participants who secured employment:

"I did get a job after completing the course but I no longer work there. It was such a short contract they had to let me go."

"The job I got had no stability, some weeks I got no hours and so I can't keep living like this."

"I am in a good job now but I have to travel a long distance every day. This is stressful and actually really expensive."

These comments show that some people who secured employment are not able to sustain it. However, some other members had a much more positive experience and their jobs were sustainable:

"I have a job now and I feel confident I can keep it! I can see myself working here a long time."

"I work part time now and I really like it, mainly because they have been really flexible and are willing to help me do more training and qualifications."

"It is so satisfying to finally get a job that I'm excited about. I'm motivated to do well here."

From the focus group we created two well-defined outcomes: **Securing a sustainable job and Securing an unsustainable job.**

The focus group confirmed the intended outcome **'Increased confidence and ability to make informed decisions'** was being experienced as well:

"I didn't get a job but I know what type of career I would like and I am going back to college to get some more qualifications"

The focus group discussions also revealed some other outcomes that had not been included in the ToC and raised some issues that staff were keen to investigate further, such as: change in stress levels, and change in loneliness.

"After finding part-time employment, I had a whole lot of new problems. It was stressful because it meant I had to arrange for somebody to look after my children while I was at work."

"I found a job, but the hours of the shifts were nearly exactly the same as the times when my partner was not working. We had more money, but each of us had lonely hours at home."

On the other hand, some participants who had completed the course but not found employment revealed that they had experienced a reduction in loneliness:

"I did not get a job after the course but I really enjoyed being part of it, I got out a lot more and met some new friends – I feel less isolated (lonely) these days"

It was agreed that these unintended outcomes: **"change in stress"** and **"change in loneliness"** are outcomes that should be measured with the rest of the participants.

NEGATIVE OUTCOMES AND COMPLETENESS

For Gizajob, the initial focus group sessions raised other outcomes that people experienced that were not part of the Impact Goal and were not expected. Collecting data on some of these outcomes may help Gizajob increase its impact activities, but collecting data on others may not. We deal with making judgements about what matters on page 68.

Some of the outcomes mentioned were experienced in a positive way by some and a negative way by others. For example, some people increased their stress levels while for some it reduced. This means that the approach to collecting data in Stage 2 needs to allow for both positive and negative changes in these outcomes as well.

The best way to make sure your data is complete is to make sure that, for each participant, you know, or have an expectation of, whether their experience of a particular outcome was positive, negative or there was no change. A common mistake is to only collect the data for participants who experience positive outcomes. Reducing negative outcomes is an important way that you can increase your impact. Gizajob realised that some participants felt they had reduced their loneliness (through attending the programme and meeting new friends) but some people felt they had increased their loneliness as they secured employment and then had to spend more time away from their family.

Another group who may experience negative outcomes and that represent an opportunity to increase impact will be people who drop out of your activity.

DEVELOPING SEGMENTATION

This is also your opportunity to think about segmentation based on what you are hearing about people's backgrounds, their desires and their situation.

SEGMENTATION EXAMPLE – GIZAJOB

Initially, Gizajob staff thought that two characteristics might be key factors in how participants experience the programme:

- *Gender*
- *Length of time spent unemployed*

In the focus group discussions it became clear that these two characteristics were not the most important factors. Participants living in rural locations reported difficulties in attending the programme. Where people lived (urban or rural location) might influence their overall experience and outcomes.

The staff also heard how participants with care responsibilities (children or elderly relatives) had found the course more difficult because they were away from their families and had to arrange alternative care provisions.

They also heard realised that participants who had a good support network appeared to have had a very different experience from those who didn't have a good support network.

As a result, Gizajob decided that five participant characteristics should be collected from all future participants to explore the relationship between these characteristics and the outcomes they experienced.

- *Gender*
- *Time spent unemployed*
- *Location*
- *Care responsibilities*
- *Support network*

NB: These five characteristics are not outcomes – but seem to have an influence on the types of outcomes that participants experienced. This can be tested when quantitative data is collected through a survey of all participants.

WELL-DEFINED OUTCOMES

You can synthesise what you hear from your stakeholders to create a set of well-defined outcomes which your stakeholders agree are important and potentially sustained positive and negative outcomes.

Don't worry too much if you are not sure whether your decisions are perfect. You will have an opportunity to change this when you collect the data on the outcomes – and again in future years as you update your qualitative research.

OUTCOME MAPPING

Now you can map your outcomes against your stakeholders and any segments. You could display them in a table or 'outcome map'.

The example below for Gizajob only shows the important outcomes in any sequences and only segments based on two of the characteristics.

OUTCOME MAP

STAGE ONE: PLAN						
Q3. WHO EXPERIENCES CHANGES?				Q4. WHAT CHANGES?		
Stakeholder group	Subgroup (level 1)	Subgroup (level 2)		Outcomes		
Participants on the programme	Participants living in an URBAN location	1	Participants WITH care responsibilities	A	Securing sustainable employment	
					Securing unsustainable employment	
					No employment has been secured	
				B	Increase in confidence (in making decisions about their future)	
					Decrease in confidence (in making decisions about their future)	
					No change in confidence (in making decisions about their future)	
				C	Increase in levels of loneliness	
					Decrease in levels of loneliness	
					No change in loneliness	
				D	Increase in levels of stress	
					Decrease in levels of stress	
					No change in levels of stress	
		2	Participants WITHOUT care responsibilities	A	Securing sustainable employment	
					Securing unsustainable employment	
					No employment has been secured	
				B	Increase in confidence (in making decisions about their future)	
					Decrease in confidence (in making decisions about their future)	
					No change in confidence (in making decisions about their future)	
				C	Increase in levels of loneliness	
					Decrease in levels of loneliness	
					No change in loneliness	
				D	Increase in levels of stress	
					Decrease in levels of stress	
					No change in levels of stress	

OUTCOME MAP

STAGE ONE: PLAN					
Q3. WHO EXPERIENCES CHANGES?				Q4. WHAT CHANGES?	
Stakeholder group	Subgroup (level 1)		Subgroup (level 2)		Outcomes
Participants on the programme	Participants living in a RURAL location	3	Participants WITH care responsibilities	A	Securing sustainable employment
					Securing unsustainable employment
					No employment has been secured
				B	Increase in confidence (in making decisions about their future)
					Decrease in confidence (in making decisions about their future)
					No change in confidence (in making decisions about their future)
				C	Increase in levels of loneliness
					Decrease in levels of loneliness
					No change in loneliness
				D	Increase in levels of stress
					Decrease in levels of stress
					No change in levels of stress
		4	Participants WITHOUT care responsibilities	A	Securing sustainable employment
					Securing unsustainable employment
					No employment has been secured
				B	Increase in confidence (in making decisions about their future)
					Decrease in confidence (in making decisions about their future)
					No change in confidence (in making decisions about their future)
				C	Increase in levels of loneliness
					Decrease in levels of loneliness
					No change in loneliness
				D	Increase in levels of stress
					Decrease in levels of stress
					No change in levels of stress

IMPACT QUESTION 10: WHICH CHANGES MATTER AND ARE IMPORTANT ENOUGH FOR US TO MANAGE?

We have already started thinking about which stakeholder groups to include (see page 43) and the risk of excluding stakeholder groups without any information on the outcomes they may experience.

Your discussions so far may result in a long list of outcomes. However we only need to collect data for the ones that matter and we will need to make a judgement here. Even then you may not have the capacity to manage all the outcomes you decide do matter. If you leave any out remember to come back to them in future years as, while it's important to focus, there's a risk that not collecting data on outcomes that matter to people who experience them will influence your decisions.

The risk here is that you fall back on your objectives and decide that only data that relates to your objectives matters. **In order to make changes in goods and services to increase impact, you will need insights from other outcomes that your stakeholders experience.**

This means making a judgement about which outcomes matter. Will information about an outcome, the answers to the other Impact Questions, help us maximise impact? At this point we can make a judgement about whether data on an outcome might help. We will then go on and collect data on the other Impact Question to check. The decision about whether data on an outcome might help is often common sense but don't forget the risk that you will exclude outcomes simply because they do not relate to your goal. These judgements are best made with some external support.

DOES AN OUTCOME MATTER TO THE PROGRAMME OR NOT? – GIZAJOB EXAMPLE

The focus groups Gizajob conducted allowed the participants to discuss a whole range of outcomes that they had experienced. Some of the outcomes had very little link to the programme, for example:

Facilitator: Did anything else happen?

Participant: *Yes when travelling to the venue one day I fell and broke my arm.*

The Gizajob team decided that collecting more data on this, from all stakeholders, was unlikely to inform decisions to increase impact. On the other hand they also heard outcomes that they did think could be useful, for example;

Facilitator: Did anything else happen?

Participant: *Yes when I started my new job I felt quite stressed because I have new responsibilities and I didn't want to let anyone down.*

In your first year of operation you should ideally collect data on all the well-defined and relevant outcomes that you have identified through qualitative research for all stakeholders. In practice, you may only be able to collect data for some stakeholders, perhaps only the group that you think has the most to gain, and only on some of the Impact Questions. If you do reduce your scope plan to come back to collect data on all the questions for all your stakeholders when you can.

Once you have data from answering the other Impact Questions you may then be able to decide that some of the remaining outcomes do not matter and you can exclude them from future years' data collection. We come back to this later (see pages 70 and 87).

SETTING TARGETS

The information you have collected through your stakeholder focus groups or interviews will determine what quantitative data you need to collect in Stage 2. So far, you have identified a list of:

- Outcomes that matter to your stakeholders and may be useful
- Some characteristics of your stakeholders

FORECASTING IMPACT (AND SETTING TARGETS)

Impact Thinking is about maximising your impact and being accountable. Even though you have an Impact Goal, you need to set targets and try to forecast how much change you will create. Setting targets is much easier once you have been operating for a while and you already have some data.

However, it is still important in your first year to set targets. It might be difficult to do but you should try.

Your targets should be a sensible assessment of what you think you will achieve. If you don't set targets you won't know if you are either creating as much impact as you can or achieving more than you thought you would. If your target is to help 400 people into work, then to achieve 200 doesn't sound like you have performed well. As you work through the Impact Questions you will find that this needs continual refinement. If you help 400 people gain work but the target is full time sustainable jobs for people who are long-term unemployed and you help 400 recently unemployed people into part-time short-term contracts, your performance is not so good after all.

SETTING AN INITIAL TARGET – GIZAJOB EXAMPLE

Gizajob staff set the following targets:

- *Securing sustainable employment – at least 50% of all participants*
- *Feel confident in making decisions about their future – at least 80% of all participants*
- *Feeling less lonely – at least 50% (of participants who claim to be lonely)*

Targets to minimise negative outcomes:

- *Securing unsustainable employment – no more than 20% of participants*
- *Increased stress levels – no more than 20% of participants*

OPERATIONS PLAN

Once you have defined your problem you can design your solution to the problem and develop an operational plan.

There are three main challenges that social enterprises encounter as they work to create value in people's lives. They struggle to protect their mission while providing sustainable finance for their enterprise – and this leads to a risk of forgetting your original purpose as you face day-to-day reality of running a financially sustainable business. They work with paid staff and sometimes unpaid volunteers and the need to manage both groups. They work with a wide range of stakeholders and can't fulfil the expectations of all these stakeholders.

For those that are about to set up a social enterprise, this section provides a short overview of all the things you will need to put in place before starting. If you are already up and running, this section may flag up aspects of your operations that need developing. Much of this information is available in other start up guides for social entrepreneurs and the focus here is on the implications for Impact Thinking.

MANAGING HUMAN RESOURCES

Social entrepreneurs have the drive and passion to address a particular social problem. However, they may not have all the skills they need to run a successful social enterprise that also creates value.

Depending on the nature and size of the enterprise, skills in finance, human resource management, impact evaluation, business development and planning may be needed to develop a viable business plan so the social enterprise can achieve its full potential.

HR AND IMPACT

The enterprise must find the best people for staff roles as well as to find unpaid volunteers. Recruits need to have the right skills to support the enterprise – and must buy into the mission and culture of the social enterprise. Finding the right people is crucial for the sustainability of the enterprise and for maximising social value.

In some small teams, the importance of social mission fit and cultural fit of staff and volunteers could be more important than having precisely the right skills.

Here are four suggestions that could help maximise value.

1. Integrate Impact Thinking into the culture of your social enterprise.

Impact Thinking means regularly reflecting on:

- Do we have the right strategy? We may need to stop what we are doing if we not creating enough value for people.
- Can we change our products and services, can we innovate to create more value for people?
- Should we scale-up in order to create more value for people?

The founders and members of the core team of the social enterprise have a crucial role to play in establishing and promoting an Impact Thinking culture from the start. Any policies you have should encourage the team to put Impact Thinking into practice and focus on creating the maximum social value for the stakeholders. This will provide the framework so that impact considerations are integrated into all operational decisions.

2. Assign overall responsibility for impact to someone on the team.
3. Make sure people have the right training. The team should have a basic level of knowledge and skills about Impact Thinking. They need awareness of the importance of using data to inform decisions related to achieving your Impact Goal.
4. Build impact management into job descriptions. Embedding impact management throughout the organisation means that many members of staff will have responsibilities that contribute to maximising impact. Job descriptions should take these responsibilities into account.

GOVERNANCE AND ORGANISATIONAL STRUCTURE

LEGAL STATUS

The nature of a social enterprise – its organisational structure and its official status – will depend on its mission and the country it operates in. Countries vary a lot in the cultural, economic and legal frameworks in which social enterprises operate. However certain typical organisational models are common: co-operative ventures, private ownership, non-profit organisation and multi-stakeholder controlled.

In some countries, there are new types of hybrid legal structure to consider – such as the community interest company (CIC) in UK, or the low-profit limited liability company (L3C) and the B Corporation in the USA.

In other countries where the legal options are non-profit or for-profit only, social entrepreneurs sometimes establish two separate entities, one non-profit and the other for profit, to protect their hybrid models and use the advantages of both legal structures. Estonia and Turkey are examples of the countries where non-profit and for-profit structures can work together.

Ultimately, social enterprises are not defined by their legal status. It is up to you to decide the structure of your social enterprise based on how you think you could best achieve your chosen social mission, your resource needs and the availability of funding, and the best legal structure to deliver your planned activities.

GOVERNANCE

This is an important consideration as you set up your social enterprise. As outlined before, Impact Thinking is about being accountable and about empowering people in order to create as much value as possible.

You can build this into your social enterprise by ensuring that some of the people who are expected to benefit from your activities are involved in the governance of the organisation. This could be reflected in the organisational structure so that, for example:

- the organisation is owned by users or beneficiaries
- users or beneficiaries are represented on the board
- users or beneficiaries are involved in setting the strategy through formal consultation

The more that users have representative ownership the more likely that the organisation can be held to account and may be able to make changes that increase impact.

Take the time to establish the right structure and governance to suit your mission, as it is hard to change once you are up and running. The best approach is to get independent advice and to emphasise you want a structure that will best address a mix of accountability, product or service delivery and your chosen revenue model.

REMEMBER

- *Make sure that someone on your board or governance body has a passion for and understanding of social impact.*

DESIGN PRODUCTS AND SERVICES – AND YOUR REVENUE MODEL

In addition to being a vehicle for changing the world for the better, a social enterprise is an enterprise – and by definition involved in the provision of goods and services to its customers while charging money in return.

Products or services can be chosen to:

- Directly create impact; or
- Generate profits to finance the activities that then create impact

For activities that directly create impact, impact is best achieved by integrating the process of capturing impact data from clients / beneficiaries into everyday business.

If you are selling products and services to finance impact-generating activities, being aware of understanding the potential unintended consequences of your activities will allow you to reduce negative and support positive consequences.

To develop a sustainable social enterprise, you need a viable business model. (How you are permitted to raise money and provide services will be defined by the legal status of your social enterprise). There are different revenue sources for social enterprises:

Sale of products and services

- Membership / registration fees
- Certification fees
- Donations
- Grants

Not all social problems can be tackled by a for-profit social enterprise business model. In some fields, you may find difficult to generate mission-related revenue – for instance, in the case of human rights, where enterprises depend more on grants or donations.

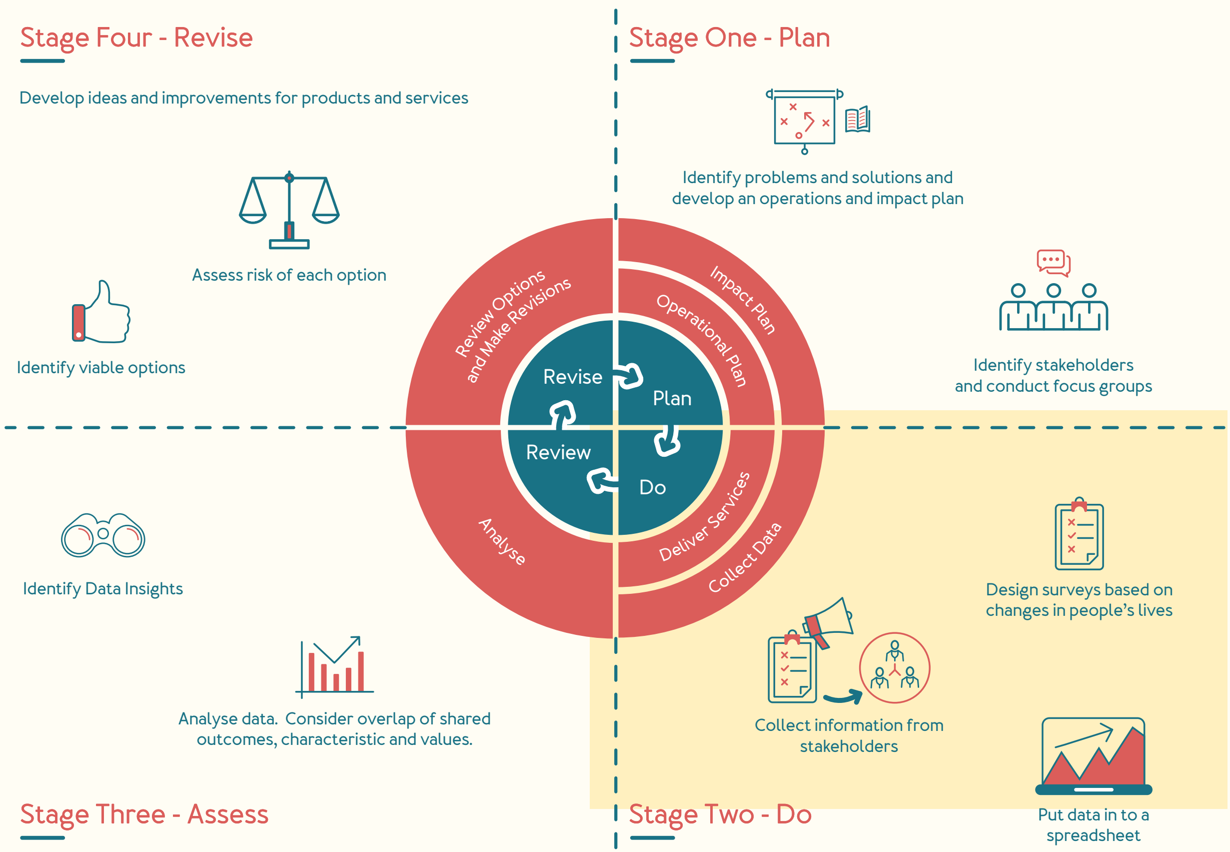
Your business model is not fixed - you can review and change it if you need to find new means of revenue generation.

STAGE 2 =

DO

Stage 2: DO

MAXIMISING IMPACT



'Do' means: Run your enterprise and collect data.

This section offers guidance on designing surveys and capturing quantitative data from stakeholders on the changes they experience, then storing and organising the data ready for analysis.

It's taken us more than 50 pages to reach Stage 2 but having developed our Impact Plan using qualitative information from stakeholders, our next step is to gather quantitative data to measure the change we have created (or that we aim to create).

IMPACT QUESTIONS 5 TO 9

In Stage 2 we will build on the qualitative data and collect quantitative data to answer Impact Questions 5-9.

5. How can we measure these changes?
6. How much of each change has happened (or is likely to happen)?
7. How much of each change is caused by our activities?
8. How long do we need to measure the changes for?
9. What is the relative importance of the different changes?

This stage covers approaches to quantitative research about how to collect and store data. Before we start, though, we need to think about the quality of our data.

CHECKLIST

By the end of this stage you will have created (or have revised):

- *Data Collection Plan of how each stakeholder should be engaged and how each Impact Question will be answered*
- *A set of questions (usually a survey) to ask stakeholders*
- *Some (quantitative) data collected and stored in an Excel sheet or database*

DATA QUALITY – MAKE SURE YOUR DATA IS 'GOOD ENOUGH'

Impact Thinking will help you come up with ideas for improving and developing what you do so that you can increase your impact. The data will give us an understanding of the value we create from the perspective of our stakeholders. It needs to be good enough to help us make decisions to increase impact and sometimes to reconsider our strategy.

It is always easy to decide not to change things 'because the data isn't good enough'. We choose to focus on responding to what is important to our stakeholders and on collecting data that is good enough to **try to change things for the better.**

There are four things to consider.

QUALITY

- *Accurate:* Is there representative data on each of the Impact Questions.
- *Complete:* Does your data include information on all the outcomes experienced by your stakeholders that matter and should be managed.
- *Material:* Does your data focus on the outcomes that may matter.
- *Consistent:* If comparisons are being made between time periods or between products or activities is the approach to data collection consistent across data sets?

CREDIBILITY

Do they understand? Your data is to be used to inform a decision. If the people making the decision don't understand the data (or its reliability and the risks that it may not be accurate, complete, material or consistent, they will be less likely to make decisions. They will be more likely to stick with the status quo and less likely to make decisions to maximise their impact.

- *Give assurance:* If the people making a decision are unsure of the quality of the data, they will need assurance, if necessary through some independent assessment of the data's accuracy, completeness and relevance. This could be an internal review process or peer review. For more significant decisions you might consider third party assurance.
- *Inform them:* Tell people what you have done and why. Making sure the data is credible also means making sure people who are expected to make decisions understand how the data is collected and what the requirements for good enough data are.

TIMELINESS

- Some decisions can take longer and need more time for reflection, allowing for more rigorous data collection. But some decisions need to be taken quickly, especially if the opportunity is time limited. If you are always missing opportunities because you didn't think your data was good enough you are less likely to be maximising impact.

CONSEQUENCES

- *What if you are wrong?* What are the consequences to all stakeholders if the decision turns out to be wrong? The bigger the consequences, the more rigorous the data needed, the more time taken over the decision, and the more assurance you will need. On the other hand, if the consequences of being wrong are small, and where the decision can be easily reversed, then you do not need such rigorous data. It is then much more possible to test things by trial and error.

There may be a trade-off between different data requirements. For example, in order to have some data in time for a decision, some loss of accuracy may need to be accepted.

You may want to think about counting the number of changes you make to your products and services. If you don't make any decisions with the data you have, and given the world around you is changing, you won't be maximising your impact.

Decisions that incur high costs, that risk significant consequences and where the opportunity to reverse the decision is limited will require assured, complete and accurate information. These kinds of major decisions will be rare. Decisions to test minor changes to existing products, of a kind that can easily be reversed with low or no cost or other consequences, can be made frequently.

The table below provides an indication of how these factors can influence need for data quality. This Guide has a focus on involving those effected to provide insights that allow modifications to products and services and in testing new products or services which can be piloted at low risk where any changes can easily be reversed and where the data quality doesn't need to be so high. If you are up and running, it may also be worth reflecting on how good your data was for the decision to start your enterprise and compare this with the data you have to help you make any subsequent changes to your products or services.

There are risks in relying on data from end users and for some decisions where you need higher quality data more research and evidence-based approaches will be required. It will often be possible to find existing third party research to support your own data but be careful not to only select the research that supports your position.

Your thinking here will inform how you then answer all the remaining Impact Questions.

DATA QUALITY AND DECISION MAKING

TYPE OF DECISION	LIKELY COST OR CONSEQUENCE IF DECISION IS WRONG	FREQUENCY OF DECISION	DATA QUALITY REQUIRED	NEED FOR INDEPENDENT ASSURANCE
Strategic	High	Annual	High	High
Change in choice of products or services	Medium	Quarterly	Medium	Medium
Modifications to products or services, in how they are delivered or to who they are offered	Low	Whenever possible	Low	Low

IMPACT QUESTION 5: HOW CAN WE MEASURE THESE CHANGES?

Now we need to consider the data we need to capture if we are going to measure the changes (outcomes) we identified in Stage 1. The data we need is in the form of indicators, which are ways to measure the amount of change that has occurred.

In order to measure change and compare the situation before (baseline) and after your activities, your indicators are best decided before the intervention begins.

INDICATORS

An indicator can be subjective or objective:

- *Subjective indicators* use people's opinions about change. For example, if you want to measure if people are healthier you could ask them how they feel. The simplest way would be to ask if they feel healthier than they did before, yes or no. This has a risk of bias as it is already suggesting to interviewees that they might feel healthier. It also wouldn't tell you how much healthier they felt. One way of improving the data would be to ask them on a numeric scale (e.g from 1-10) which can help you compare people's perceived degree of change.
- *Objective indicators* are indicators that can be observed by another person. For example 'the number of visits to a doctor' or 'weight'. Again you would need before and after information in order to know how much change there has been.

You can increase your confidence that indicators are measuring a change in an outcome by using a combination of indicators, one objective and one subjective. You could interview the person experiencing the change about one and someone else about the other, perhaps a family member.

One of the problems with subjective scales is that different people could report different amounts of change on a scale for the same actual change in their health. A solution to this kind of problem would be to use a validated scale, which relates observable changes in behavior to different points on a scale. See the Toolbox for some examples.

You could also use a validated questionnaire where a number of questions are asked which together measure a change in an outcome, for example the Rosenberg Self Esteem Scale or Warwick Edinburgh Mental Wellbeing questionnaire.

These approaches can increase your confidence that you know how much of an outcome has occurred. The more sophisticated the approach, the more time and resource needed. You will need to decide what will be 'good enough'.

If there is a sequence of outcomes which could include a situation where there is a delay between the end of your activity and the outcome for which you need data, you will need to select indicators for these outcomes and collect data to check that you are on track.

DESIGNING INDICATORS FOR OUR OUTCOMES – GIZAJOB EXAMPLE

After the qualitative research stage was completed, the Gizajob staff agreed on the following outcomes:

- *Securing sustainable employment*
- *Change in feelings of isolation*
- *Change in stress levels*
- *Change in confidence in making decisions about your future*

They then came together to design some indicators (ways to measure how much of each outcome has occurred).

OUTCOME	INDICATOR
Securing sustainable employment	1. The person has or has not gained a job 2. The participant has been employed for at least 6 months 3. Participants respond 'Yes' to the question "is this a job you believe you can keep?"
Change in feelings of isolation	Self-reported feelings of isolation
Change in stress levels	Self-reported feelings of stress
Change in confidence in making decisions about your future	Self-reported confidence in decision making

The Gizajob staff realised that most of these indicators were subjective, however they felt that this was good enough for now. They understood the weaknesses of the approach however they felt it gave them information that was good enough for them to act upon.

REMEMBER

- *Decide on the indicators before you start any activities.*
- *An outcome may require more than one indicator to provide confidence that the outcome has occurred.*
- *You need to decide what approach will be good enough for your decisions.*

IMPACT QUESTION 6: HOW MUCH CHANGE HAS OCCURRED (OR IS LIKELY TO HAPPEN)?

To measure how much change has occurred means you will need two data points: one 'at the start of the activity' and one 'when the outcome occurs'. Data at the start is often called the baseline. It's important to establish your indicators early so you can collect data on the baseline. In some situations, this is much easier. For example for Gizajob, they could confirm that people are unemployed when they signed up to the programme.

If you are using a scale, at the start of your activity, you would, for example, survey people to ask how healthy they felt on this scale. When you repeat the question to the same person later, the change (which could be positive or negative) gives you information on how much more or less healthy they feel. Appendix 3 sets out the baseline survey that Gizajob used.

If you forget to collect baseline information you will have to ask, for example, 'How much healthier do you feel since (a date)?' for the subjective indicator and 'How much has your weight changed since then?' for the objective indicator. There is a risk that the data will not be accurate as people find it difficult to remember how things were in the past.

You can ask people for the information about their characteristics as part of the baseline.

IMPACT QUESTION 7: TO WHAT EXTENT MIGHT THE CHANGES BE CAUSED BY OUR ACTIVITIES?

There are two issues to consider:

- *Counterfactual:* What would have happened to people if they hadn't been involved in our activity or made use of our products or services?
- *Attribution / contribution:* Did any other organisations or people contribute to the amount of change that occurred?

COUNTERFACTUAL

A 'counterfactual' answers the question 'What would have happened anyway?'

If you are working with 50 people and 30 of them get employed this may look like a successful outcome. However, if you had a comparable group of 20 people who did not take part in your activity and 12 of them also gained employment, then you have an indication that your activity hasn't made any difference. Even if you helped 33 people gain work this would be only three more than might have gained work without your support. This could mean that you have wasted your resources but also your participants' time. Ideally, the characteristics that the comparable group should share would include similar experience prior to the activity, in this case the duration of unemployment, especially as there is good longitudinal evidence that length of time spent unemployed affects how quickly you gain a new job (which you may well have realised when you were creating your ToC).

There are several ways of answering this question considered below, with increasing rigour and cost.

You could start by asking people what they think would have happened. For example, Gizajob asked people how likely it was (on a 1 to 10 scale) that they would have experienced each change regardless of their participation on the course.

Although people's judgement of change may not be accurate, it can still provide useful insights if the answers are correlated with common characteristics. For example: for the people with strong family support may be the ones that would have found a job anyway; while the more isolated people may still be unemployed. You could then decide to target more support to isolated people. This is a very good way of avoiding the risk of 'cherry picking' – of supporting people who are easier to help.

You could also collect counterfactual data from national data sets. For example, you could find data on the national average level of unemployment for a particular group of people. You could then compare this with your results. While this may seem more rigorous than just asking people, the risk is that you are not comparing like with like. Some national data may be more comparable, for example there may be data on employment rates for 18 to 25 year olds in their region.

If you want more confidence you will need to identify a group of people who share the characteristics of your stakeholders and engage with them to collect data. These approaches are described as experimental or quasi-experimental methods.

REMEMBER

- *If you discover that most of the change that is happening would happen anyway, it's time to go back and review your strategy.*

ATTRIBUTION AND CONTRIBUTION

Attribution is when some of the change you have measured was caused by another organisation, or group of people, you are not working with. You will want to work out their contribution to the change you have measured if you want to increase your impact.

If your social enterprise is a new venture, you may find it difficult to find the time to work with other organisations. This should change over time. In Stage 1, you will have identified other organisations working in the same area when you mapped your stakeholders and developed your problem tree. Now, in Stage 2 you can collect data on who contributed to outcomes by asking people directly.

For example, you could ask people taking part in your activities:

- Did any other organisations or people help you achieve these changes?
- Who are they?
- Can you estimate how much of the change was caused by these other organisations, e.g. roughly 20%, 40%, 60%, 80%.

The more that you focus on your stakeholders' view of what the important outcomes are, the more likely it is that you will understand your contribution to this outcome and accept the need to work with others. If you measure an outcome that is only part of the way to the outcome your stakeholder thinks is important, you won't know if you are creating any value and you won't have data that will help you make changes and maximise your impact.

COUNTERFACTUAL AND ATTRIBUTION EXAMPLE – GIZAJOB

In the feedback survey that Gizajob used, they asked the following questions to get an estimated figure for 'counterfactual' and 'attribution'.

3. How likely is it that you would have experienced this change in employment status had you not taken the Employability Course?

Very unlikely 1 2 3 4 5 6 7 8 9 10 Very Likely

4. Who else contributed to this change?

4A) Please list any organisations, individuals etc. who you think have contributed to this change in employment status:	**4B)** How much of this change in employment status was down to them (as a percentage)?

IMPACT QUESTION 8: HOW LONG DO WE NEED TO MEASURE THE CHANGES FOR?

Some outcomes could last for a person's lifetime, others may only last a short time. Short-term outcomes may still be important if, for example, they are valued by stakeholders.

Therefore, you need to decide how long to collect data for. Stakeholders may have said how long they would want the outcome to last when you asked them as part of the qualitative research in Stage 1.

If your enterprise is working to help people gain work, would you consider changing your programme if everyone lost their jobs after a year? It so, then you need to collect data for at least a year.

GIZAJOB EXAMPLE

In the feedback form that Gizajob used, they wanted to get an estimate of how long the changes might last and so asked:

How long do you think this change will last?

- ☐ Until the end of mentoring
- ☐ A few months after the mentoring finishes
- ☐ A year or more after the mentoring finishes

IMPACT QUESTION 9: WHAT IS THE RELATIVE IMPORTANCE OF THE DIFFERENT CHANGES?

Where stakeholders experience more than one outcome in their lives because of your activity, you will need to ask them about the relative importance of these outcomes. If you don't you will be assuming that the different outcomes are equally important. You will also be unable to choose between different options for delivering your product or service where the options have different mixes of outcomes. You won't know which option creates more value.

Finding a way of comparing the importance of different outcomes won't make the decision you are considering for you, it's only one part, but it will mean the decision is informed by those who are experiencing the outcomes rather than your personal perception. It will help to inform your decisions and it will mean that any discussion around the decision you are making will start from a shared understanding of the relative importance of each outcome.

There are several ways to work out the relative importance of outcomes:

Ranking. This is the simplest approach, listing the outcomes experienced by a stakeholder group in ranking order, from most important to least important. You can ask stakeholders to do this during both the qualitative and quantitative research stages. The disadvantage is that you don't have any information on how much of a difference there is between the importance of outcomes. The weightings are equal.

Differential Weighting. You could ask stakeholders to rate different outcomes on a 1 to 10 scale. You could also ask them to identify the least important outcome and then ask how many times more important one outcome is compared to others.

Financial proxies. This method replaces differential weightings with a financial proxy or monetary equivalent on the basis that prices reveal relative preferences which are also weightings. See the Toolbox for more information.

The advantage of using financial proxies for measuring relative value are:

- You can use money to compare the cost of providing a service with the monetary value of the impact you are having – and therefore measure how effective your activity is.
- Using a common unit means you can compare across stakeholder groups, something that can otherwise be challenging. For example, when one group has a negative outcome and another group has a positive outcome you can choose not to go ahead if the negative is 'bigger' than the positive for each activity.

The main disadvantage of using financial proxies comes from the risk of misuse - especially if the valuations do not reflect your stakeholders' views of relative importance and are used to make your resource allocation decisions.

RANKING OUTCOMES EXAMPLE – GIZAJOB

The Gizajob staff wanted to ask participants to rank outcomes and to weight the outcomes and so these were added as questions to the survey that was circulated to the wider stakeholder population.

Relative importance of outcomes

18. Please complete the following table:

OUTCOME	CHANGE	TICK WHICH OF THESE OUTCOMES YOU EXPERIENCED (one per outcome)	RANK THE OUTCOMES IN ORDER OF IMPORTANCE (1 being least important – 4 representing most important)	ON A SCALE OF 1 TO 10, HOW IMPORTANT ARE THESE CHANGES TO YOU? (10 being most important)
Change in **employment status**	Sustainable job			
	Un-sustainable job			
	Unemployed			
Change in **confidence in making decisions about the future**	Increase			
	Decrease			
	No change			
Change in **loneliness**	Increase			
	Decrease			
	No change			
Change in **stress**	Increase			
	Decrease			
	No change			

COLLECTING QUANTITATIVE DATA

DATA COLLECTION PLAN

The first thing you should do is create a data collection plan. This lists the information you need and how you will collect it for every outcome. The plan should include:

- Stakeholder group
- Characteristics (for possible segmentation)
- Outcomes (all of them)
- Baseline required?
- When collected, start and when outcome occurs?
- How frequently?
- What time period?
- Indicator or indicators
- Counterfactual included?
- Attribution included?
- Relative value included?
- Duration included?
- How collected?
- How many surveys?
- Target response rate to number of surveys sent (discussed below page 83)

You may decide not to collect data on all the Impact Questions. The questions all provide useful data that will help you make choices between different options in order to maximise your impact.

You can use different approaches to collect information on different outcomes, or to collect all the data at the same time using the same approach.

SURVEYS

The next thing you will need to do is to design your survey covering:

- Identity of individual stakeholder (possibly by name)
- Characteristics
- Your approach to asking the Impact Questions that you want to include.

You may need a separate survey for your baseline survey.

If you decided to use more than one indicator for an outcome and that involves collecting information from another person you will probably also need separate surveys.

There are several ways to design a survey depending on the method you are going to use for collecting data.

Appendix 3 has an example of a survey form that Gizajob uses (page 134). They completed the survey with face-to-face interviews. This is only one example. You may not be asking all the questions and may decide to frame your questions in other ways to reflect your stakeholders and their context.

DATA COLLECTION METHODS

There are several methods for collecting your data. The table below lists some of these and considers the pros and cons of each approach.

	PROS	CONS
INFORMAL APPROACHES		
Adhoc meetings, discussions, observations	Cheap	Not representative
FORMAL APPROACHES		
Face-to-face survey	Time to ensure questions are understood and to explore answers	- Time consuming. - Risk that person filling in the form leads the answers
Phone survey	Time to ensure questions understood and to explore answers	- Difficult to find appropriate time - Difficult to obtain contact numbers - Risk of error in data entry
Email / online survey	Relatively inexpensive	- Risk that answers are not complete - Some people may not have online access
Postal survey		- Difficult to obtain addresses - Expensive, requires self-addressed envelope

REMEMBER

There are many approaches to survey design (examples online) but take care that you:

- *Check that the survey is appropriate for your situation*
- *You test your survey with a small number of stakeholders to make sure the questions are understood before you distribute it widely*
- *Resist the temptation to add other questions that are not related to the Impact Plan (and answering the 10 Impact Questions).*

Sometimes it won't be appropriate for your stakeholders to complete a survey and someone will have to ask the questions and complete the answers. For example, if you are working with young children.

There are a growing number of tools to help collect data. A useful catalogue featuring many of these tools is Koperrnik (impacttrackertech.kopernik.info).

WHEN AND HOW OFTEN DO WE NEED TO COLLECT DATA?

Before the outcome has occurred: You will need to decide if you need to collect data to check that you are on track to achieving the outcome – and if so then how often. You might be collecting data on intermediate outcomes. If the outcome occurs at the end of your activity or shortly afterwards this won't be an issue.

After the outcome has occurred: You will need to decide how often to collect data between the point the activity starts until the time you determined in Impact Question 8: How long do we need to measure the changes for?

For example, Gizajob collects data for six months after someone has left their programme (to find out if people have or have not found a job) and then for a further six months for anyone that has found a job. They decided to wait until the six months were up and not collect any data in between.

Gizajob created a data collection plan and put it in a table like the one on the next page:

OUTCOME MAP

<table>
<tr><th colspan="6">STAGE ONE: PLAN</th></tr>
<tr><th colspan="4">Q3. Who experiences changes?</th><th colspan="2">Q4. What changes?</th></tr>
<tr><th>Stakeholder group</th><th>Subgroup (level 1)</th><th colspan="2">Subgroup (level 2)</th><th colspan="2">Outcomes</th></tr>
<tr><td rowspan="9">Participants on the programme</td><td rowspan="7">Participants living in an URBAN location</td><td rowspan="6">1</td><td rowspan="6">Participants WITH care responsibilities</td><td>A</td><td>Securing sustainable employment</td></tr>
<tr><td>B</td><td>Securing unsustainable employment</td></tr>
<tr><td>C</td><td>No employment has been secured</td></tr>
<tr><td>D</td><td>Change in confidence (in making decisions about their future)</td></tr>
<tr><td>E</td><td>Change in levels of loneliness</td></tr>
<tr><td>F</td><td>Change in levels of stress</td></tr>
<tr><td>2</td><td>Participants WITHOUT care responsibilities</td><td></td><td rowspan="3">The same as above</td></tr>
<tr><td rowspan="2">Participants living in a RURAL location</td><td>3</td><td>Participants WITH care responsibilities</td><td></td></tr>
<tr><td>4</td><td>Participants WITHOUT care responsibilities</td><td></td></tr>
</table>

OUTCOME MAP

STAGE ONE: PLAN		STAGE TWO: DO		
Q4. What changes?		Q5. How can we measure the change?		
		Q6. How much change?		
Outcomes		Indicator to measure amount of change	Source	When & how
A	Securing sustainable employment	Participants self reporting two things; 1. they are in employment 2. they "feel secure in this job and confident I will be able to keep it"	Bespoke survey design	Data collected in a survey 6 months after programme completes
B	Securing unsustainable employment	Participants self reporting two things; 1. they are in employment 2. they do not state that they "feel secure in this job and confident I will be able to keep it"	Bespoke survey design	
C	No employment has been secured	Participants self report that; they are not in employment	Bespoke survey design	
D	Change in confidence (in making decisions about their future)	Self reported 'distance travelled' on a scale of 1-10.	Bespoke survey design	Data collected at 2 points (before programme begins & 6 months after the programme ompletes
E	Change in levels of loneliness			
F	Change in levels of stress			

OUTCOME MAP

STAGE ONE: PLAN		STAGE TWO: DO			
Q4. What changes?		Q5. How can we measure the change?			
		Q7. How much is down to us?			
Outcomes		Q7a). Counterfactual	Q7a). Attribution	Source	When & how
A	Securing sustainable employment	Participants self report on a scale of 1-10		Bespoke survey design	Data collected in a survey 6 months after programme completes
B	Securing unsustainable employment	Participants self report on a scale of 1-10		Bespoke survey design	
C	No employment has been secured	Participants self report on a scale of 1-10		Bespoke survey design	
D	Change in confidence (in making decisions about their future)	Participants self report on a scale of 1-10		Bespoke survey design	Data collected in a survey 6 months after programme completes
E	Change in levels of loneliness	Participants self report on a scale of 1-10		Bespoke survey design	
F	Change in levels of stress	Participants self report on a scale of 1-10		Bespoke survey design	

OUTCOME MAP

STAGE ONE: PLAN		STAGE TWO: DO		
Q4. What changes?		**Q5. How can we measure the change?**		
		Q8. How long will it last?		
Outcomes		Duration	Source	When & how
A	Securing sustainable employment	Participants self report short medium or long term	Bespoke survey design	Data collected in a survey 6 months after programme completes
B	Securing unsustainable employment	Participants self report short medium or long term	Bespoke survey design	
C	No employment has been secured	Participants self report short medium or long term	Bespoke survey design	
D	Change in confidence (in making decisions about their future)	Participants self report short medium or long term	Bespoke survey design	Data collected in a survey 6 months after programme completes
E	Change in levels of loneliness	Participants self report short medium or long term	Bespoke survey design	
F	Change in levels of stress	Participants self report short medium or long term	Bespoke survey design	

STAGE 2= DO

OUTCOME MAP

<table>
<tr><td colspan="2">STAGE ONE: PLAN</td><td colspan="5">STAGE TWO: DO</td></tr>
<tr><td colspan="2">Q4. What changes?</td><td colspan="5">Q5. How can we measure the change?</td></tr>
<tr><td colspan="2"></td><td colspan="4">Q9. How important?</td><td>SAMPLE SIZE</td></tr>
<tr><td colspan="2">Outcomes</td><td>Q9a) Ranking</td><td>Q9b) Weighting</td><td>Source</td><td>When & how</td><td rowspan="7">In order to have a confidence level of 95% and a confidence interval of 5 we need to use a sample size of 44 from the 50 participants.

So, approximately 90% response rate</td></tr>
<tr><td>A</td><td>Securing sustainable employment</td><td>Participants rank in order of importance</td><td>Participants weight importance on a scale of 1-10</td><td>Bespoke survey design</td><td rowspan="3">Data collected in a survey 6 months after programme completes</td></tr>
<tr><td>B</td><td>Securing unsustainable employment</td><td>Participants rank in order of importance</td><td>Participants weight importance on a scale of 1-10</td><td>Bespoke survey design</td></tr>
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<tr><td>D</td><td>Change in confidence (in making decisions about their future)</td><td>Participants rank in order of importance</td><td>Participants weight importance on a scale of 1-10</td><td>Bespoke survey design</td><td rowspan="3">Data collected in a survey 6 months after programme completes</td></tr>
<tr><td>E</td><td>Change in levels of loneliness</td><td>Participants rank in order of importance</td><td>Participants weight importance on a scale of 1-10</td><td>Bespoke survey design</td></tr>
<tr><td>F</td><td>Change in levels of stress</td><td>Participants rank in order of importance</td><td>Participants weight importance on a scale of 1-10</td><td>Bespoke survey design</td></tr>
</table>

DATA COLLECTION – HOW MUCH DATA IS ENOUGH?

Collecting more information than you need is a waste of time and resources. Not collecting enough increases the risk that your data won't be good enough and no decisions will be made on based on the data you have. You will need to decide:

- How many of your stakeholders need to provide you with data?
- How will you ensure the data you get is representative of different stakeholders with different characteristics and experiences?

There is no simple answer to these questions. There are some tools that provide guidance on sample sizes, such as the sample size calculator: www.surveysystem.com/sscalc.htm.

Whatever the sample size that is feasible to collect, you still need to make sure this sample is representative of the whole population group and of any segments you have identified.

DATA COLLECTION - BIAS

A good example of bias in responses to your survey is that people with a more positive experience are more likely to respond than people who had a negative experience.

For Gizajob, people who obtained jobs are more likely to respond, and easier to keep in contact with, than those who dropped out early or did not find a job. Making sure that you have considered these possibilities when answering Impact Question 4 ('What are the changes?') will make it more likely that your data is representative.

To reduce bias in your data collection you could:

- Increase sample size and reach out to more people
- Make sure you get answers from people in each segment group
- Provide incentives to people who complete the surveys

DATA COLLECTION – KEEPING IT PRACTICAL

- If you are a small organisation working with a small number of people it will be possible to survey everyone and also follow up and get a high response rate. If this is the case the sample size question is not relevant.

- The number of people you are working with may be too small to give you statistically high levels of confidence in whatever data you collect. This doesn't mean you shouldn't make decisions since your confidence in sticking with what you are currently doing should be the same as your confidence that changing things would be better.
- There are many potential issues that could mean your data would fall foul of a professional statistician. If you are not careful this will become a reason not to make any decisions to make any changes.

Focus on what it would mean to be accountable, to have to continually make changes in response to feedback from your stakeholders. Businesses generally have to make decisions without high quality data. Focus on being willing to make changes and get as much data as you reasonably can across all the impact questions, recognising the risk and consequences of getting it wrong.

STORING DATA

It is important to carefully store the data you have collected – if you don't, you can't analyse, compare, track or re-use later. Every organisation has its own approach to data storage. Some points to consider are:

- Use tools that help you collect data that are integrated with a database.
- If this isn't possible and you collect data in one location and store it another, transfer all primary data sources (paper survey forms, voice recordings, notes on your notepad or computer) to your database as soon as possible.
- The most common location for impact data is a spreadsheet. There are a growing number of database solutions for impact data. See the Toolbox for examples.
- Transferring or re-entering data increases risk of errors. You will need to check you data for obvious errors before you can use it.
- Regularly back up your data to the cloud or onto external drives.
- Make sure that more than one person has access to the stored data.

GIZAJOB - DATA COLLECTION GIZAJOB - DATA COLLECTION SHEET EXAMPLE SHEET EXAMPLE

STAGE 2= DO

GROUP DEMOGRAPHICS

A	B	C	D	E	F
NAME	GENDER	LOCATION	SUPPORT NETWORK	CARE RESPONSIBILITIES	LENGTH OF UNEMPLOYMENT PRIOR TO COURSE
A2	Female	Rural	Does not have support network	Has care responsibilities	Unemployed longer than 6 months
A8	Female	Rural	Does not have support network	Has care responsibilities	Unemployed longer than 6 months
A10	Female	Rural	Has support network	Has care responsibilities	Unemployed less than 6 months
A4	Female	Rural	Has support network	Has care responsibilities	Unemployed longer than 6 months
A7	Female	Rural	Has support network	Has care responsibilities	Unemployed less than 6 months
A15	Female	Rural	Does not have support network	Has care responsibilities	Unemployed less than 6 months
A19	Female	Rural	Has support network	Has care responsibilities	Unemployed longer than 6 months
A23	Female	Rural	Has support network	Has care responsibilities	Unemployed longer than 6 months
A26	Female	Rural	Does not have support network	Has care responsibilities	Unemployed longer than 6 months
A30	Female	Rural	Has support network	Has care responsibilities	Unemployed less than 6 months
A28	Female	Rural	Has support network	Has care responsibilities	Unemployed longer than 6 months

STAGE 2: DO

COURSE COMPLETION	EMPLOYMENT STATUS FOLLOWING COURSE			
G	1	2	3A	3B
COMPLETED THE EMPLOYABILITY COURSE?	EMPLOYMENT STATUS	DEADWEIGHT	WHO ELSE CONTRIBUTED TO THIS CHANGE IN EMPLOYMENT STATUS?	ATTRIBUTION (%)
Completed course	Unemployed	80%	Nobody	0%
Completed course	Unemployed	80%	Nobody	0%
Completed course	Full-time (permanent)	80%	Family and friends	80%
Not completed course	Unemployed	70%	Nobody	0%
Not completed course	Part Time	90%	Family and friends	80%
Not completed course	Unemployed	90%	Nobody	0%
Not completed course	Unemployed	80%	Nobody	0%
Not completed course	Unemployed	70%	Nobody	0%
Not completed course	Unemployed	70%	Nobody	0%
Not completed course	Part Time	80%	Family and friends	60%
Not completed course	Part Time	80%	Family and friends	60%

STAGE 2 = DO

REDUCED LEVELS OF LONELINESS

N/A	8	B3	N/A	9	10A	10B	15	
LONELINESS FOLLOWING EMPLOYABILITY COURSE	CURRENT LONELINESS	BASELINE OF LONELINESS	EXTENT OF CHANGE (CURRENT - BASELINE)	DEADWEIGHT	WHO ELSE CONTRIBUTED TO THIS CHANGE?	ATTRIBUTION (%)	WEIGHTING	NET WEIGHTING
Reduced levels of loneliness	2	8	6	10%	Nobody	0%	4	21,6
Reduced levels of loneliness	3	7	4	10%	Nobody	0%	8	28,8
Reduced levels of loneliness	1	4	3	30%	New friends	60%	8	6,72
Reduced levels of loneliness	3	5	2	60%	Enrolled in course	80%	5	0,8
No change in loneliness	5	5	0	80%	Existing friends and family	60%	1	0
Increased levels of loneliness	8	7		60%	Myself	20%	3	-0,96
Reduced levels of loneliness	3	6	3	80%	Started volunteering	60%	4	0,96
Reduced levels of loneliness	5	7	2	60%	Started volunteering	80%	5	0,8
Increased levels of loneliness	7	6		50%	Myself	20%	3	-1,2
No change in loneliness	5	5	0	80%	Existing friends and family	60%	1	0
No change in loneliness	6	6	0	90%	Existing friends and family	60%	1	0

UPDATING YOUR FORECASTS AND SETTING TARGETS

As we said in Stage 1, maximising impact will also mean setting targets and forecasting how much impact you are going to make. Only then will you be able to check whether you are on target and make changes if necessary. The data in a forecast does not need to be – and cannot be – as good as the data you collect on your actual impact.

REMEMBER

To save effort, as far as possible integrate your impact data collection with other business processes.

Forecasting value in your first year: Your forecast will be based on a combination of your experience and goals and your qualitative research. You won't yet have any quantitative data based on people's experiences. However, it is still important to set a target that takes account of all the Impact Questions.

Forecasting value and re-setting targets in subsequent years: Use the data collected last year to inform this year's targets. If you have several years of data, your forecast will include a more realistic assessment of any outcomes and especially any negative outcomes for those of your stakeholders who do not achieve their aims.

PROVIDING GOODS AND SERVICES

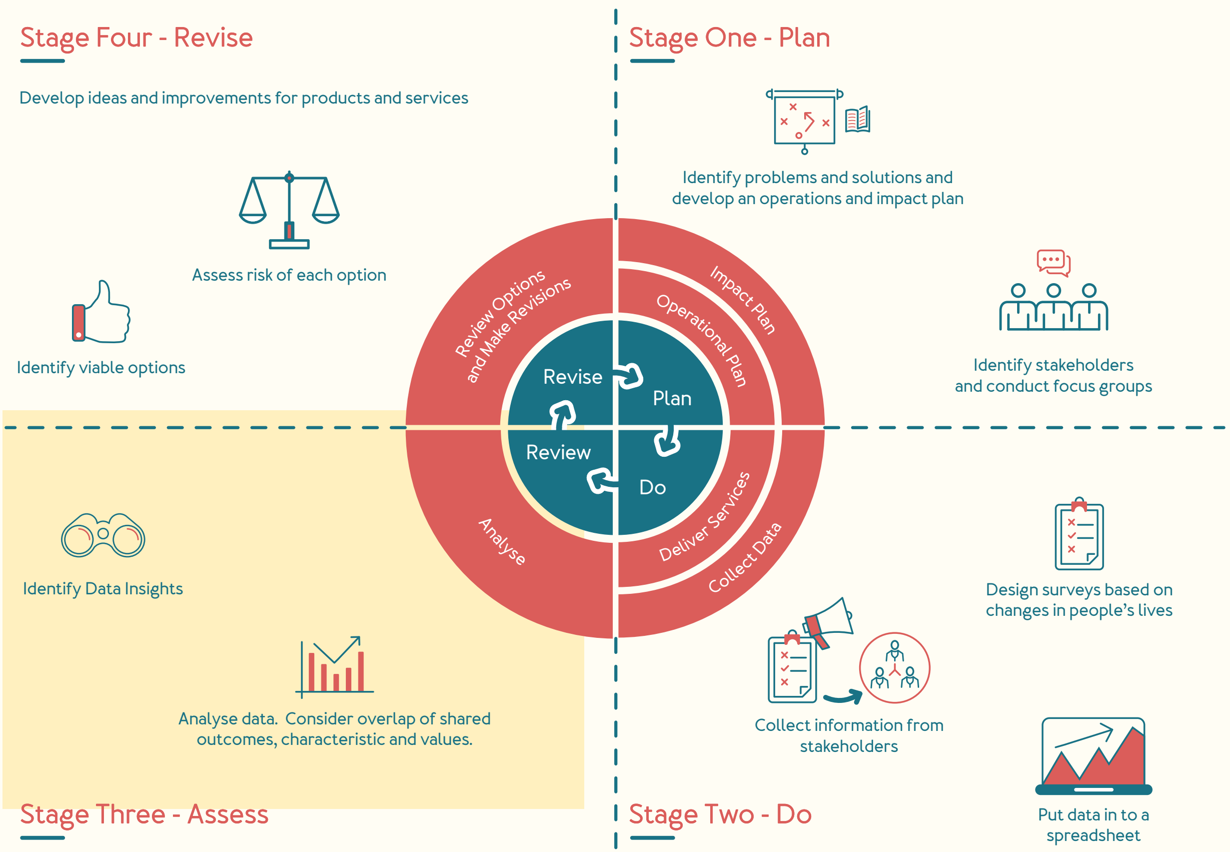
The diagram at the start of each section shows the relationship between impact and operations. In Stage 1, impact planning and operation planning go hand in hand as parts of the business plan. In Stage 2, collecting data went hand-in-hand with running the business – i.e. providing goods and / or services to people.

Stage 3 –

Assess

STAGE 3 = ASSESS

MAXIMISING IMPACT



In Stage 3, we analyse the data we have gathered, looking for evidence that our activities are meeting targets and exploring ways of increasing our impact. Did we achieve our Impact Goal or not? If not, why not?

CHECKLIST

You should now have created (or have revised) the following documents:

- *A table that shows your results against your targets (see page 95)*
- *A written report summarising the results and analysing any insights (this may be for an internal audience like management/board or for external audiences e.g. funders)*
- *A recommendation to decide whether to change the targets or change the way you deliver your services.*

Assessing your data can begin as soon as you have some recorded. The quicker you can identify ways to improve your impact (through changing, scaling or stopping) the better. In Stage 3 you are doing two things:

- Checking whether you are meeting your impact goals and the forecasts or targets you have set yourself.
- Considering insights from the changes that are a consequence of your activity and any relationships between them and your stakeholder's different characteristics which can help you increase your impact.

Each of the impact questions need to be considered.

ASSESSING IMPACT QUESTIONS

Now we will revisit all the impact questions and use Gizajob examples to illustrate how you can learn from analysing your data. Stage 3 (Assess) is closely linked to the next stage which turns analysis into recommendations to stop, change or scale-up what you are doing.

ASSESSING IMPACT QUESTION 1: WHAT PROBLEM ARE WE TRYING TO SOLVE?

Social entrepreneurs who have been working to address their chosen problem for several years need to periodically ask themselves this question. Earlier, we referred to three types of decision you may need to make based on your data: stop, change or scale up. We said these decisions can be hard, it is not easy to have to review your strategy and consider changing it once you are up and running.

However, every year (or more frequently if necessary) it is important to go back to defining the problem and setting an impact goal, because things change. The world is changing constantly, and so might the root causes of the problem you are working on. Periodic reviews mean you can make sure that the root cause you are dealing with is either unchanged, or has changed in some way that you need to be aware of.

Here are some questions to help you reconsider your approach to the problem:

- Is the social problem still a problem?
- Are the root causes the same as before? Are they still valid?
- Are the conditions the same as before?
- What has changed since you started to offer your solution or product?

Gizajob: After a few years the team might ask whether there is still a lack of investment in the city or whether rates of young people leaving education without the right skills are still high. Another question they might ask would be whether young people are still struggling to find work or whether the ones who get jobs are still not able to keep them. If for instance, they realise that thanks to various interventions in the sector (including Gizajob) young people are acquiring the right and necessary skills to find jobs, then Gizajob might decide to change or even stop its services.

ASSESSING IMPACT QUESTION 2: WHAT IS OUR PROPOSED SOLUTION TO THE PROBLEM?

This question needs to be reframed as: Is our solution still the right one? If the problem has changed or if the impact we are having is not the intended impact, we may need to re-consider our activities.

ASSESSING IMPACT QUESTION 3: WHO EXPERIENCES CHANGES IN THEIR LIVES AS A RESULT OF WHAT YOU DO?

Your survey forms will include questions about certain characteristics of each participant. This data allows you to assess more precisely who is using your products and services.

You will now have enough data to analyse the relative size of your segments which can involve multiple characteristics.

For example: for Gizajob, the number of urban male participants with care responsibilities is 1, while for rural participants who are female there are 11 with care responsibilities.

GIZAJOB EXAMPLE

Once the baseline surveys had been completed the Gizajob staff were able to analyse who was on the course. Of the 50 participants in the first cohort:

40% were male and 60% were female

- 38% lived in an urban location and 62% lived in rural locations
- 40% had care responsibilities and 60% did not
- 50% had a support network and 50% did not
- 52% had been unemployed for longer than 6 months
- 48% had been employed in the last 6 months.

This was useful data, however it became even more interesting when the staff started exploring correlations between these characteristics. For example:

- Among those living in rural locations, just over half of the women had care responsibilities was compared to a third of the men.

COMPARING DATA FOR PEOPLE WITH DIFFERENT CHARACTERISTICS

Exploring correlations between people's characteristics and the rest of the Impact Questions is critical to developing real options for increasing your impact. Correlating people's characteristics against how much change happened and for how long (in relation to the timescale you decided on) can provide useful insights – as can exploring how important the changes were to that group and how much the change would have happened anyway (or did others contribute to the changes?).

Your analysis might reveal several possible stakeholder segments to target in different ways, giving you opportunities to create more value. You will have to choose one of these.

A helpful exercise is to build up 'user personas' – an exercise where you create a fictional character with all of the typical characteristics for each subgroup or segment and then consider how they experience using your service. User personas and user journeys are common techniques in market research and also in user-centred design. They allow you to consider a number of typical experiences from the users' perspective, which can help to identify opportunities for improvements.

See the Toolbox for examples.

ASSESSING IMPACT QUESTION 4: WHAT CHANGES ARE (OR ARE LIKELY TO BE) EXPERIENCED?

We have now measured the extent to which the outcomes are being experienced.

GIZAJOB – RESULTS VERSUS TARGETS TABLE

With the data collected and now stored, Gizajob were able to compare the results against the targets. It was set out in a table like this.

OUTCOMES	TARGET	RESULTS			TARGET MET?
		Sustainable employment	Still unemployed	Non-Sustainable employment	
Secure sustainable employment	>50%	45%	40%	15%	No
		Increasing	No change	Decreasing	
Confidence in decision making about future	>60%	62%	12%	26%	Yes
Levels of loneliness	>50%	34%	12%	54%	Yes
Levels of stress	<20%	48%	52%	0%	No

Gizajob staff were then able to see where their targets had been met and where they had not. The staff decided to analyse all of the data in more detail; looking at the answers to the other impact questions to analyse any trends and opportunities to improve results in the future. For example; for the 40% that remained unemployed, are there any shared characteristics – is it a subgroup or ‘segment’ that can be targeted with different support? Or, look at the results from those experiencing increased levels of stress and understand – how much stress is it? How long does it last? How much is caused by Gizajob? What support could be provided to reduce it?

Revising your targets

You may want to adjust your targets for next year. Or you may want to do some analysis of the data (looking at the other impact questions) before you do this. Similarly, with the data insights you gain from this analysis you are likely to develop some ideas about how you can change your activities. You can then revise your targets in Stage 4 (page 106).

As well as asking questions about stakeholder characteristics and outcomes in your qualitative research surveys, it is good practice to include some open questions, such as:

- "Did you experience any other changes as a result of the service?"
- "Is there anything about your personal situation that affected your experience?"

Analysis of the answers can identify new outcomes which may correlate against existing or new characteristics. For example, in Gizajob the staff noticed that some people were reporting that they now had better relationships with their family. When the staff looked closely at who was saying this they noticed there was a strong correlation with participants who had a 'support network'.

ASSESSING IMPACT QUESTION 5: HOW CAN WE MEASURE THESE CHANGES?

It may be useful to reflect on whether the indicators you have chosen to measure each change are effective. Do you think they are accurately capturing the change? Are there any outcomes that need additional indicators in future?

ASSESSING IMPACT QUESTION 6: HOW MUCH OF EACH CHANGE HAS HAPPENED (OR IS LIKELY TO HAPPEN)?

Asking this Impact Question provides you with data on the amount of change that has occurred for each outcome per person. Where you recorded a baseline, you now compare your data with the baseline for each person. You will notice that you need to be able to compare data for the same person. (You are unlikely to get a 100% response, so you will have baseline data for more people than the subsequent survey covers).

The indicators should capture positive and negative outcomes. Where there are clusters, for example, if some participants report an increase and others report a decrease in an outcome, relating these to characteristics of the group (a segment) may provide insights that can improve the service. You might calculate average change in a group of responses to help you identify clusters, for example where two groups experience positive change but one more than the other.

For Gizajob, surveys revealed the following results:

PARTICIPANT #	OUTCOME	AMOUNT
Participant 1	Increases loneliness	-3
Participant 2	Increases loneliness	-5
Participant 3	Increases loneliness	-7
Participant 4	Decreases loneliness	4
Participant 5	Decreases loneliness	3
Participant 6	Decreases loneliness	1
Participant 7	Decreases loneliness	2
Participant 8	Decreases loneliness	4
Participant 9	Decreases loneliness	7
Participant 10	Decreases loneliness	8

In the Gizajob figures in the table, participants 9 and 10 experienced a much higher decrease in loneliness than the other participants. When the Gizajob staff looked into this, they realised that these two outliers shared some characteristics: they were both women, with care responsibilities who lived in a rural location. This particular segment (rural based female participants with care responsibilities) may be more likely to experience more change in the levels of loneliness they report.

ASSESSING IMPACT QUESTION 7: HOW MUCH OF EACH CHANGE IS CAUSED BY OUR ACTIVITIES?

You will have data on participants' perceptions of: a) whether and to what extent this change would have happened anyway; and b) to what extent other people or organisations contributed to the changes. The first can be described as a counterfactual and the second as an attribution question.

Counterfactual: As well as reducing the risk that you are overclaiming your impact, this information can sometimes provide insights that will help you target your services at those who need them most.

GIZAJOB – COUNTERFACTUAL

Gizajob looked at the data and found that a lot of the participants who secured sustainable employment said that they thought they would have got this job anyway.

PARTICIPANT #	OUTCOME	HOW LIKELY WAS IT THAT THIS WOULD HAVE HAPPENED ANYWAY?
Participant 1	Secured sustainable employment	60%
Participant 2	Secured sustainable employment	80%
Participant 3	Secured sustainable employment	100%
Participant 4	Secured sustainable employment	60%
Participant 5	Secured sustainable employment	80%
Participant 6	Secured sustainable employment	40%
Participant 7	Secured sustainable employment	20%
Participant 8	Secured sustainable employment	0%
Participant 9	Secured sustainable employment	20%
Participant 10	Secured sustainable employment	40%

Comparing this with the characteristics data, Gizajob found that participants 1-5 (who all thought there was a high probability of the outcome happening anyway) all had a support network and had not been unemployed for longer than 6 months. This segment of people may be more likely to have gained employment without Gizajob (although it may have taken longer).

Attribution: Taking account of attribution will also help reduce the risk of overclaiming. It may also help you identify people or organisations that you should be working with in order to increase the overall impact you are having.

GIZAJOB–ATTRIBUTION

The Gizajob staff noticed that over three quarters of the participants said that they were more confident about making decisions about their future. When they looked at the data for attribution, many of them revealed that they had received career advice from a local college as well. This support from another stakeholder may have helped them achieve the outcome.

Again, this could be further analysed by correlating the responses to the question with the characteristic data you hold. If there are similar responses, check to see if there is a shared characteristic. In this scenario, the data showed that participants who received this support were all located in an urban environment (where the college is situated).

ASSESSING IMPACT QUESTION 8: HOW LONG DO WE NEED TO MEASURE THE CHANGES FOR?

Data from this question will help you decide and possibly change when you should be collecting data from stakeholders and therefore the extent to which stakeholders are still experiencing changes. For example, if you decide you need to know if people are or are not still employed for up to a year, you would collect the data after a year.

GIZAJOB – DURATION OF OUTCOMES

Gizajob data showed that stakeholders thought the outcomes would last for the following durations:

OUTCOME	AVERAGE DURATION
Change in loneliness	6 months
Change in stress levels	6 months
Confidence in making decisions about the future	2 years or more

Comparing the results from people with different characteristics showed that the participants who said that they had a support network thought the stress would not last very long and those that had no support network predicted that the stress would last for a lot longer.

ASSESSING IMPACT QUESTION 9: WHAT IS THE RELATIVE IMPORTANCE OF THE DIFFERENT CHANGES?

Data on stakeholders' perception of the importance of different outcomes is critical to deciding between different options for delivering services. Without an approach to ranking or weighting you are assuming that they are all as important as each other or that your assessment of the relative importance reflects your stakeholders.

COMPARING RELATIVE IMPORTANCE OF OUTCOMES ACROSS DIFFERENT SEGMENTS

Whether people experience a positive or negative change they will have given the change a weighting. When it comes to analysing your data, you are again looking for clusters of similar value and checking if these relate to people who have common characteristics. You might use calculations of averages to help you identify possible clusters.

COMPARING WEIGHTINGS – GIZAJOB EXAMPLE

The staff and board of Gizajob thought that securing employment is the most important outcome for all of the participants.

When the staff analysed the data they could see that for those who secured a job this was indeed the most important outcome for them. However, this was followed closely by the outcome 'reduced loneliness'.

Below is the data for all of the participants who had secured sustainable employment (23 people).

OUTCOME (# OF PEOPLE EXPERIENCING THE OUTCOME)	AVERAGE RANKING (4 BEING THE BEST)	AVERAGE WEIGHTING (10 BEING THE BEST)
Secured sustainable employment (23)	3.8	8.3
Reduced loneliness (21)	2.4	6.2
Increase in confidence in future decisions (23)	0.8	4.1
Increase in stress (10)	1.2	4.7
Increased loneliness (2)	2	5.2

There are some possible insights:

- All participants securing sustainable employment increased their confidence (in future decision making) but the outcome of actually securing a good job (sustainable employment job) is twice as important.
- The majority of these participants experienced a reduction in loneliness that is almost as important to them as the job itself.
- Almost half of these participants experienced an increase in stress but on average this outcome was ranked as one of the least important the group experienced (1.2).

When the data is broken down and analysed by the stakeholder segments, different insights can be obtained. For example, the data for **female rural participants with care responsibilities** was slightly different:

OUTCOME (# OF PEOPLE EXPERIENCING THE OUTCOME)	AVERAGE RANKING	AVERAGE WEIGHTING
Secured sustainable employment (4)	3.8	5.9
Reduced loneliness (2)	3	5.1
Increase in confidence in future decisions (4)	1.1	3.2
Increase in stress (4)	3.5	6.4
Increased loneliness (2)	3	5.2

The possible insights for this segment are different:

- The outcome 'securing a sustainable job' was heavily weighted by this subgroup (5.9) but unlike above it was not the heaviest. It came second in importance to an increase in stress
- There was an even split with half increasing loneliness and half decreasing (with the weighting for each of these changes the same).
- All experienced an increase in stress compared to under half of the whole group.
- The increase in stress weighted at 6.4 which made it the most important outcome for them whereas the data for the whole group showed it to be one of the least important outcomes (average weighting of 4.7).

It is important to recognise that **female rural participants with care responsibilities** is a very small subgroup (only 4 participants). Nonetheless, this data is worth reviewing in more detail (see Stage 4): despite being a small sample size, the data may still be 'good enough' for Gizajob to think about making improvements to the service.

For example, they might in future offer specific advice to any female rural participants with care responsibilities. This advice might raise awareness that securing a sustainable job can bring an increase in stress and explore ways that this might be prevented.

COMPARING OUTCOMES EXPERIENCED BY DIFFERENT SEGMENTS OR DIFFERENT STAKEHOLDERS

Comparing the relative importance of different outcomes experienced by different segments or different stakeholders is more difficult especially when one group experiences a negative outcome and the other group experiences a positive outcome. For example, how can you tell if your project has a net positive value when you know that some stakeholders are experiencing negative outcomes and some are experiencing positive? Somehow you must make a judgement about this, either to carry on or to change what you are doing. Having some sense of the relative importance of these outcomes from the perspective of those who experience them will improve your decision.

One of the benefits of using appropriate financial proxies for outcomes is that it makes the comparison between groups more transparent. If you are considering a choice between two ways of delivering your service (with different quantities of positive and negative outcomes for different groups) you will have to make this comparison.

Setting a threshold makes this easier. In effect you are starting by asking: *"What is the maximum number of people who could experience a negative outcome before we would have to change what we do?"*

Considering this question leads on to thinking about the quantity, duration and causality of your outcomes, while also considering their relative importance from the perspective of your stakeholders.

WEIGHTINGS AND GOALS

If you discover that your stakeholders consider the outcomes relating to your goals to be less important than other outcomes, this does not mean you should give up on your goals. What this insight can do is to help you design goods and services that will increase the value for your stakeholders. You can use this insight in marketing to increase the number of people engaging with you – which will increase the extent to which you achieve your goals.

ASSESSING IMPACT QUESTION 10: WHICH CHANGES MATTER AND ARE IMPORTANT ENOUGH FOR US TO MANAGE?

This impact question is about understanding which of the changes that you have identified matter. The immediate follow up is then 'matter to whom?' The judgement you are making is whether they matter to your stakeholders and may be useful for you to make decisions on how to increase value for your stakeholders. You first considered this in in Stage 1, when you decided the outcomes you would collect data for in Stage 2. Now that you have collected your data, you can make another judgement on whether the outcomes matter by considering, for each stakeholder or stakeholder segment, the mix of:

- The amount of change (Impact Question 6)
- Causality (Impact Question 7)
- Duration of the change (Impact Question 8) and
- The relative importance of the change (Impact Question 9).

One way to do this is to put all of your data on the answers to these four questions into a spreadsheet, and calculate the overall weighting of each outcome. For Gizajob they decided that all of the outcomes identified still mattered and the data could help them increase impact.

COMMUNICATION AND REPORTING

External reporting and sharing information about social impact with your funder and others demonstrates transparency and increases the credibility of your organisation, which can help you with fundraising and investment.

However, in the context of our focus on 'Impact Thinking', communication and reporting are equally important as an internal exercise. This means providing decision makers with relevant, complete and accurate information which they can rely on when making choices. Decision makers are probably you, your board and your delivery staff. They need to be reviewing impact information regularly and making decisions (whether to stop, change, or scale-up) based on it.

It is also important to share impact information with stakeholders other than funders. They will check to see if they think the data is right thereby verifying your approach and it provides transparency so that stakeholders can see how effective you are and the type of outcomes they can expect.

External reports should include as a minimum:

- The scope of the report, setting out what activities are included and timespan
- Purpose of the report, its audience and expected use
- Plans for developing Impact Thinking
- Changes made to activities based on data from stakeholders
- Summary answers to Impact Questions analysed by segments
- A process to ensure information in your report is accurate, relevant and complete

Internal reports will be designed to satisfy a specific purpose, including the decisions that are expected to be made based on the data, but should include:

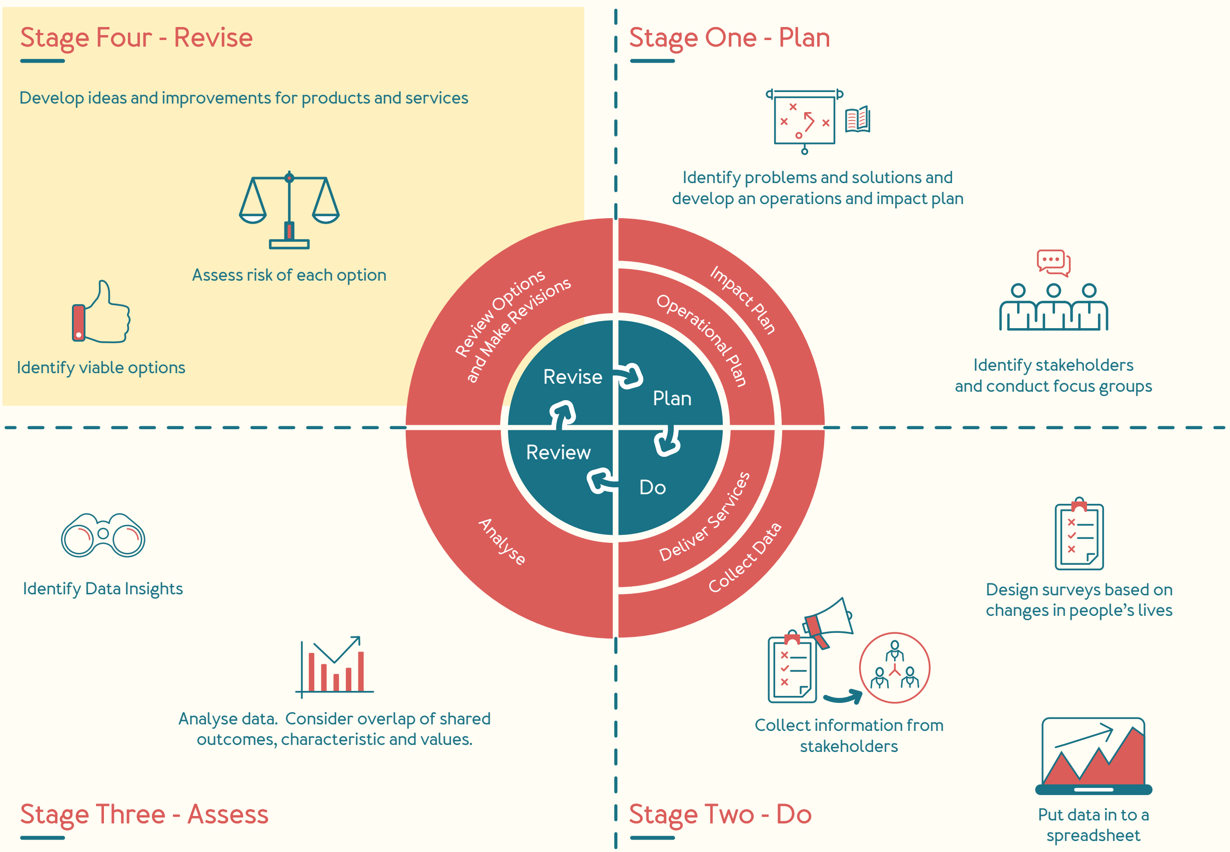
- Specific recommendations to be decided on
- The evidence that supports each recommendation – covering accuracy, relevance and completeness
- The risks and consequences to the organisation and to stakeholders if any recommended decision has to be reversed.

STAGE 4:

REVISE

STAGE 4: REVISE

MAXIMISING IMPACT



In Stage 4, we use our data and our analysis to decide how we can increase the impact we create for people. In the case of most activities, this comes down to a decision between three courses of action: change, stop or scale-up. As with every stage in this Guide, involving stakeholders ensures that decisions are aligned with the goals of the enterprise and meet the needs of beneficiaries.

In the introduction we said that Impact Thinking (constantly exploring different options and changing what you do) makes it more likely that you will be creating as much impact as you can with the resources you have. This means combining your entrepreneurial enthusiasm with data on the experiences of your stakeholders. It means being prepared to continually improve or change what you are doing, by:

- Upgrading existing products and services
- Scaling up those that are working well
- Replacing ones that aren't working with new ones
- Being open to strategic partnerships to increase impact
- Being prepared to make more fundamental changes to strategy and operations.

If you are not being forced out of your comfort zone by what you are learning from your stakeholders you probably don't have an Impact Thinking culture yet.

Collecting recording and analysing data will only help you maximise the impact of the organisation if you use it to make decisions to allocate resources in different ways.

STOP, CHANGE, OR SCALE-UP

By this point, you will have been able to answer the ten Impact Questions.

We also set out some strategic questions that these Impact Questions would help us to answer:

- Do we have the right strategy? Answering this might mean we should **stop** what we are doing if we not creating enough value for people

CHECKLIST

At the end of this stage you will have created (or have revised):

- *Table of proposals to take to decision makers (your board or management committee) about how your activities should be scaled, changed or stopped*
- *A set of recommendations about changing the targets (or justification for not changing them).*

- Should we change our products and services, innovating to create more value for people?
- Should we scale-up in order to create more value for people?

In each stage, we have highlighted how the information you are collecting can help you come up with ways of creating more value. Now it will be up to you, with your stakeholders, to come up with ideas and to test them. It is unlikely that you will find that nothing needs to change since the world around you and the people you work with are also changing.

TARGETS, FORECAST AND BUDGETS

Establishing targets or an annual budget for the social value you expect to create and regularly reviewing your progress against those targets is one way of ensuring that you remain focused on increasing your impact. There are two possibilities:

- If we are achieving our targets, are they high enough – could we be creating more value with the same resources?
- If we are not achieving targets, is the target too high or should we change what we are doing?

If the conclusion is that we need to change things we will have to choose between different options. This could be comparing what we are doing now with an alternative or it could be choosing from a number of options where only some can be taken.

In making a choice between different options, decision-makers need:

- Recommendations, proposals and ideas
- Impact data that supports the recommendation, that is good enough, credible and covers tests of accuracy, relevance and completeness
- Costs of the different options
- The risks and consequences to the organisation and to stakeholders if the choice should be reversed
- To be operating in a culture which encourages decisions that result in change

Collecting, analysing and using data should be continuous and be embedded into and support your daily work. It should be used to make small corrections, reshape products and services, change distribution channels, change the way the beneficiaries are approached and involve new stakeholders, as well as to inform larger strategic decisions.

STOP, CHANGE OR SCALE? – GIZAJOB EXAMPLE

Gizajob received specific funding from a charitable foundation and a government agency to deliver services that would support young people to get jobs. However, if the data shows that the programme has a low success rate in getting people into jobs but has a high success rate in reducing loneliness, a decision needs to be made – should Gizajob stop, change or scale-up?

The board might decide:

- Not to stop because the programme helps some people gain jobs and is also effective in reducing loneliness
- Not to scale-up because the programme doesn't deliver the intended results in its current state.
- To change programme design to create more value by considering how reducing isolation can help improve employment outcomes.

Changes to programmes to create more value have to recognise constraints. Gizajob is funded to create employment and so needs to see how insights from the data that has been collected increase performance against this goal. However if it is unsuccessful, for example because there simply aren't enough job opportunities, Gizajob needs to consider more fundamental changes and discuss them with funders.

WORK TOGETHER

Stop, change or scale-up are hard decisions to make, especially if your organisation is receiving funding for a particular outcome. In reality, these decisions are best made with your funder.

TAKING THE DECISION TO STOP

If your data shows that the overall impact of negative outcomes exceeds the positive ones – in the weighting people give it or in numbers experiencing it – then it's time to change the activity.

In the case of Gizajob: if the programme helped a few people into work but those that didn't were becoming more stressed and were less likely to find work in the future, then there could be a net negative impact.

If you find that your stakeholders are not achieving the outcome they value, even if you are successfully helping them some of the way towards that outcome, it's time to reconsider your strategy.

The decision to stop an activity would probably mean a shift in strategy. Any recommendation would need to be well supported and is likely to be the start of a longer discussion.

Such decisions can be very difficult for those directly interacting with your beneficiaries who will experience the short term feedback from delivering well-intentioned personal interventions but may not immediately understand the larger scale and longer term considerations of whether the programme is actually delivering value.

This is a hard decision for motivated social entrepreneurs, driven by passion to make a change. Ultimately, though, your responsibility towards the people you are trying to help means you must be prepared to end activities that cause more harm than good, even if this carries a risk to the good reputation of your organisation.

Stopping an activity that creates negative or no impact and being honest about it can help you to maintain the credibility and accountability of your social enterprise – and to channel your resources towards different activities that create positive impact instead.

DECIDING TO STOP – GIZAJOB

Gizajob's survey data showed that the participants in the subgroup 'women with care responsibilities' who secured jobs experienced an increase in stress.

The Gizajob staff held a meeting to discuss how to respond to this data and came up with the following options:

- Provide extra support for people with care responsibilities especially when they secure employment
- Advise on the risks of juggling care and jobs and how to deal with potential stress
- Only help participants in to jobs that will be flexible enough to allow care to continue
- Consider partnering with a care agency

When deciding whether to stop, change or scale, they first recognised that this is only an issue for a small number of their participants. They decided that while they would like to offer the support for this segment, they realistically didn't have the capacity. At the same time they didn't want to stop taking applications from them, despite the risk of negative outcomes. They decided to highlight this risk to new applicants in the short term while making it a priority to identify other organisations they could work with in order to provide additional support.

CHANGING STRATEGY – FRC GROUP

FRC Group is a social enterprise with a mission to 'End Furniture Poverty'. Much of the activity undertaken by the organisation is the distribution of new furniture and furnishings and the collection (and subsequent redistribution) of 'preloved' furniture. As a consequence, FRC Group employs warehouse, driving and installation staff.

As a result, for over 20 years a significant element of the organisation's effort has been a programme to recruit people who have been long-term unemployed on to a 12 month programme that provides wages, extensive formal training (including car, truck and fork lift truck licences), and equally importantly real-life experience that the labour market values. (Some 65% of graduates of this programme have gone on to find sustainable work – with a peak of 94% in one cohort).

The FRC Group uses social impact measurement to alter and improve this programme. In recent years they have identified a number of negative trends:

- FRC began to hear from people who had gained employment that short or zero hours contracts were increasing and that large employers were making more use of third party employment agencies
- People living in poverty are as likely to be in (low pay) employment as out of work

This has impacted on the social value that the training programme creates because graduates are entering more transient and vulnerable roles and experiencing periods of unemployment. This also means that the traditional use of long term unemployment as a proxy for living in poverty is no longer wholly appropriate.

As a consequence, FRC Group is re-engineering the training programme to:

- Give trainees the supervisory experience that the labour market recognises and which leads to permanent roles
- Be flexible and provide training and experience for the length of time that an individual trainee needs to acquire the skills that the labour market rewards
- Offer training positions to employed and unemployed people. FRC Group wants to help people who are in low-paid vulnerable jobs as well as those who are out of work

Measuring the social value created through the new programme is crucial to understanding if and how the programme is delivering greater social impact than its predecessor. Capturing key impact data will also enable ongoing improvement of the programme.

MAKING CHANGES TO PRODUCTS, SERVICES AND ACTIVITIES

There are three main options for making a change to products, activities or services:

- making a change to all products or services;
- changing how people are targeted; or
- changing some of the existing goods and services to better serve specific groups.

CHANGING ACTIVITIES – FOR DIFFERENT STAKEHOLDER SEGMENTS

The decision to replace one service with another is often difficult – even with a service that has the same overall objective. The need for change emerges when the data consistently suggests that an existing service is not creating much impact. The data is important for informing any decision, but just as important as having the data is having a culture of reflection and of willingness to change.

Don't be afraid to change and try new solutions. Change, monitor and compare the value created in changing circumstances in order to maximise the impact of your organisation.

The environment that social entrepreneurs work in changes constantly and services or products that were suitable for certain beneficiaries may begin to create less impact over time. Monitoring should be on-going and regular so you can track changes and adjust products and services to respond.

Sometimes small changes can create more impact without requiring significant additional financial resources. Trying different approaches and involving new stakeholders can help you find optimal solutions. It can deepen your understanding of a social problem and the experiences of your beneficiaries, and ultimately help you maximise the value you create.

Finally, there may be option of targeting differentiated products or services to a specific segment, for example through focusing on increasing the use of a service by a particular group or by changing services in ways that target the needs or characteristics of that group. A good example of this is when Gizajob targeted people in rural locations and offered more social activities to help them reduce loneliness and meet more people.

Whether decisions are made to implement or pilot changes will depend on a mix of the following:

- Data supporting the change - is it accurate, complete, detailed enough?
- Cost of making the change
- Cost of reversing the change if it doesn't work
- Cost to others if it doesn't work

See the Toolbox for more resources on changing activities to target stakeholder segments.

TAKING THE DECISION TO SCALE-UP

Scaling-up social impact is the main aim of social entrepreneurs, who are driven to create more value and ultimately to solve the social problem they are targeting.

Scaling-up could simply mean increasing the size of the social enterprise and increasing its impact through cost efficiencies, therefore creating more value for the same investment. But it could also mean scaling up your impact by:

- Increasing your willingness to take risk in order to achieve significant social change
- Entering into partnerships with people and organisations, and scaling-up together
- Merging with those organisations
- Franchising
- Launching new services

See the Toolbox for more resources on scaling-up.

SCALING UP – GIZAJOB EXAMPLE

The Gizajob staff realised that they were creating most value for the rural participants who had no support networks. So, they decided to apply for more money to specifically target and provide services for this stakeholder sub group with the aim of reducing their loneliness and feelings of isolation whilst also improving their access to employment.

Gizajob were successful in applying for this extra funding and now run more activities in rural areas where they know that young people feel isolated. The activities aim to bring young people together and provide them with more of a support network. During these activities, the young people are also able to meet mentors and role models who can provide them with advice about careers and how to apply for a career that suits them.

As scaling up often means working with new and different groups of people probably in different places, your impact management may reflect changes to the social enterprise's strategy, products and services and operational model.

SCALING-UP – B-FIT'S FRANCHISE SYSTEM

An example of successfully scaling-up is the Turkish social enterprise 'B-Fit Sports and Healthy Living Centers for Women'. This enterprise aims to:

- Offer sports and a social setting that encourages women to develop their independence and confidence
- Empower women economically and socially by promoting entrepreneurship

B-fit's business model enables it to scale up (both in size and impact) and create great value for its main stakeholders. Franchising:

- Expands its reach and size, increasing the impact for women who want to be more healthy and more social
- Increases its economic and social impact for women through a women-only franchising system.

Often there are efficiencies that come with larger scale operations – it means you can deliver more value per unit of investment. But the advantages of scale have their limits: there will be a point where it becomes harder to create more value, to be flexible and continue to respond to local issues and forge local partnerships.

PARTNERSHIP

There may be opportunities for creating sustainable systemic change that come from partnership working with others. Working in partnership isn't always easy and you need to be clear about the benefits. The Toolbox has more resources.

ADVOCACY

Long-term systemic change isn't easy and it is frequently likely that it requires a change of policy at national or local level. This may require advocacy and campaigning alongside your business, using your experience to provide evidence that policy change is necessary and can work.

STRATEGY

The decision to scale will be a strategy question especially when it brings with it additional risks. Any recommendation needs to be supported by data and evidence and is likely to be the start of a longer discussion.

RECOMMENDATIONS: TO CHANGE, STOP OR SCALE - GIZAJOB

Gizajob staff pulled out some data insights and decided to take these to a meeting with all staff and board members. The team had to decide whether they should stop, scale or change based on the information. Part of the discussion and decision on how to act involved asking if the data is good enough, including checking if the sample size is big enough.

Gizajob's data insights are presented in the tables on the following pages.

GIZAJOB: DATA INSIGHTS

DATA INSIGHTS	IMPACT QUESTION (Impact Data used)	OPTIONS TO STOP, SCALE OR CHANGE	COST	RISK	IN CONTEXT OF PROPOSAL, COST AND RISK IS THE DATA QUALITY GOOD ENOUGH?
Two thirds of the female participants from rural locations have care responsibilities	Q3: Who changes? *(Characteristics)*	This data insight needs to be overlaid with other information such as What changes? (and the other impact questions) before decisions can be made. See examples below	n/a	n/a	No
Only 10 out of 24 rural participants completed the programme (attended enough sessions). Of these 10 only 1 secured sustainable employment.	Q3: Who changes? *(Characteristics)* Q4: What changes? *(Outcomes)*	1.) **Change:** Consider relocating the programme to a different venue. On the assumption that more rural participants completing the course increases the chance of them securing sustainable employment.	High cost (of finding new venues and relocating)	High risk (hard to reverse this change if it doesn't work)	Yes
		2.) **Change:** Provide help with transport for rural participants. E.g. free bus passes or provide a mini bus service	Medium cost (to subsidise travel)	Low risk (easy to reverse this change)	
		3.) **Stop:** Until a solution has been identified consider not accepting rural participants on to the course as they are less likely to complete and therefore less likely to gain sustainable employment.	Low cost	Medium risk (Easy to reverse. Might be a risk to Gizajob reputation but this could be minimised by finding more appropriate services for rural applicants.)	

DATA INSIGHTS	IMPACT QUESTION (Impact Data used)	OPTIONS TO STOP, SCALE OR CHANGE	COST	RISK	IN CONTEXT OF PROPOSAL, COST AND RISK IS THE DATA QUALITY GOOD ENOUGH?
Only 23 of programme participants secured sustainable employment. This is below target of 50%. Of the 23 who secured sustainable employment, 6 of these were rural men who all felt that they All of them were likely to have got these jobs anyway (as they were jobs on their family farm).	Q3: Who changes? *(Characteristics)* Q4: What changes? *(Outcomes)* Q7: What extent was it caused by our activities? *(Counterfactual)*	1.) **Stop:** Very little value is being created for males living in rural areas who have access to local sustainable jobs so consider not accepting this group onto the programme	Low cost	Low risk (This would be easy to reverse)	Yes. However, it would be worth researching with a larger group of males who live in rural areas.
Of all the participants who secured sustainable employment (23), nearly half (11) experienced an increase in stress levels.	Q3: Who changes? *(Characteristics)* Q4: What changes? *(Outcomes)*	1.) **Change:** Some low-cost provisions could be put in place to minimize the increase in stress that participants experience when they secure employment. E.g. providing extra support and advice in the first few weeks of employment especially around managing finances	Low cost (Putting on some extra advice sessions or signposting to relevant support is not resource intensive)	Low risk (These are easy to reverse)	No. Gizajob should investigate what is causing the stress. Is it financial issues or is it the stress of new responsibilities?

DATA INSIGHTS	IMPACT QUESTION (Impact Data used)	OPTIONS TO STOP, SCALE OR CHANGE	COST	RISK	IN CONTEXT OF PROPOSAL, COST AND RISK IS THE DATA QUALITY GOOD ENOUGH?
Of all the participants who secured sustainable employment (23), nearly 18 said that they had a 'strong support network'.	Q3: Who changes? *(Characteristics)* Q4: What changes? *(Outcomes)*	1.) **Change:** Provide more activities that can create 'stronger support networks' for participants as this seems to be an important factor in securing sustainable employment.	Medium cost (might require new activities)	Medium risk (Gizajob funders might not want resources to be spent on this and it may not lead directly to sustainable jobs)	Yes
		2.) **Scale:** By only accepting people on to the programme who have a 'strong support network' the success rate of the programme will increase.	Low cost (easy to change the admission criteria)	High risk (participants with a strong support network are likely to get sustainable employment anyway therefore not much surplus value is being created for this group. In addition, Gizajob reputation may suffer as people criticize it for only working with 'strong candidates')	

STAGE 4 = REVISE

DATA INSIGHTS	IMPACT QUESTION (Impact Data used)	OPTIONS TO STOP, SCALE OR CHANGE	COST	RISK	IN CONTEXT OF PROPOSAL, COST AND RISK IS THE DATA QUALITY GOOD ENOUGH?
The participants 'without a strong support network' who experienced increased stress thought the stress would last for a lot longer (on average 2 years) than the participants who did have 'a strong support network' (on average less than 6 months).	Q3: Who changes? *(Characteristics)* Q4: What changes? *(Outcomes)* Q8: How long do we manage it for *(Duration)*	1.) **Scale:** By creating more support networks that last for longer the increased stress would not last as long because participants would be better prepared and more supported to deal with this.	Medium cost (cost of providing extra support services)	Low risk (these activities could be easily reversed or stopped. They are unlikely to cause negative outcomes).	Yes

DATA INSIGHTS	IMPACT QUESTION (Impact Data used)	OPTIONS TO STOP, SCALE OR CHANGE	COST	RISK	IN CONTEXT OF PROPOSAL, COST AND RISK IS THE DATA QUALITY GOOD ENOUGH?
Most (44) of all participants experienced a reduction in loneliness from the activities. Noticeably, the segment of participants who 'did not have a strong support network' (24) all experienced a large reduction in loneliness (and weighted the importance of this change highly compared to those with a strong support network.	Q3: Who changes? *(Characteristics)* Q4: What changes? *(Outcomes)* Q6: How much change happens? *(Amount)* Q9: How important were the changes? *(Weightings)*	1.) **Change:** Provide more activities (for those without a strong support network) that help reduce loneliness as the evidence suggests a lot of value is created through this.	Medium cost (costs of setting up more socialising and events)	Low risk (these events could be reversed easily)	Yes

REVISING YOUR TARGETS:

As well as taking a set of recommendations to your board (or management committee) you should also consider the implications for your targets. If you were to implement a change, can you adjust your targets accordingly? Alternatively, your proposed change might be something you do in order to meet your existing target – in which case the target may stay the same. For example, Gizajob, presented the board with the following recommendations:

REVISING TARGETS GIZAJOB EXAMPLE

- If we decide to only accept people onto the course who have existing support networks then the target for getting people into sustainable jobs should be raised from 50% to 75%.
- If we decide to provide more support around tackling stress, we should keep the target of having no more than 20% experience an increase in stress. This gives us a chance to meet our target. However, we should add some extra detail to the target: of those that do experience stress at least 80% should believe it will only last for a few months.

CONCLUSION

CONCLUSION

THE END AND THE BEGINNING

The aim of this Guide is to help social entrepreneurs with a practical way to maximise their positive impact and make meaningful changes in people's lives. The approach outlined is one that has been tried and tested by the authors and others in a variety of organisations.

If there is one message to take away with you it is the idea of embedding Impact Thinking into your social enterprise from setting strategy to every day operations. This means continuously focusing on the changes you create for beneficiaries and maximising the value of that impact in response to stakeholder feedback.

Impact Thinking requires you to involve and to be accountable to your stakeholders, primarily those that your social enterprise aims to help. You must be collecting data and information that is good enough to make decisions and use it to improve the design of your products or services aimed at addressing the particular social issue you have chosen.

There is a lot in this Guide, but you should not feel you have to do everything at once or to answer all the Impact Questions immediately. You should though realise that maximising social impact is a never ending cycle of setting targets, collecting data and adjusting what you do to perform better.

You can start simply by asking if you are creating as much impact as you can, being willing to make changes, setting some targets and rigorously measuring what happens.

The rest will follow.

APPENDICES

APPENDICES

APPENDIX 1 - TOOLBOX

In this toolbox we have collected a range of guidance documents, blogs, websites and tools that you may find useful. We have organised them by the four stages of the process in this guide as they should all help you to apply these principles in your work and maximise your impact. There are also sections that address particular tasks raised in this guide and a section for general resources that cover a range of principles and tasks. This is not a definitive list. We keep an updated and refreshed list at this web page: http://www.socialvalueuk.org/resources/tools-by-principle/

ALL STAGES

- Social Value International, The Seven Principles of Social Value, available **here**.
- The Social Value Self -Assessment Tool, available **here**.
- Starting out in SROI, Social Value UK, available **here**.
- Driving Impact, Impetus PEF, available **here**.
- Prove and Improve Tools, New Economics Foundation, available **here**.
- HM Treasury, The Magenta Book, Guidance for Evaluation, available **here**.
- HM Treasury, Green Book, available **here**.
- Inspiring Impact, available **here**.

STAGE 1 – PLAN

IMPACT PLAN

What problem are we trying to solve?

- SADC Centre of Communication for Development and Food and Agriculture Organization of the United Nations, Participatory Rural Communication Appraisal, Starting with the People: A Handbook, (Chapter II: Situation Analysis Framework in PRCA), available **here**.
- Ashoka, The guide to the seven key questions that all social entrepreneurs should ask themselves to have a clearer idea, develop their project and maximise their impact!, available **here**.

What is our proposed solution to the problem?

- Theory of Change Software TOCO Software, available **here**.
- Sphaera, is a website crowdsourcing different solutions to social problems, available **here**.

Who experiences changes in their lives as a result of what you do?

- Cabinet Office Guide to Segmentation, available **here**.
- SVUK links on stakeholder segmentation, developing user personas and journeys, available **here**.
- Segmentation Portal, available here.
- Acorn, Acorn User Guide, The Consumer Classification, available **here**.
- Xtensio, available **here**.
- Catalogue of segmentation and clustering software, available **here**.

What changes are experienced (or are likely to be)?

- Free online application to create a visual chain of events (outcomes) myGVE, Social Value UK, available **here**.
- Social Value UK, Supplementary Guidance for Principle 2: Understand what changes, Part One: Creating well defined outcomes, available **here**.

Which changes matter and are important enough for us to manage?

- Social Value UK, Supplementary Guidance on Materiality, available **here**.
- AccountAbility, Redefining Materiality, Practice and public policy for effective corporate reporting, available **here**.
- AccountAbility, Redefining Materiality II: Why it Matters, Who's Involved, and What It Means for Corporate Leaders and Boards, available **here**.
- Rick Davies and Jess Dart, The 'Most Significant Change' (MSC) Technique, A Guide to Its Use, available **here**.

Who gets to answer them?

- Social Value UK, Supplementary Guidance on Stakeholder Involvement, available **here**.
- New Economics Foundation, Participation Works! 21 techniques of community participation for the 21st century, available **here**.

- Involve, People & Participation How to put citizens at the heart of decision-making, available **here**.
- AccountAbility, AA1000 Stakeholder Engagement Standard (AA1000SES), available **here**.
- AccountAbility, The Stakeholder Engagement Manual, available **here**.
- Keystone Accountability, Constituent Voice, available **here**.

What assurances do you need that the information is relevant, complete and accurate before you are able to make those decisions?

- Social Value International Assurance Standard, available **here**.
- International Federation of Accountants, International Standard on Assurance Engagements (ISAE) 3000, available **here**.
- AccountAbility, AA1000 Assurance Standard, available **here**.

OPERATIONAL PLAN

- A tool "The Business Model Canvas," available **here**.
- A tool "The Social Business Model Canvas," available **here**.
- +Acumen's online course "Business Models for Social Enterprise," available **here**.

STAGE 2 – DO

How can we measure these changes and how much of each change has happened (or is likely to happen)?

- Triangle Consulting, Outcome Star, An evidence-based tool for supporting and measuring change, available **here**.
- Social Value UK, Global Value Exchange, available **here**.
- Charities Evaluation Services, Developing and Using Outcomes Monitoring Tools, available **here**.
- Global Value Exchange, free resource for identifying indicators (ways to measure outcomes) available **here**.
- KUSIF Metrics, available **here**.

How much of each change is caused by our activities?

- Homes & Communities Agency, Additionality Guide, Fourth Edition 2015, available **here**.
- Department for Business Innovation and Skills, Guidance for using Additionality Benchmarks in Appraisal, available **here**.
- NPC, Data Labs, available **here**.
- Dybdal et al, Contribution Analysis Applied: Reflections on Scope and Methodology, available **here**.
- Duflo, Use of Randomization in the Evaluation of Development Effectiveness, available **here**.
- FSG, Guide to Evaluating Collective Impact, available **here**.

What is the relative importance of the different changes?

- Communities and Local Government, Multi-criteria analysis: a manual, available **here**.
- HACT, Measuring the Social Impact of Community Investment: A Guide to using the Wellbeing Valuation Approach, available **here**.
- Fujiwara, D and Campbell, R, Valuation Techniques for Social Cost Benefit Analysis, available **here**.
- Peter Scholten, The Value Game, available **here**.
- Social Value UK, Global Value Exchange, available **here**.
- Sinzer – accredited by Social Value UK – read about this **here**.

DATA COLLECTION AND STORAGE

- Social Profit Calculator (UK), available **here**.
- SOPACT (USA), available here.
- Social Suite (Australia), available **here**.
- SAMETRCIA (Canada), available **here**.
- Algorhythm (USA), available **here**.
- VV - Impact Tracker (UK), available **here**.
- Views – (Substance) UK, available **here**.
- Keystone Accountability, Feedback Commons, available **here**.
- Acumen, Lean Data Update 2016, available **here**.
- Twine, Power to Change, available **here**.
- Survey Monkey, available **here**.

STAGE 4 – REVISE

- Scaling up social enterprise innovations: Approaches and lessons, available **here**.
- Nesta, MAKING IT BiG: Strategies for scaling social innovations, 2014, available **here**.
- Ashoka, Stories about Scaling, available **here**.
- Ashoka, Collaborative entrepreneurship: how social entrepreneurs have learned to tip the world by working in global teams, available **here**.
- Standford Social Review, Scaling Social Impact, Strategies for spreading social innovations, available **here**.
- Ideation Guide, available **here**.
- Dan Olsen, The Lean Product Playbook, available **here**.

APPENDIX 2 – GIZAJOB BASELINE FORM

GIZAJOB COURSE BASELINE FORM

SECTION A: BACKGROUND INFORMATION

1)	Name:		
2)	Gender:	☐ Male	☐ Female
3)	Location:	☐ Urban	☐ Rural
4)	Do you have a strong support network? (friends or family you can rely on)	☐ Yes	☐ No
5)	Do you have care responsibilities? (e.g. looking after a child or parent)	☐ Yes	☐ No
6)	For how long have you been unemployed?	☐ 0 - 6 months	☐ 6 months +

SECTION B: OUTCOMES

Confidence in making decisions about the future

1. How confident do you feel to make decisions about your future and your career?

Not confident at all 1 2 3 4 5 6 7 8 9 10 Very confident

Loneliness

2. How lonely have you felt over the past week?

Not lonely at all 1 2 3 4 5 6 7 8 9 10 Very lonely

Stress

3. How stressed have you felt over the past week?

Not stressed at all 1 2 3 4 5 6 7 8 9 10 Very stressed

APPENDIX 3 – GIZAJOB FEEDBACK FORM

GIZAJOB COURSE FEEDBACK FORM

SECTION A: BACKGROUND INFORMATION

Name:

Employment

1. What is your current employment status?

☐ Full-time (permanent) ☐ Full-time (temporary) ☐ Part-time ☐ Unemployed

2. If you are currently in some form of employment, which of the following statements is most accurate?

☐ I feel secure in this job and confident I will be able to keep it

☐ I am not sure if this is a job I can maintain

☐ I do not feel secure in this job or confident that I will be able to keep it

3. How likely is it that you would have experienced this change in employment status had you not taken the Employability Course?

Very unlikely 1 2 3 4 5 6 7 8 9 10 Very Likely

4. Who else contributed to this change?

4A) Please list any organisations, individuals etc. who you think have contributed to this change in employment status:	4B) How much of this change in employment status was down to them (as a percentage)?

SECTION B: OUTCOMES

Confidence in making decisions about the future

5. How confident do you feel to make decisions about your future and your career?

Not confident at all 1 2 3 4 5 6 7 8 9 10 Very confident

6. How likely is it that you would have experienced this change in confidence had you not taken the Employability Course?

Very unlikely 1 2 3 4 5 6 7 8 9 10 Very Likely

7. How long do you think this change will last?

- ☐ Until the end of mentoring
- ☐ A few months after the mentoring finishes
- ☐ A year or more after the mentoring finishes

8. Who else contributed to this change?

8A) Please list any organisations, individuals etc. who you think have contributed to this change in satisfaction:	8B) How much of this change in satisfaction was down to them (as a percentage)?

Loneliness

9. How lonely have you felt over the past week?

Not lonely at all 1 2 3 4 5 6 7 8 9 10 Very lonely

10. How likely is it that you would have experienced this change in loneliness had you not taken the Employability Course?

Very unlikely 1 2 3 4 5 6 7 8 9 10 Very Likely

11. How long do you think this change will last?

- ☐ Until the end of mentoring
- ☐ A few months after the mentoring finishes
- ☐ A year or more after the mentoring finishes

12. Who else contributed to this change?

12A) Please list any organisations, individuals etc. who you think have contributed to this change in loneliness:	12B) How much of this change in loneliness was down to them (as a percentage)?

13. **How stressed have you felt over the past week?**

Not stressed at all 1 2 3 4 5 6 7 8 9 10 Very stressed

14. **How likely is it that you would have experienced this change in stress had you not taken the Employability Course?**

Very unlikely 1 2 3 4 5 6 7 8 9 10 Very Likely

15. **How long do you think this change will last?**

- ☐ Until the end of mentoring
- ☐ A few months after the mentoring finishes
- ☐ A year or more after the mentoring finishes

16. **Who else contributed to this change?**

16A) Please list any organisations, individuals etc. who you think have contributed to this change in stress:	16B) How much of this change in stress was down to them (as a percentage)?

17. **Has anything else happened as a result of your participation in the Employability Course?**

Relative importance of outcomes

18. Please complete the following table:

OUTCOME	CHANGE	TICK WHICH OF THESE OUTCOMES YOU EXPERIENCED (ONE PER OUTCOME)	RANK THE OUTCOMES IN ORDER OF IMPORTANCE (1 being least important – 4 representing most important)	ON A SCALE OF 1 TO 10, HOW IMPORTANT ARE THESE CHANGES TO YOU? (10 being most important)
Change in employment status	Sustainable job			
	Un-sustainable job			
	Unemployed			
Change in confidence in making decisions about the future	Increase			
	Decrease			
	No change			
Change in loneliness	Increase			
	Decrease			
	No change			
Change in stress	Increase			
	Decrease			
	No change			

APPENDIX 4 - THE PRINCIPLES OF SOCIAL VALUE

This Principles of Social Value have been developed by Social value International as a way of helping organisations answer the question we have raised in this Guide and as the basis for being accountable to people whose lives are changed by our activities. The Principles are:

1. **Involve stakeholders** – Inform what gets measured and how this is measured and valued in an account of social value by involving stakeholders.
2. **Understand what changes** – Articulate how change is created and evaluate this through evidence gathered, recognising positive and negative changes as well as those that are intended and unintended.
3. **Value the things that matter** – Making decisions about allocating resources between different options needs to recognise stakeholders' values, and recognise the relative importance of different outcomes. This process is informed by stakeholders' preferences.
4. **Only include what is material** – Determine what information and evidence must be included in the accounts to give a true and fair picture, such that stakeholders can draw reasonable conclusions about impact.
5. **Do not over-claim** – Only claim the value that activities are responsible for creating.
6. **Be transparent** – Demonstrate the basis on which the analysis may be considered accurate and honest, and show that it will be reported to and discussed with stakeholders.
7. **Verify the result** – Ensure appropriate independent assurance.

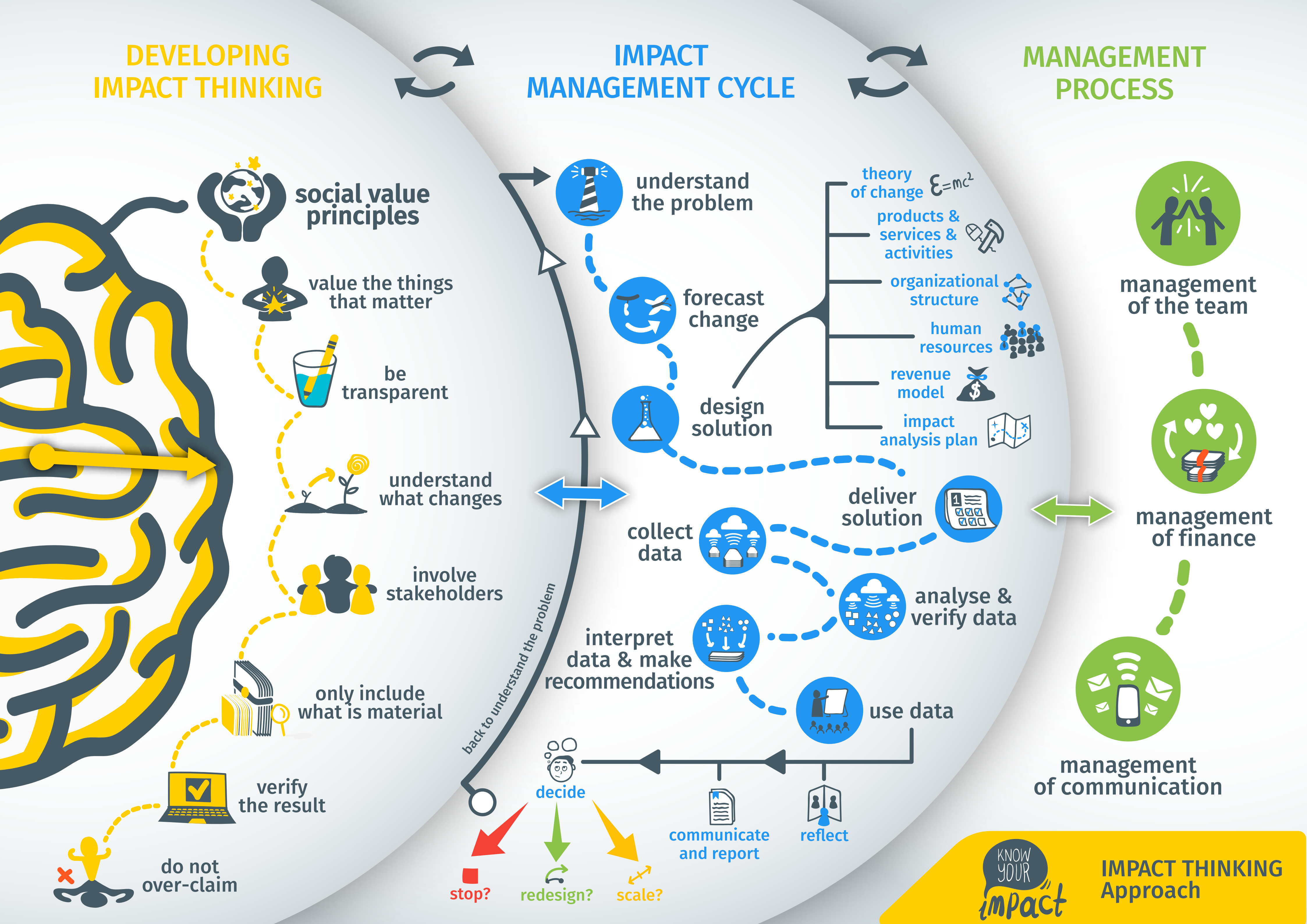
These principles and Impact Thinking should help you increase your impact with your current resources and this in turn will make you more competitive and better placed to raise income from other sources.

APPENDIX 5 – IMPACT THINKING FRAMEWORK

The Guide is the output of two-year cooperation of Estonian Social Enterprise Network, Koç University Social Impact Forum, Mikado Sustainable Development Consulting and Social Value UK within the "Know Your Impact" project. Developing the Impact Thinking approach was a long and intensive process and the Guide you are holding in your hands aims to present the developed approach in an useful and comprehensive way.

The Impact Thinking Framework developed by the project team which is a more detailed statement of the four stages may be found on the next page.

The Impact Thinking Framework visual was designed by **Göksel Gürsel**.


DEVELOPING IMPACT THINKING
IMPACT MANAGEMENT CYCLE
MANAGEMENT PROCESS
social value principles
value the things that matter
be transparent
understand what changes
involve stakeholders
only include what is material
verify the result
do not over-claim
understand the problem
forecast change
design solution
theory of change
$\mathcal{E}=mc^2$
products & services & activities
organizational structure
human resources
revenue model
impact analysis plan
deliver solution
collect data
analyse & verify data
interpret data & make recommendations
use data
back to understand the problem
decide
stop?
redesign?
scale?
communicate and report
reflect
management of the team
management of finance
management of communication
KNOW YOUR impact
IMPACT THINKING Approach

KNOW YOUR impact

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