Measuring Your Social Impact 1: Impact Framework Design

This document will guide you through preparing your own simple social impact framework to measure and value the positive change your organisation creates.

By the end of this workbook, you should be able to:

- Articulate the problem you are trying to solve.
- Understand the purpose and the target audience for your impact assessment.
- Design a simple theory of change that explains how your organisation drives social impact.
- Find the critical data points you need to track the impact you are generating.
- Put together a clear data strategy to help you plan how you will gather and manage data.

INTRODUCTION

Why do we measure social impact?

> *"The social change that an organisation creates through its actions (i.e. the impact of its interventions)."*
>
> *UnLtd*

We want to understand what benefits our activities are generating for our beneficiaries and how they are addressing a pressing social challenge.

Social impact focuses on the change to the beneficiaries, such as the community, individuals and families:

1. It has to be **an actual change** that would not have happened without your work.
2. It is a **significant change** to a person/people/ community.
3. It has to be a change that has some **'staying power'**; it lasts beyond the interaction.

Social impact can include improvements in personal wellbeing, household dynamics and other social change in the community. It can also be economic, environmental, political or related to health and health systems.

Quantifying social impact can help us:

- Explain our work to various stakeholders, for instance when we are applying for funding
- Make managerial decisions that can improve our operations. For example, we may want to change how we run a particular activity to make it generate a more positive impact on our beneficiaries or at a lower cost.
- Inform our customers about our impact.

STEP 1

Defining the Problem

One of the first steps to understanding your social impact is identifying the problem you are solving, which directly feeds into your **problem statement** that you will often see in a business plan or a pitch to investors.

The aim is to think about what the real difference your solution will make.

The framework below helps to consider the problem from different perspectives.

1. Start by looking at the information about the problem and why it is significant. Be specific when describing the problem.
2. Focus on who is the beneficiary and how they are affected by the problem. Adding descriptions and details such as demographics helps to refine the issue even further.
3. Once you have established who the problem is for, you can look into what Political, Economic, Social, Technological, Legal and Environmental factors affect the problem. Looking at the PESTLE factors enables a deeper understanding of the context and may influence the way you tackle the problem.
4. To define the problem in detail, it is also essential to show evidence that this is a problem worth solving. Add relevant data points about the extent of the problem from external sources such as public research reports.
5. The final step is to assess what alternatives your beneficiary currently has access to and what are their advantages & disadvantages.

What is the key issue you are trying to address?

Why is it important?

Who is it a problem for?

What PESTLE factors shape this problem?

What evidence do you have that this is worth the investment?

What are the other solutions?

What are the benefits/short-comings of these solutions?

STEP 1

Defining the Problem

TO-DO

Use the template below to determine the problem you are trying to solve.

1. What is the key issue you are trying to address? Why is it important?

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2. Who is it a problem for?

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3. What PESTLE (Political, Economic, Social, Technological, Legal and Environmental) factors shape this problem?

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4. What evidence do you have that this is worth the investment? Think about relevant research or data that explains the problem.

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5. What are the alternative solutions? What are the advantages and disadvantages of these solutions?

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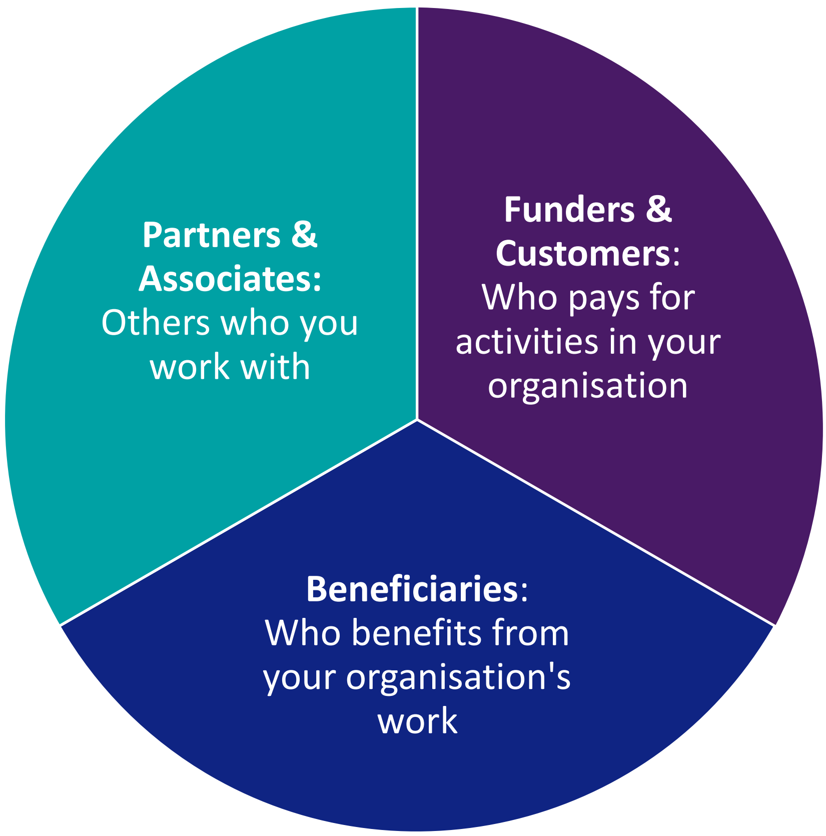
STEP 2

Mapping Out the Key Stakeholders

Stakeholders are a person, a group of people or an organisation that has an interest or concern in the organisation.

The impact you want to communicate will not be relevant or interesting to all the stakeholders of your venture. Understanding the different types of stakeholders can help you target the right audience for impact reporting and ensure that the report contains relevant information and in the appropriate format.

We have focused on stakeholders who are **external to the organisation** (so excluding employees, for example) and classified them into the following three categories:



STEP 2

Mapping Out the Key Stakeholders

TO-DO

1. For each group of stakeholders below, list ones you can think of for your organisation.
2. Once you have completed your list, pickone1 stakeholder per category and circle them, then answer these two questions for each one: *What do they want to know? How will you inform them?*

	List stakeholders for your organisation	What do they want To know?	How will you inform them?
Funders and Customers: Who pays?			
Beneficiaries: Who benefits?			
Others: Who else cares about your work?			

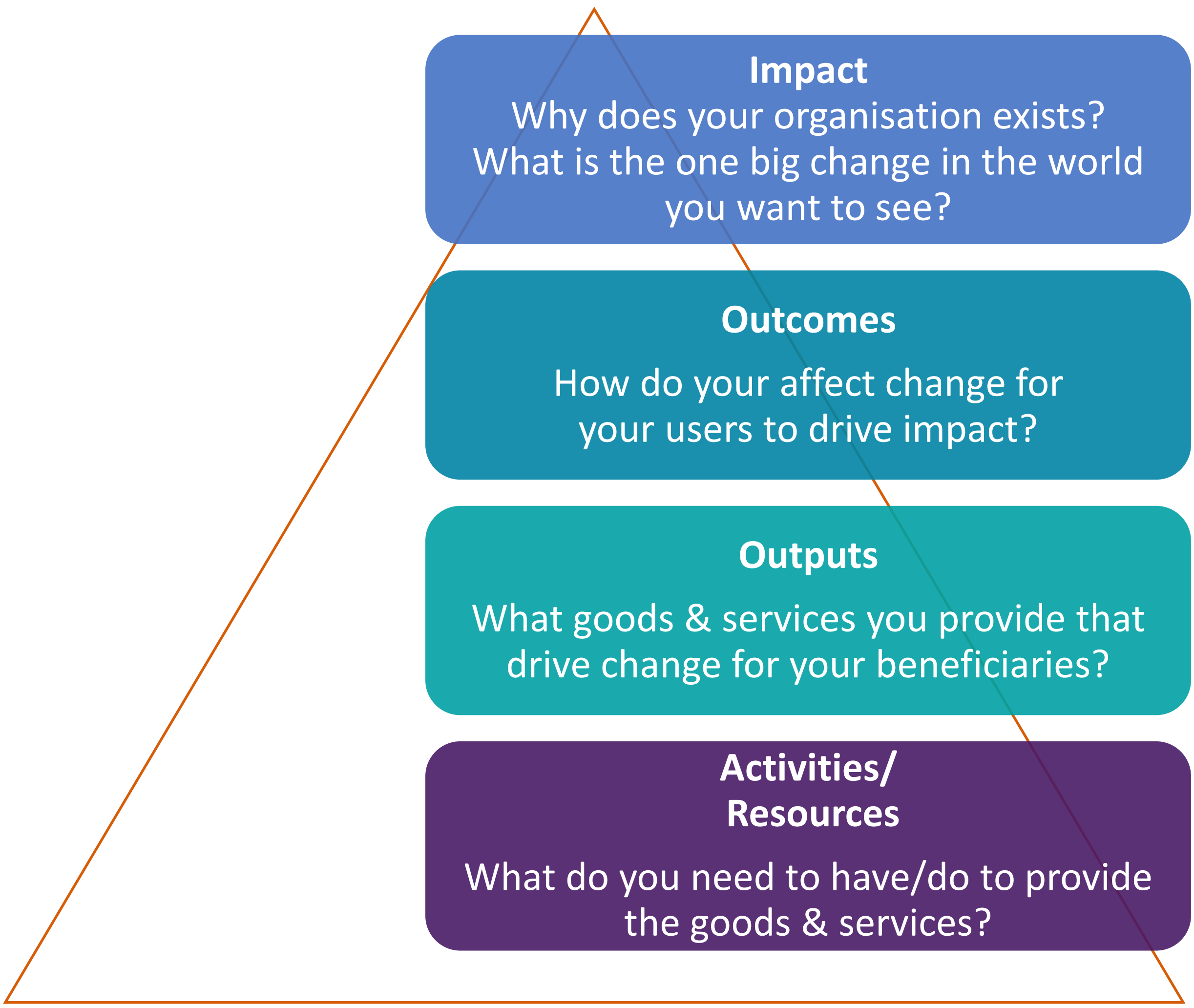
STEP 3

Design Your Impact Framework

Theory of Change is a visualisation tool to help you understand and map out what impact your organisation aims to achieve and how it can do it.

It can be an internal document to help your organisation to shape strategy and operational decisions. It is also the crucial starting point for gathering impact data, preparing reports and other information for the relevant stakeholders. The framework is never truly finished: as work in progress, it is always helpful to update and refine it.

Below is the Theory of Change pyramid that outlines the key elements.



STEP 3

Design Your Impact Framework

TO-DO

1. You will need four sets of *Post-It®* Notes to make it easier for you to try out different ideas and move them around.
2. Work through the pyramid below, answering the questions to write down each component of the Theory of Change on *Post-It®* Notes.
3. Try to stick to the recommended number of *Post-It®* Notes, but if you have more, then you can then narrow down your ideas in the next exercise.

	Write Down Your Ideas
Impact	• Use 1-2 *Post-It®* Notes. • What is the meaningful change for a group of people/environment/society/economy you want to see? • Think about how your solution changes the problem you defined in STEP 1.
Outcomes	• Use 5-6 *Post-It®* Notes. • How can you affect change for your users that will lead to the impact you identified? • Think about changes in users' knowledge, attitudes, practices. • You may have some immediate outcomes, that lead to others in the future. In this instance, you can separate them into different time stages, for example, short-term and long-term.
Outputs	• Use up to 5 *Post-It®* Notes. • What are the main products/services that your organisation offers to your users that result in the outcomes you identified? • These can be activities that you do directly for your beneficiaries, but could also include work you do with other stakeholders.
Activities/ Resources	• Use up to 10 *Post-It®* Notes. • What does your organisation need to do and have to provide the goods/services you identified as outputs?

STEP 3

Design Your Impact Framework

Once you have all your Theory of Change stages written down, it's crucial to sense-check that they clearly explain what your organisation is trying to achieve.

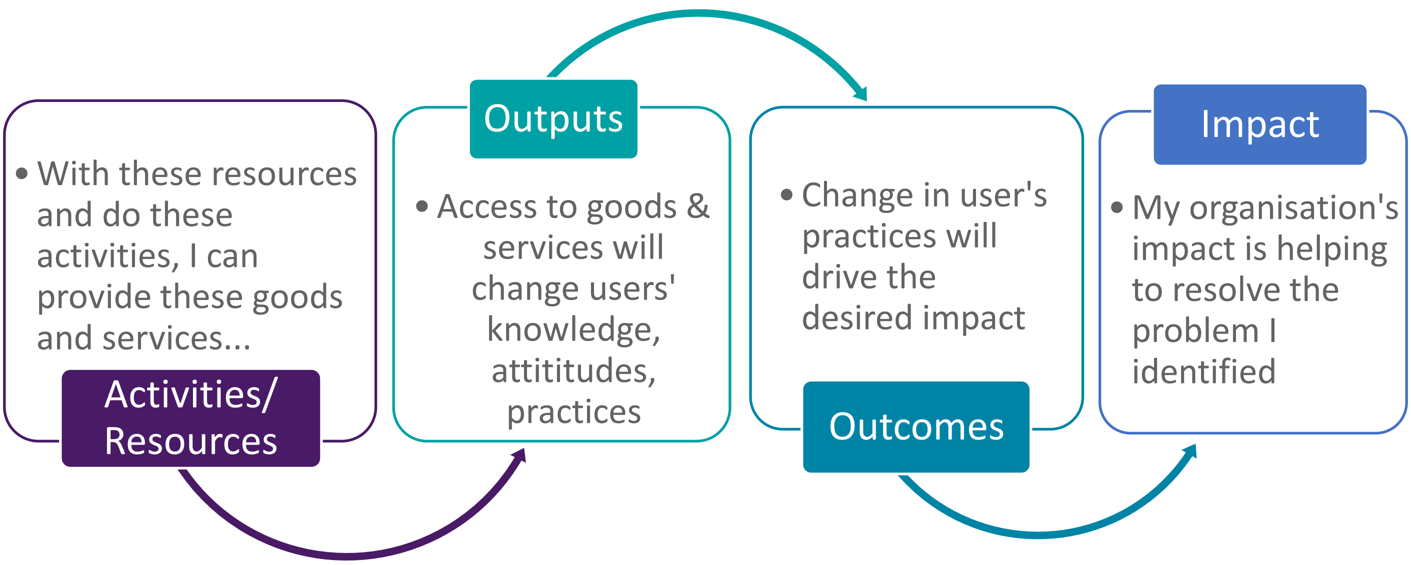
Here are the key things to look out for:

- **Specific and clear:** each point on your *Post-It®* Note must address a distinct stage and be easy to understand to people external to the organisation.
- **Relevant:** think back to STEP 2 when you mapped out your key stakeholders. Does your Theory of Change align with what they would be interested to learn?
- **Logical:** do all the stages link together? Is the causality clear?

TO-DO

Looking at the chain below, work your way from your Activities/Resources through to your Impact *Post-It®* notes.

1. Ensure that each stage of your Theory of Change is specific and relevant.
2. Check the assumptions and arrange your Post-It® notes for each part of your impact framework so that they form a logical chain and link together.
3. Once you have a structure that makes sense, write it down or take a picture to prepare your Theory of Change design. Take a look at Appendix 1 for some examples.



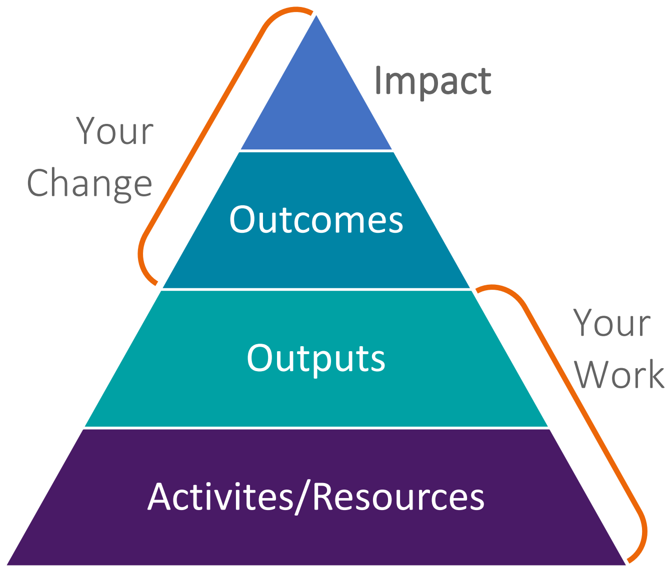
STEP 4

Select Your Key Performance Indicators

Once you have designed your Theory of Change, you can devise ways to measure the different stages that lead to your desired impact. The aim of this is two-fold:

1. Measure what **change** you are achieving; and
2. Understand how your **work** is generating this change.

Using your Theory of Change as a starting point, you can identify how each activity, output, outcome and impact can be measured.



Methods and Tools

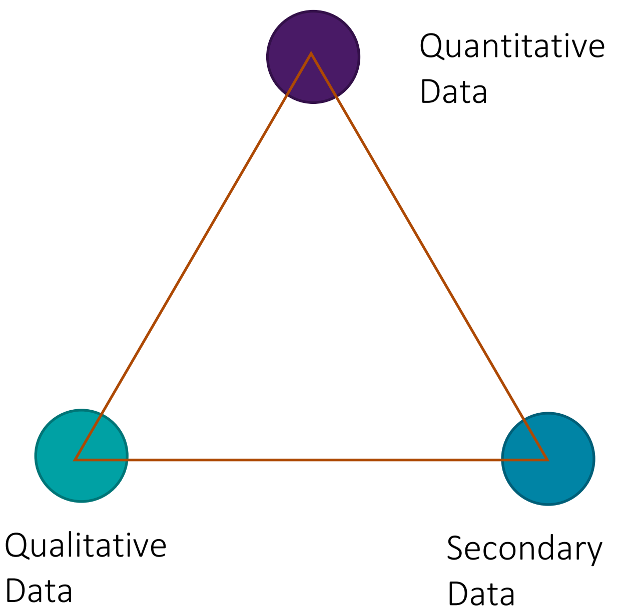
There are many different methods and tools available to measure your impact. We have grouped these into three main groups:

1. **Quantitative:** This is data that you gather first-hand about your users. You can use tools such as surveys, forms, tracking user online user behaviour or events.
2. **Qualitative:** this may be anecdotal evidence, stories and case studies. You can collect this data through conducting interviews or focus groups with your beneficiaries, or providing self-recording tools such as diaries or beneficiary photography to capture outcomes.
3. **Secondary:** you can use data created outside of your organisation to estimate impact you may be generating. For example, using indices and demographic, economic and other social data about the sector or geography in which you operate.

STEP 4

Select Your Key Performance Indicators

It is useful to incorporate all three of these method types in your data collection so that you can triangulate and sense-check the results.



Measuring Your Work: Intensity and Delivery

When selecting key performance indicators to track your work, make sure to cover:

1. **The intensity of your work:** how often you engage with your users and the resources required for your activities.
2. **Delivery of your work:** how many users gain access to your activities and what is their feedback on the goods/services you provide?

Measuring Your Change: Breadth and Depth

When measuring the change from your work, think about data that captures:

1. **The depth of change:** the extent to which your work has made a difference. For example, you may think about how dramatically things have changed for a typical user.
2. **The breadth of change:** how many users you have affected through the work that you do.

Checking Your KPIs

- **Specific and clear:** the indicators are precise and easy to understand.
- **Relevant:** think back to STEP 2 when you mapped out your key stakeholders. Do the indicators make sense to the people to who you are reporting?
- **Logical:** the indicators illustrate your work and prove the changes you are claiming.

TO-DO

You will need some more *Post-It*® Notes for this exercise. Going back to your Theory of Change, think of at least one indicator to track each of your activities, outputs, outcomes and overall impact. Make sure your indicators:

- include intensity, delivery, breadth and depth;
- are specific and definite, relevant and logical.

STEP 5

Data Collection Plan

Data collection plan is the strategy for what indicators you will try to track and how you will gather this data.

- **What** is the indicator you are looking to track? Make sure this is specific and clear.
- **Why** are you tracking this indicator? Having a clear goal for each metric ensures you are not gathering data that is unnecessary or irrelevant. Specify the type of measurement this is (output, outcome or impact).
- **How** will you gather this data? This description would include the methodology, such as a particular type of survey or index and the tools you have to capture this data (online services, internal systems your organisation has in place). Think about the cost of collecting the data, for example, if it is an interview, then how many labour hours do you need to gather responses from all or a sample of your beneficiaries?
- **When** will you need to measure this data and how frequently? For example, it is useful to measure behaviour outcomes three months after your service has finished, at most six months. Gathering the data too often may not show much development and will cost more for the organisation.
- **Who** is responsible for gathering this data? Allocate data capture to individuals within the organisation. Make sure that you have included data collection in their job description and have allocated sufficient time and resources to the task to ensure it is fully integrated into your operations.
- **What is the purpose** of this data? For example, is it for a particular report to a funder or other stakeholders?
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Thinking about targets

In addition to identifying performance indicators as part of your data collection strategy, it is also useful to set goals against these data points. These targets should be *Specific, Measurable, Attainable, Realistic* and *Time-limited.*

STEP 5

Data Collection Plan

TO-DO

You can use the accompanying data collection template or design your own, that would fit better with your organisation's systems and processes.

Looking back at the indicators from the previous exercise, you can start listing them in your data collection plan.

Indicator	Goal	Method	Timing	Responsibility	Purpose	Target	Priority

What is the metric you are looking to gather? Include a brief description including any necessary calculations.

When will you gather this data and at what frequency? Think about how this data is timed with your other activities.

What is the target for your KPI data? Is it Specific, Measurable, Achievable, Realistic and Time-limited?

Why are you collecting this data point? What will it help you measure (for example, you can mention a specific outcome).

Who is responsible for gathering this data?

How important is this data point?

How will you measure this indicator? Include details of any surveys or indices you will be using. Refer to internal systems to manage .and analyse this data.

How will you use this data? Mention the stakeholders you may be informing, and when you need to have the data for.

STEP 6

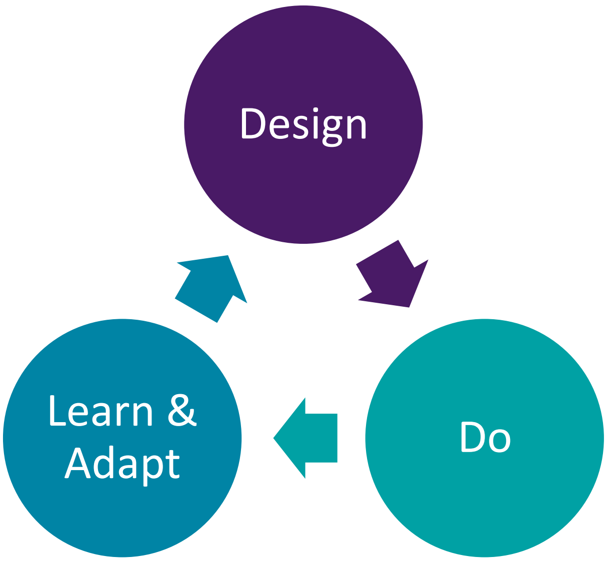
Social Impact Management Cycle

The Social Impact Management Cycle (SIM-C) is an approach to improve how you gather data and use this data to optimise how you generate impact. It consists of 3 stages:

1. **Design:** sets out what you will measure
2. **Do:** are the actions you will take to measure the impact you achieve.
3. **Learn & Adapt:** is the hardest but most significant part of SIM-C. It relies on your leadership, organisational culture and ability to adapt your ways of working.

Here are some of the primary considerations when designing your SIM-C:

- **Proportional:** You can scale this cycle to managing a large organisation or down to testing a single idea. The steps in the cycle need to operate at different scales.
- **Integrating:** combine each step for the stages with the core business activities.
- **Have a reason:** do not start measuring impact until you know why you are doing it and what you will do with that data. There may be internal reasons, such as better aligning strategy and operations with impact. You may also need to measure impact due to an external factor, for example, if your funders require an update on how the organisation is performing.



CONGRATULATIONS

You have now completed the first UnLtd Social Impact Workbook. We hope that you have been able to design your Theory of Change and prepare a Data Collection Plan to start measuring your social impact.

At the end of this module, you should have the following materials:

- Definition of the problem
- Map of key stakeholders
- Theory of change framework
- Data collection plan

Follow up

[Next module / submitting to VMs]

[Feedback survey]

[Sharing on Social Media / sharing on forums]

Resources / Acknowledgements

Data sources

Other frameworks

[checking for licenses]

APPENDIX

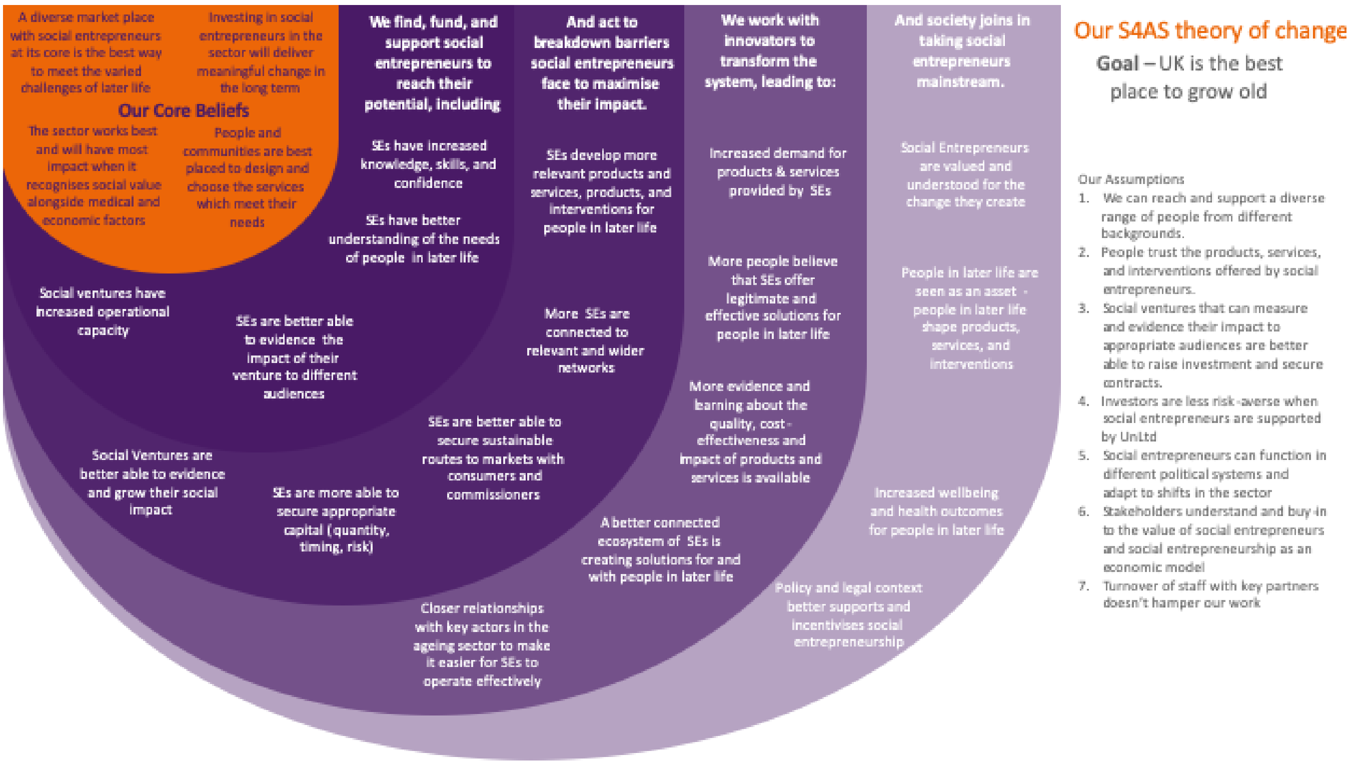
Theory of Change Examples

When designing your Theory of Change, think about its purpose and audience. You may create more detailed diagrams to inform your team, and a more simplified one for external messaging, such as sharing your work with customers and other stakeholders.

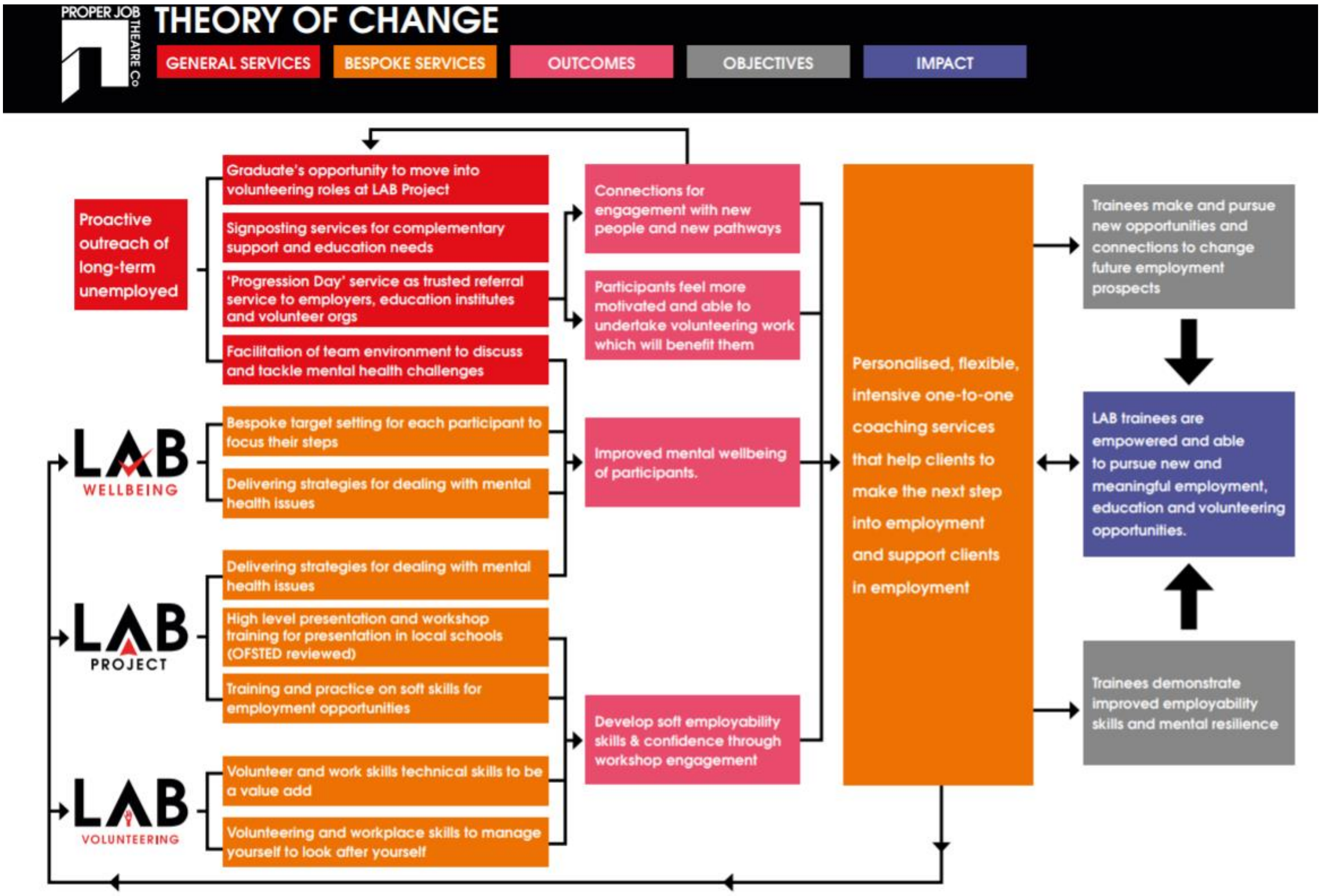
They can be structured horizontally, with activities leading to outcomes and impact. Alternatively, they can be vertical with the impact either at the top or at the base of the page.

Theory of Change should reflect the branding and values of your organisation, so it makes sense to your team not only in terms of content but also aesthetically.

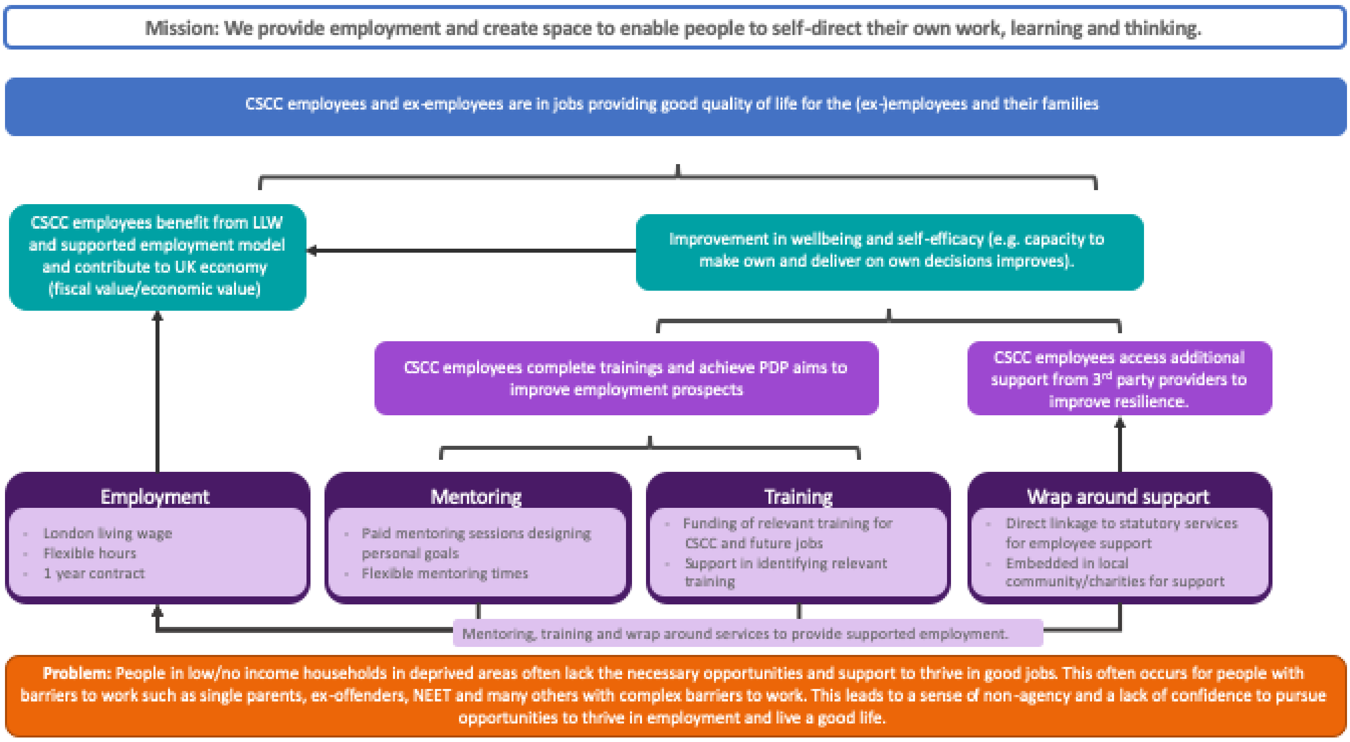
Example 1: *UnLtd* Theory of Change



Example 2: *Proper Job Theatre Co* Theory of Change



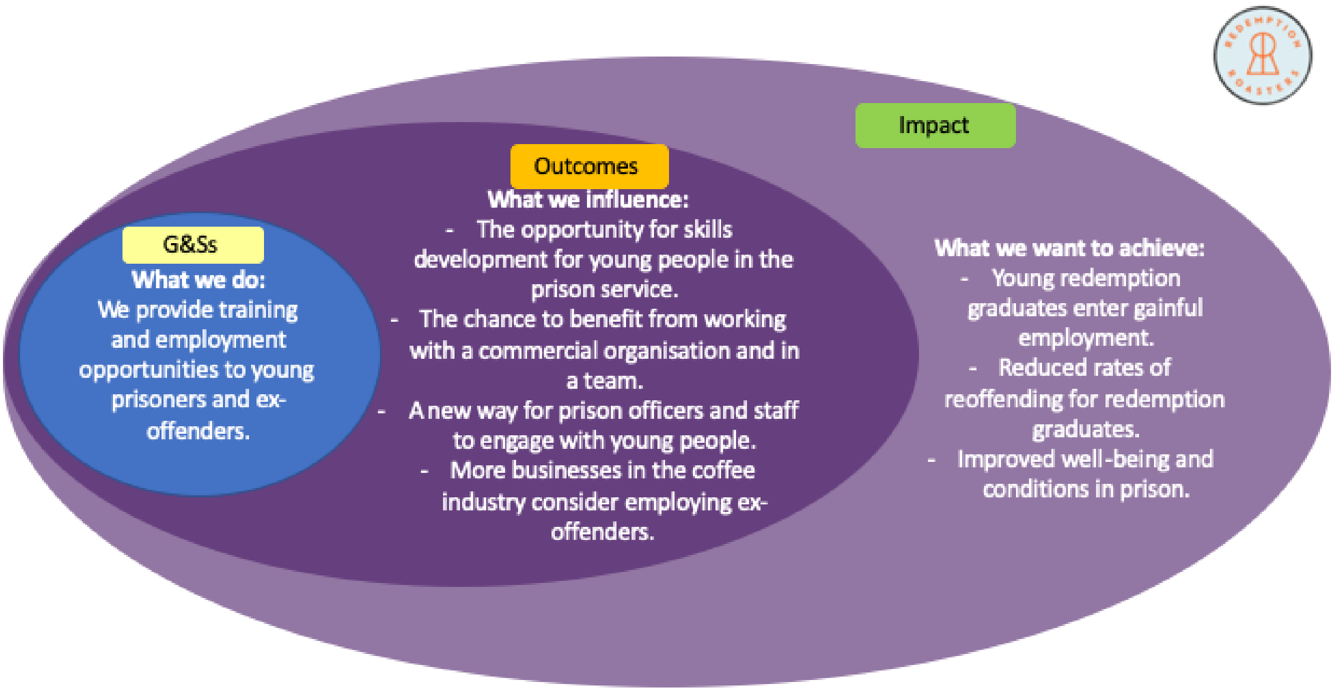
Example 3: *Community Souls* Theory of Change



Example 4: *Radiant Cleaners* Theory of Change

Our Impact:
Radiant cleaners will support people in Nottingham and the UK in poverty suffering from long term unemployment to achieve a better standard of living through good employment at Radiant Cleaners and by changing the industry practice around employee support.

Example 5: *Redemption Roasters* Theory of Change



Example 6: *Art Bridges* Theory of Change