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IMPACT MANAGEMENT CAPABILITY
ASSESSMENT
REPORT

RELATIV IMPACT

APRIL 2024

CONTENTS

1

INTRODUCTION

INTRODUCTION

Thank you for embarking on this journey of discovery and development with us.

We trust the process in itself will be valuable and help facilitate and stretch your thinking on Impact Management, its role within your organization, and how maturing this capability in and across your organization can support more effective achievement of your impact goals and objectives.

This report is is based on your completion of the Impact Management Capability Assessment Survey. It is intended to give you a 'point-in-time' view of where you are currently, and what key actions you can take to further progress on your journey towards maturity and optimizing the value you can derive from Impact Management as a capability.
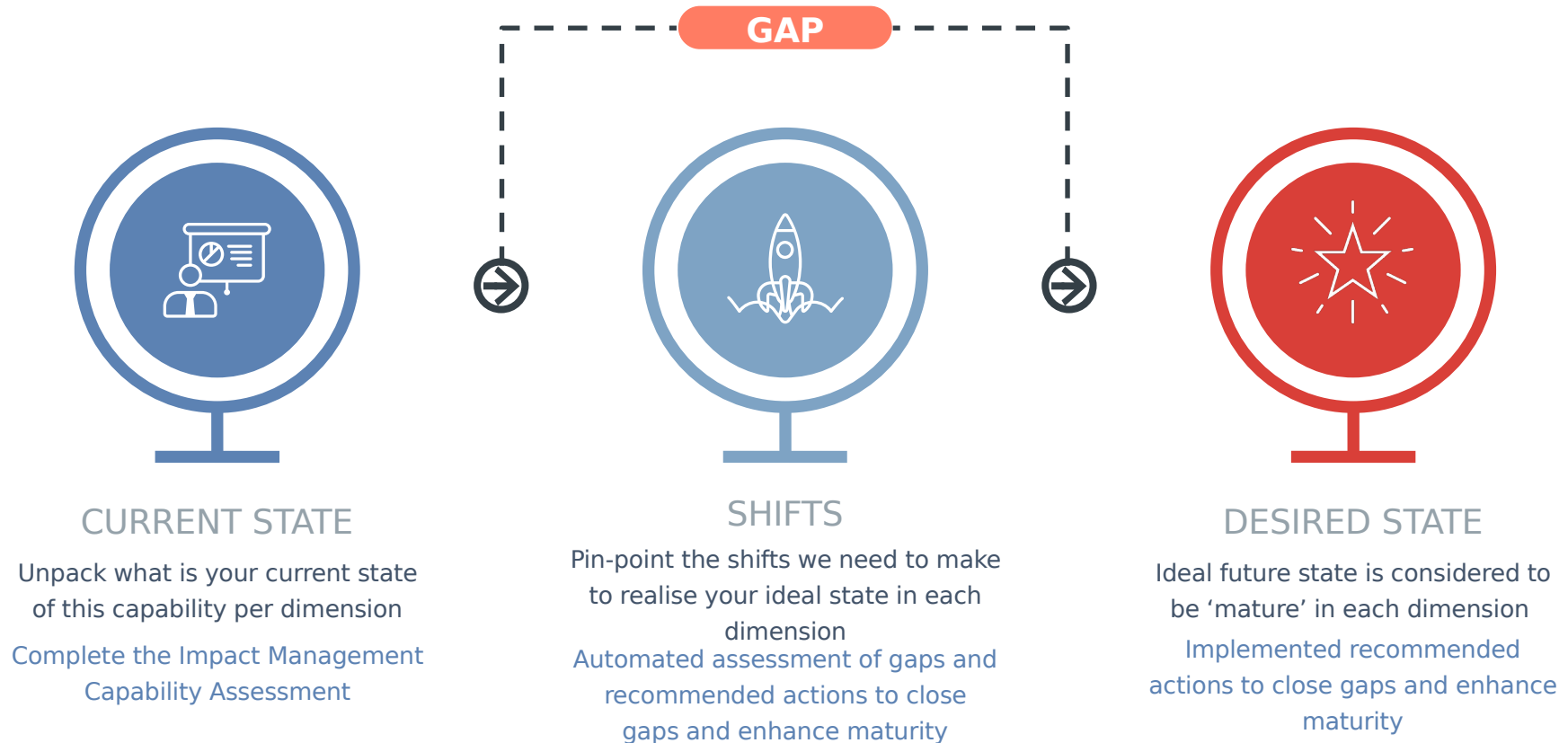
The core of the report includes the results of your Capability Assessment Survey at a high-level with a summary roadmap of potential actions, followed by a more detailed view of your results per dimension and the elements which make up each dimension of impact management as a capability. Each results section includes recommendations for key actions you can take.

It is important to note that developing and maturing a new capability is a journey, one that takes time and is likely to be ever-changing in line with the dynamic context and environment in which you work. The typical nature of organizational maturing, means you are likely to experience cycles of maturing and triggers that will prompt refinements and adaptations over time, rather than a single linear progression from a static point. So, continue to review progress, prioritize actions, and celebrate milestones in cycles along the way.

You will be able to complete the Impact Management Capability Assessment Survey multiple times in the future to track and review your progress over time, as well as to set new plans of actions to further mature in the future.

SHIFTS

Current and future state is considered to identify required shifts in key areas of the organisation's impact management capability. These shifts can be used to develop an action plan (development path) to close gaps in each dimension.

GAP

CURRENT STATE

Unpack what is your current state of this capability per dimension

Complete the Impact Management Capability Assessment

SHIFTS

Pin-point the shifts we need to make to realise your ideal state in each dimension

Automated assessment of gaps and recommended actions to close gaps and enhance maturity

DESIRED STATE

Ideal future state is considered to be 'mature' in each dimension

Implemented recommended actions to close gaps and enhance maturity

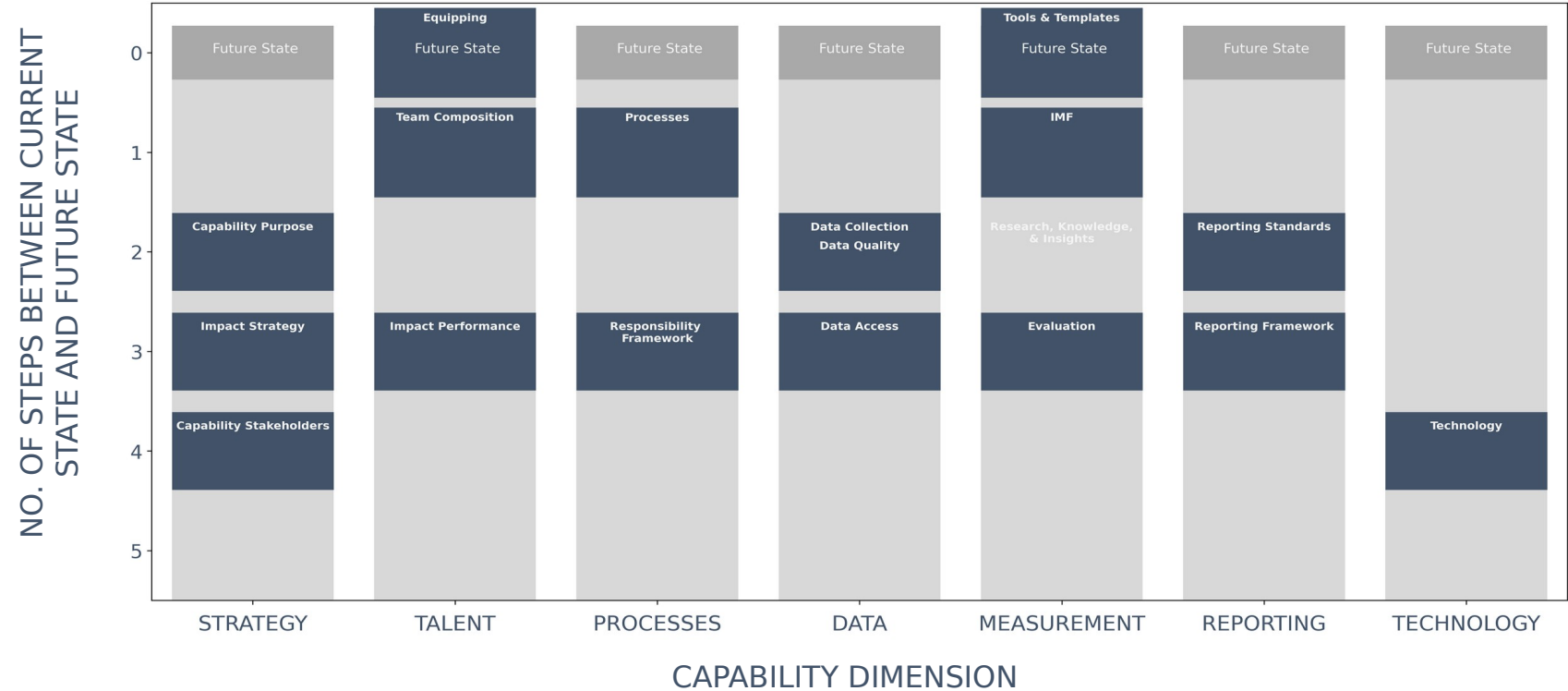CAPABILITY MATURITY MODEL

2

RESULTS : OVERVIEW

OVERVIEW

The figure below provides a summary view of the current state (where we are now) and future state (where we want to get to) across the capability dimensions. Where more than one element is included within a dimension, the average across all contributing elements is reflected, with equal weighting. This is followed by a detailed breakdown of the capability assessment results, considering key recommendations for actions per capability dimension, and each of the elements that make up the respective dimensions.
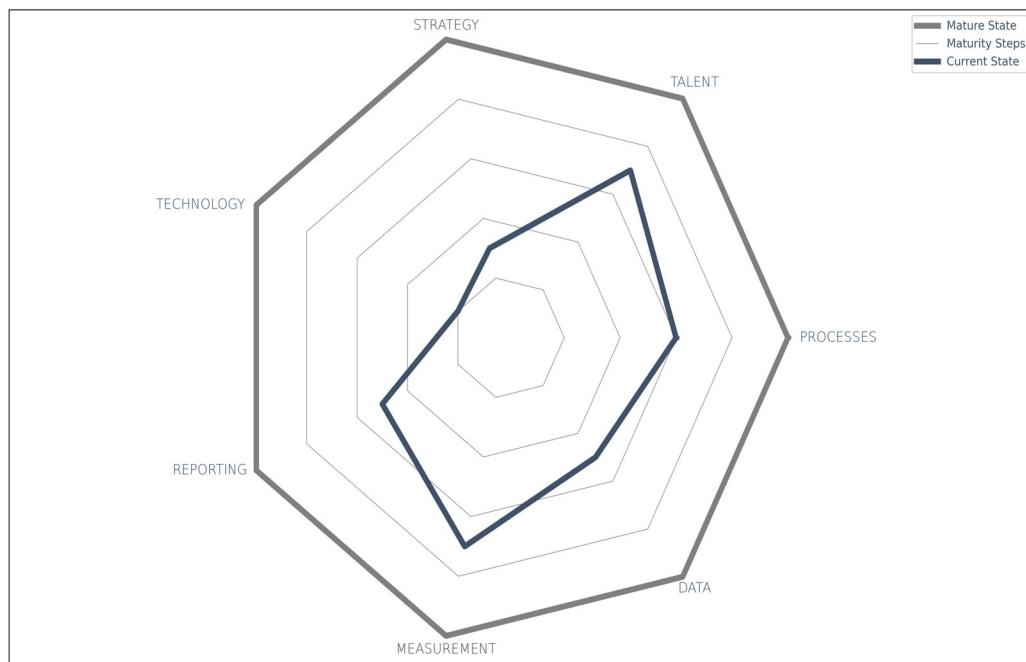
This figure highlights the greatest gaps, representing the degree of shift required, between the average current state (depicted by the thick, dark line) and the potential future state (thick,grey line) across Technology.

STEPS TO FUTURE STATE

The figure below provides a more detailed view of the gaps (reflected as the number of 'steps') between current and future state in each element of the Impact Management Capability dimensions. The elements that are driving the greater degree of shift required between current and future states are: Capability Stakeholders, and Technology.

NO. OF STEPS BETWEEN CURRENT STATE AND FUTURE STATE (y-axis)

CAPABILITY DIMENSION (x-axis)

	STRATEGY	TALENT	PROCESSES	DATA	MEASUREMENT	REPORTING	TECHNOLOGY
0	Future State	Equipping / Future State	Future State	Future State	Tools & Templates / Future State	Future State	Future State
1		Team Composition	Processes		IMF		
2	Capability Purpose			Data Collection / Data Quality	Research, Knowledge, & Insights	Reporting Standards	
3	Impact Strategy	Impact Performance	Responsibility Framework	Data Access	Evaluation	Reporting Framework	
4	Capability Stakeholders						Technology
5							

SUMMARY ROADMAP

Summary of key actions, highlighted through the recommendations:

1. Refine, and finalise Impact Strategy (e.g. Theory of Change).

2. Engage with broader stakeholders to gain consensus on fit-for-purpose tools and methods to support execution of your measurement framework and evaluation approach.

3. Define minimum standards and processes to support data quality management and access in line with user requirements.

4. Continue to recruit and build capacity of Impact management capability and its sub-capabilities to support continuous equipping and integ performance management across the organisation.

5. Define capability model; Identify and develop high-level processes lead by IM capability; Develop responsibility assignment framework (PA

6. Adopt and implement reporting framework and standards to guide consistent reporting across the organisation.

7. Identify, investigate and test relevant technology to enable the IM Capability in line with design and purpose.

3

RESULTS AND RECOMMNEDATIONS

1

RESULTS: STRATEGY

KEY TERMS: STRATEGY

Impact strategy

An impact strategy clearly outlines your organisation's purpose. It is a detailed roadmap to achieve your intended impact and provides a long-term vision of how such impact will be achieved and measured to determine success (Investment Impact Index, 2019). This could take the form of a Theory of Change, impact thesis or something similar.

Capability Purpose

Each capability (defined as processes, tools, skills, behaviours, and organisation that help an organisation deliver an outcome) within an organisation has a purpose – a role to play in relation to achieving the organisation's purpose and strategic objectives (PWC, 2019). Ideally, this purpose should be clearly aligned with the organisation's strategy and desired impact (Turner, Crawford & Hobbs, 2004).

Capability Stakeholders

Stakeholders are groups of people who gain direct benefits from or are affected by your organisation's operations (Benn, Abratt & O'Leary, 2016). Stakeholders could include shareholders, investors, beneficiaries, customers, employees, suppliers, financial supporters, and communities. In this case, we are considering the stakeholders served and / affected your impact management capability.

RESULTS: STRATEGY

The graph below reflects your current stage of maturity in relation to **strategy** and the elements which constitute this dimension.
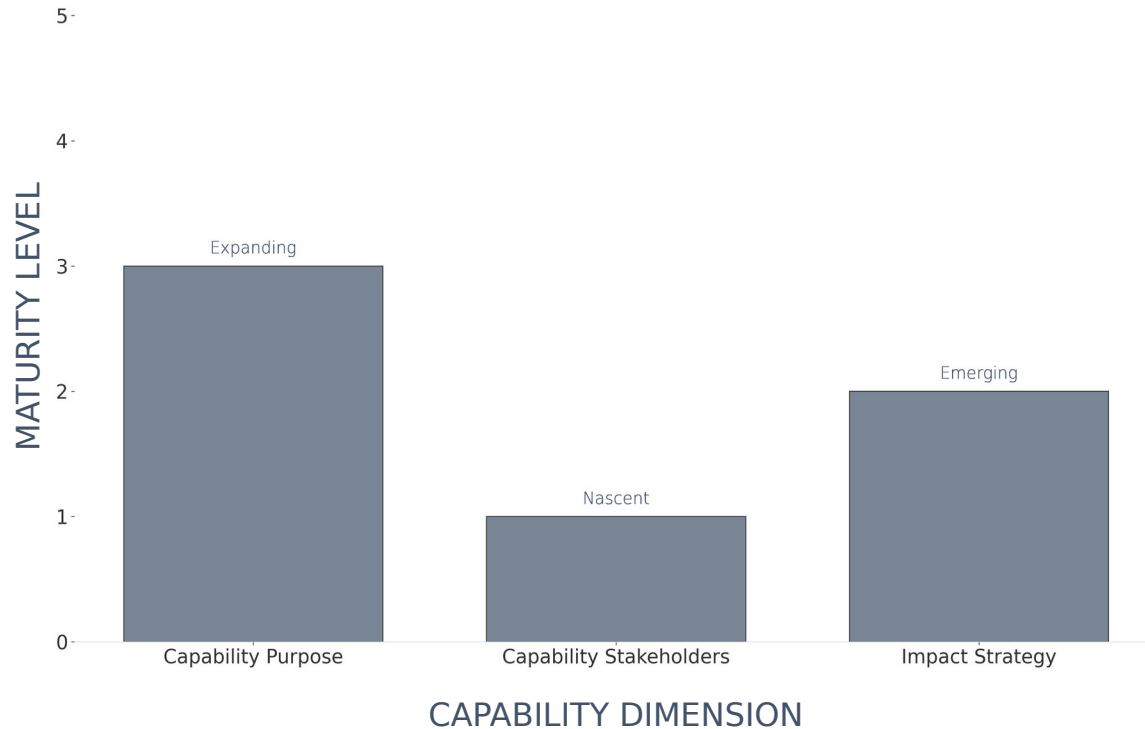
LEGEND: LEVELS OF MATURITY

1. **Nascent -** little or no formal capability in this area

2. **Emerging** - Some establishment, but an early-stage / basic level

3. **Expanding** - Established, but still developing

4. **Optimising** - Established, applying improvements based on early-stage lessons

5. **Mature** - Fully-fledged and developed capability

RECOMMENDATIONS: STRATEGY

The table below outlines the recommended actions to close gaps towards intended future state across the Strategy dimension.

CAPABILITY PURPOSE	As the Impact Management capability is established, the purpose needs to be prioritised and finalized in the context of the organization and its strategy. Consideration needs to be given to the potential to spin off in the future and the implications of this for the Impact Management capability and its position within the organization.
CAPABILITY STAKEHOLDERS	Identify the stakeholders of the Impact Management capability to clarify and clearly articulate the purpose within the context and operating structure.
IMPACT STRATEGY	It is recommended that a programme review and internal stakeholder engagement process supports and informs the implementation of a Theory of Change for the organisation. The review process should seek to engage those with lived experience (programme staff) implementing on the ground (those closest to the problem), to understand what is working in the organisation's current social service delivery, what is not working, what needs in the community are hindering progress and what needs are a priority in order to build capacity and resilience within individuals and communities.

2

RESULTS: TALENT

KEY TERMS: TALENT

Team Composition

Team composition refers to the overall mix of characteristics among people in a team. This involves putting together individuals with the relevant skill sets and expertise, to not only help a team accomplish its goals, but to also maximise the team's overall effectiveness (Cooke & Hilton, 2015).

Impact Performance

This refers to how well a person, project, or programme is performing against planned impact goals or objectives (Global Impact Investing Network, 2023a). Various metrics and data points help to provide a view of this performance.

Equipping

This refers to processes, tools, and templates that are created and utilised to support the Impact Management process (Stories for Impact 2024).

RESULTS: TALENT

The graph below reflects your current stage of maturity in relation to **talent** and the elements which constitute this dimension.
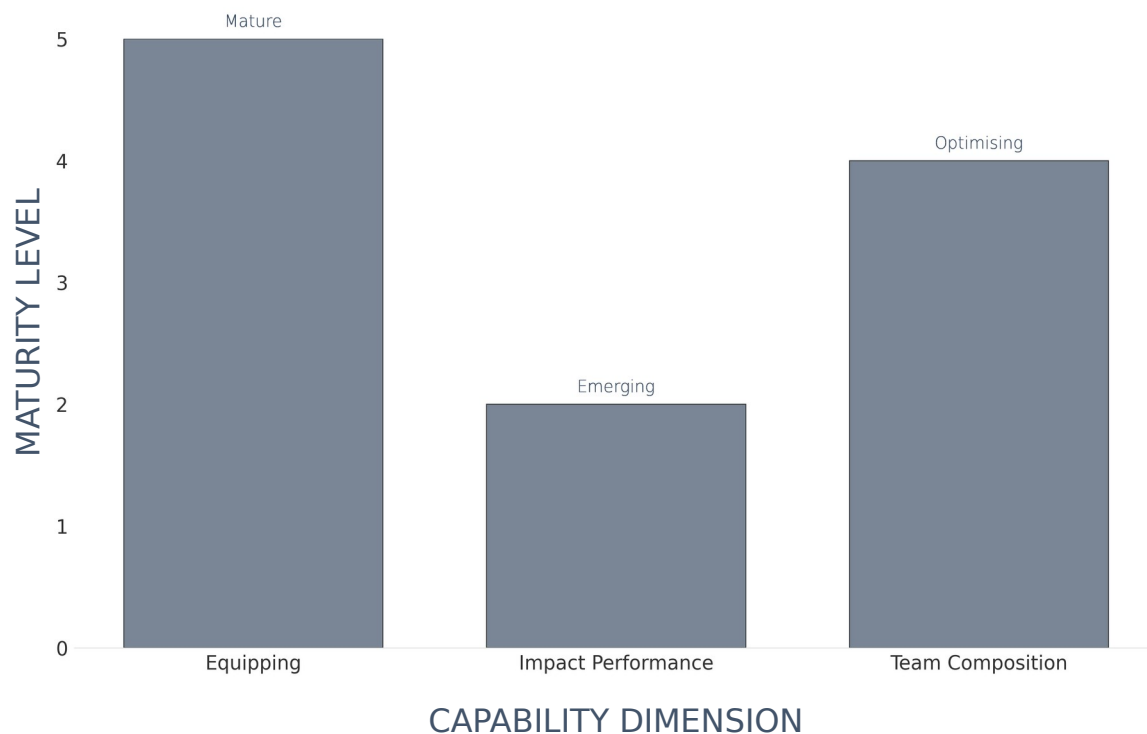
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RECOMMENDATIONS: TALENT

The table below outlines the recommended actions to close gaps towards intended future state across the Talent dimension.

EQUIPPING	Routinely review and update standardised templates, tools, processes, and training (collateral) to ensure consistent implementation of processes lead by the Impact Management Capability. If recruitment to fulfil the team composition requirements is slow and / a lower job level is required on a permanent basis, there will be a lag on the development of consistent collateral and training coming from the Impact Management Capability. This will have a knock-on effect on implementation of impact measurement. A partner could assist initially to review specific standardised collateral (templates, tools, processes and training) to equip teams within the organization. In line with stated objectives, talent within the Impact Management Capability would also need to develop capacity to maintain and improve this over time and serve the growth and needs (consideration for developing job profiles).
IMPACT PERFORMANCE	Work with HR to implement individual Impact Performance to accommodate for alignment of individual scorecards and performance management to the Impact Strategy. This can be a broader exercise for the way individual performance is considered within. Develop a plan to execute and integrate this approach - including required communications and training of talent across all levels of the organization to co-create aligned individual scorecards and performance management processes accordingly.
TEAM COMPOSITION	Embed processes to review and refine the recruitment plan in line with needs of the capability to continue to expand and serve its purpose. Develop role descriptions and job profiles for the team reflective of the skills and competencies required to execute functions and activities in line with the capability design. An option could be to work with a partner to develop the processes that will guide the Impact Management Capability team. This can be helpful because building a capability / sub-capability from scratch may require different competencies to those that are required to maintain and execute processes into the future. This can include initial capacity building a new team may require to stabilise and work cohesively.

3

RESULTS: PROCESSES

KEY TERMS: PROCESSES

Processes

Processes are sets or groups of related activities carried out by the organisation (Faugier-Contreras, Guevara-Flores & Hernández-Calderón, 2023). Here we are considering any processes which help an organisation understand, act on, and communicate its impact.

Responsibility framework

A responsibility framework outlines the roles and responsibilities of the processes lead by and / performed within the Impact Management Capability (Zein, 2010).

RESULTS: PROCESSES

The graph below reflects your current stage of maturity in relation to **processes** and the elements which constitute this dimension.
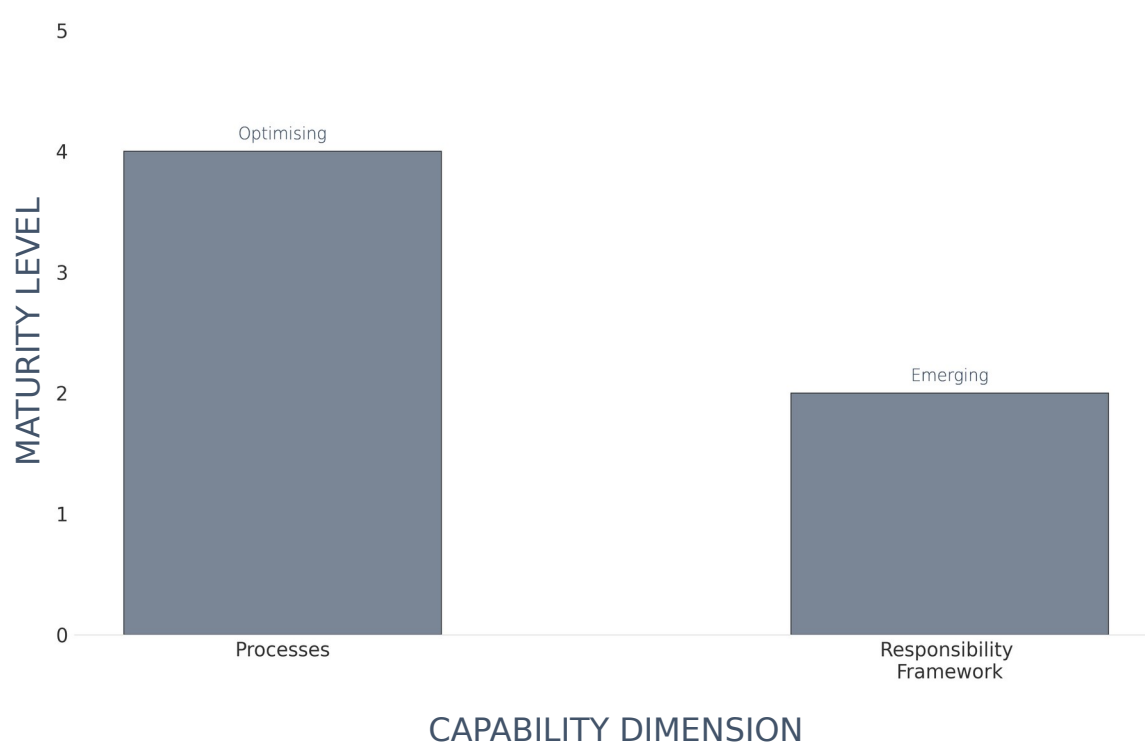
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RECOMMENDATIONS: PROCESSES

The table below outlines the recommended actions to close gaps towards intended future state across the Processes dimension.

PROCESSES & RESPONSIBILITY FRAMEWORK	Review and refine the capability design process to develop the capability by unpacking: the 'job-to-be-done' by the Impact Management Capability; defining the capability model (including the Impact Management sub-capabilities needed); define the boundaries of the Impact Management Capability (what it does do and what it doesn't do); identify and define the high-level processes this capability will need to lead in order to fulfil the purpose and stakeholder needs; determine the responsibility assignment framework PACE . See example of PACE application. Develop more detailed processes once the team is in place. The capability design process above will assist to inform the development of role profiles (based on PACE); and workplans. An option could be to work with a partner to initially develop the processes that will guide the Impact Management Capability team. Socialise the responsibility assignment framework and processes across all levels of the organziation to ensure it is understood and can support effective work across capabilities and consistent execution of processes. Plan for a retrospective review of processes and PACE, ensure actions for refinement based on lessons learnt are planned for.

4

RESULTS: DATA

KEY TERMS: DATA

Data access

This refers to how readily accessible and available data is to enable relevant internal and external stakeholders to utilise data to make decisions and meet their needs (National Academy of Sciences et al., 2009).

Data collection

Data collection is the process of gathering information which will enable one to answer relevant questions and evaluate outcomes (Harwood & Vang, 2009).

Data quality

Data quality considers how well the data management system reflects the real world. Dimensions of data quality include accuracy, reliability, completeness, precision, timeliness, integrity, and confidentiality (Brown, 2007).

RESULTS: DATA

The graph below reflects your current stage of maturity in relation to **data** and the elements which constitute this dimension.
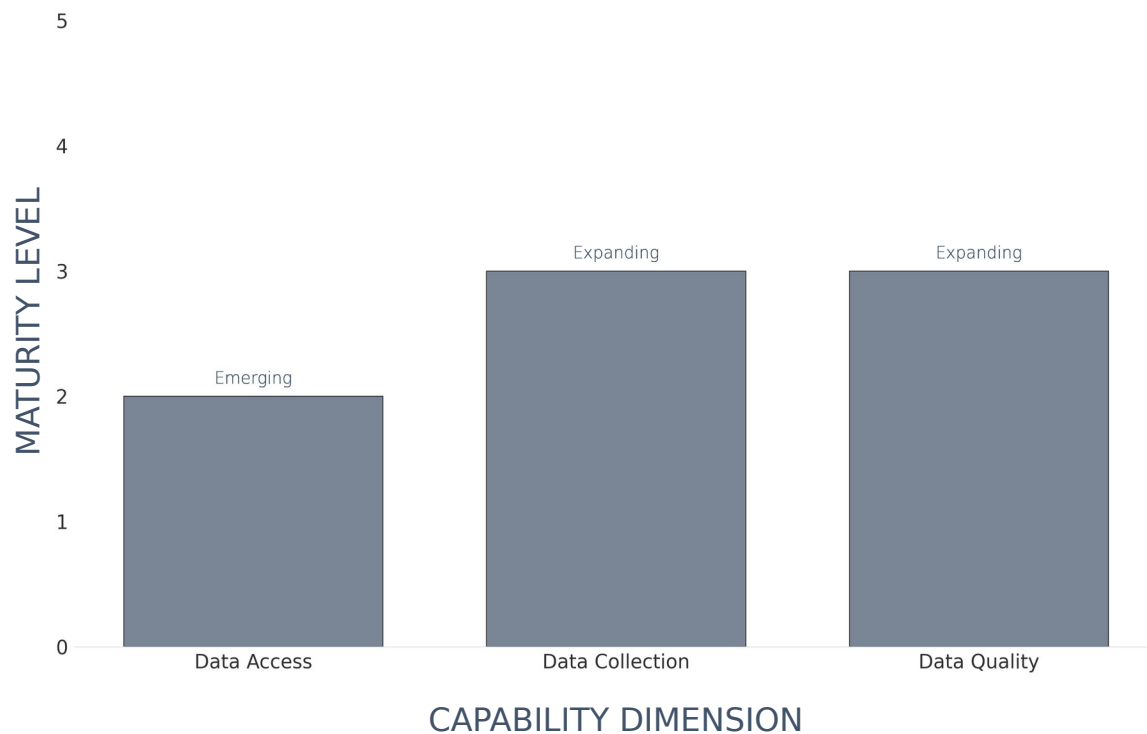
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RECOMMENDATIONS: DATA

The table below outlines the recommended actions to close gaps towards intended future state across the Data dimension.

DATA ACCESS	Develop enabling capabilities such as IT to determine where data needs to end up to ensure it can be accessed and used by the right people at the right time, e.g. decision-makers and those who are contributing to, learning about and improving the work of the organization and / programmes. Utilise the Impact Measurement and Reporting Frameworks (once developed) to review and / identify the data access needs and timing that users have to inform the above. A review of user requirements will inform data architecture and supporting processes for future. Ensure any data access rights / requirements are identified and planned for (may include policies and access controls to protect data assets and meet regulatory requirements) with appropriate systems, processes and people to remove bottlenecks to information access.
DATA COLLECTION	Fianlize and implement data collection tools, types of data collected and processes using the Impact Strategy and Impact Measurement framework to select fit-for-purpose and fit-for context mix of tools, data types (and range to support triangulation and participation), methods and processes. Progress discussions on Data Tools and Methodologies to support primary data gathering. Integrate and execute plans to gather information at regular intervals (such as yearly or according to project and program cycles and reporting timelines encompassed in your Impact Measurement and Reporting Frameworks).
DATA QUALITY	Finalize and implement the impact data architecture – the models, rules, and policies that will govern how impact data is captured, processed and stored. Finalize and implement data quality and minimum standards to ensure results are an accurate reflection of what has occurred. Unpack data quality dimensions selected in the relevant context and ensure these are translated and integrated into processes, data architecture and data governance measures for the initiative. This may practically mean a phased approach to implementing select data quality standards as integration and embedding are possible within the initiative's environment.

5

RESULTS: MEASUREMENT

KEY TERMS: MEASUREMENT

Impact Measurement Framework

An impact measurement framework builds on a Theory of Change by identifying the data which should be collected to understand, assess, and illustrate your impact (Spark Strategy, 2023). It includes measures that your organisation will use to evaluate the change that comes about as a result of your activities.

Tools and templates

These are the tools and templates that enable your team to implement your impact measurement framework. These may include templates, user guides, and process notes to guide implementation of impact measurement to plan (Global Impact Investing Network, 2023b).

Evaluation

There are many types of evaluation, and so defining a particular type of evaluation can be difficult. However, what is common across all types of evaluation is evaluative thinking. Evaluative thinking can be defined as critical thinking and reflection which is primarily motivated by curiosity and inquisitiveness, as well as valuing evidence (CDC, 2018). This includes identifying assumptions, asking questions, and continuous commitment to learning (Archibald, 2013). This assessment therefore utilises the term 'evaluation' broadly, and as referring to evaluative thinking.

Research, knowledge and insights

This may include research into underlying theory, best practices, market research, insights from evaluations, and knowledge from data (McKinsey & Company, 2022).

RESULTS: MEASUREMENT

The graph below reflects your current stage of maturity in relation to **measurement** and the elements which constitute this dimension.
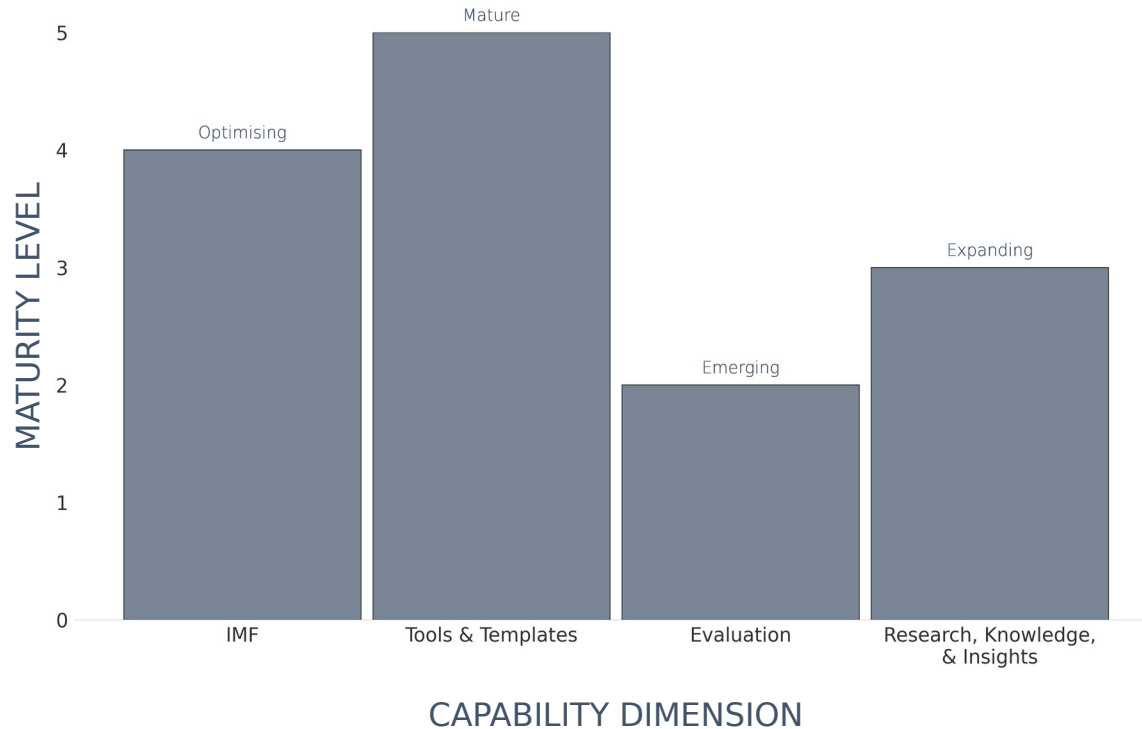
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RECOMMENDATIONS: MEASUREMENT 1/2

The table below outlines the recommended actions to close gaps towards intended future state across the Measurement dimension.

IMPACT MEASUREMENT FRAMEWORK	Review and refine well-defined indicators that are consistent (build time series data to track and understand performance over time), and clearly stated with specific parameters within the Impact Measurement Framework (IMF) – for each level of the Theory of Change. Consider the implications of Impact Measurement Framework implementation on processes lead by the Impact management Capability, as well as performance management (scorecards) and technology.
TOOLS AND TEMPLATES	Routinely review and update the templates and training (see "equipping" in Talent dimensions) required to socialise the Impact Measurement framework and associated tools and processes across all levels of the organization and enable execution to plan. Routinely review and update a plan for development of these consistent templates and training collateral (the comprehensive set) and roll-out to support effective and consistent implementation.

RECOMMENDATIONS: MEASUREMENT 2/2

The table below outlines the recommended actions to close gaps towards intended future state across the Measurement dimension.

EVALUATION	Develop regular evaluation processes and evaluative thinking practice within the initiative. Develop key evaluation questions that can be embedded into reflective processes and applied to monitoring data resulting from execution of the Impact Measurement Framework. Consider existing, recognised frameworks that can be leveraged to adopt evaluation questions into reflective practice and organizational learning.
RESEARCH, KNOWLEDGE, AND INSIGHTS	Finalize and implement the research strategy (the 'job-to-be-done' for research) as a sub-capability and what is required to meet the objectives of the Impact Strategy, stakeholder needs, as well as prospective investor needs to build trust and confidence, and it turn, mobilise resources. Defining the level of research required will assist to determine the level of internal capability required, also consider research partnerships as a way to fulfil research requirements without scaling internal capacity. Identify secondary sources of research information that are relevant for the context and environment and can be used to inform program design. Develop a library and / schedule of preferred secondary research sources (including research conducted by partners that can be leveraged).

6

RESULTS:REPORTING

KEY TERMS: REPORTING

Reporting framework

A reporting framework is a standardised system used to consistently report performance (Idowu et al., 2013).

Reporting standards

These standards provide principles for preparing reports and determine the types and amounts of information that must be provided to users so that they can make informed decisions (Global Reporting, 2024).

RESULTS: REPORTING

The graph below reflects your current stage of maturity in relation to **reporting** and the elements which constitute this dimension.
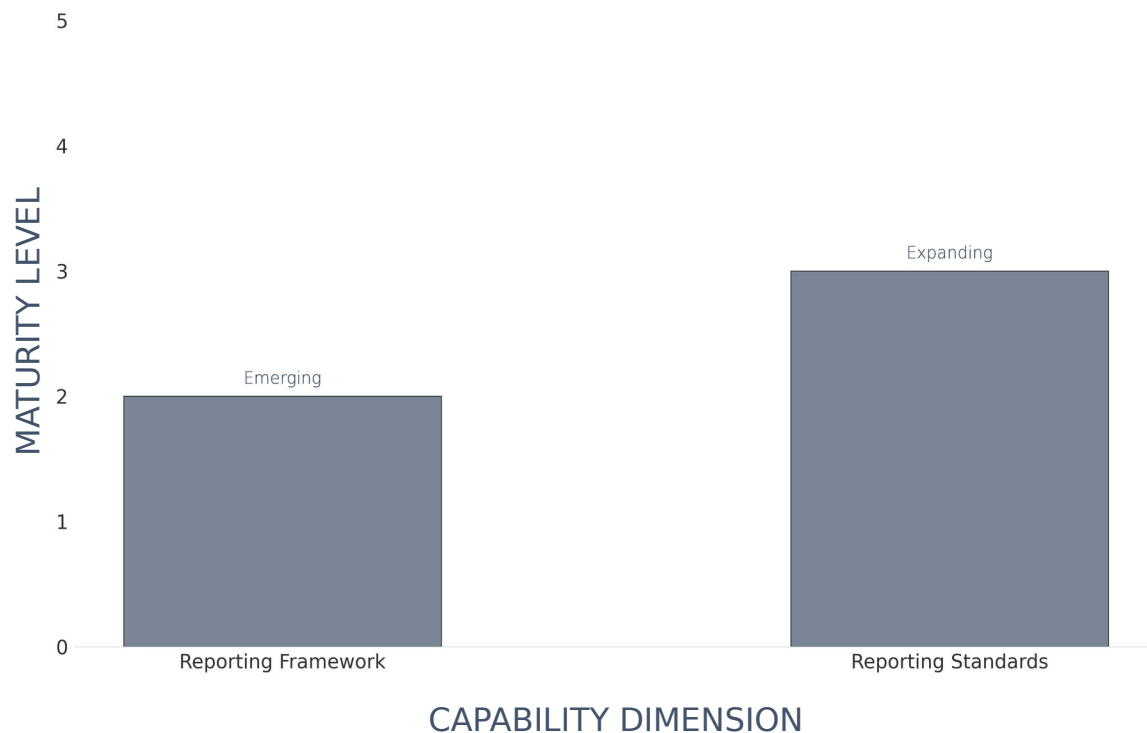
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RECOMMENDATIONS: REPORTING

The table below outlines the recommended actions to close gaps towards intended future state across the Reporting dimension.

|	
REPORTING FRAMEWORK	Define and develop a reporting framework to guide consistent reporting across the organization, that will proactively meet stakeholder needs, is aligned to Impact Strategy and meeting regulatory and other requirements.
REPORTING STANDARDS	Finalize and implement the standards that are relevant and integrate into processes, measurement, data and talent competencies. Socialise reporting standards across the organization and relevant stakeholders to increase quality of communication and materiality of disclosures.

7

RESULTS: TECHNOLOGY

KEY TERMS: TECHNOLOGY

Technology

Here, technology refers to using standardised tools and/or applications to support the processes and systems outlined throughout this report (Carvalho et al., 2021). These are technological means for collecting, measuring and/or illustrating impact.

RESULTS: TECHNOLOGY

The graph below reflects your current stage of maturity in relation to **technology** and the elements which constitute this dimension.
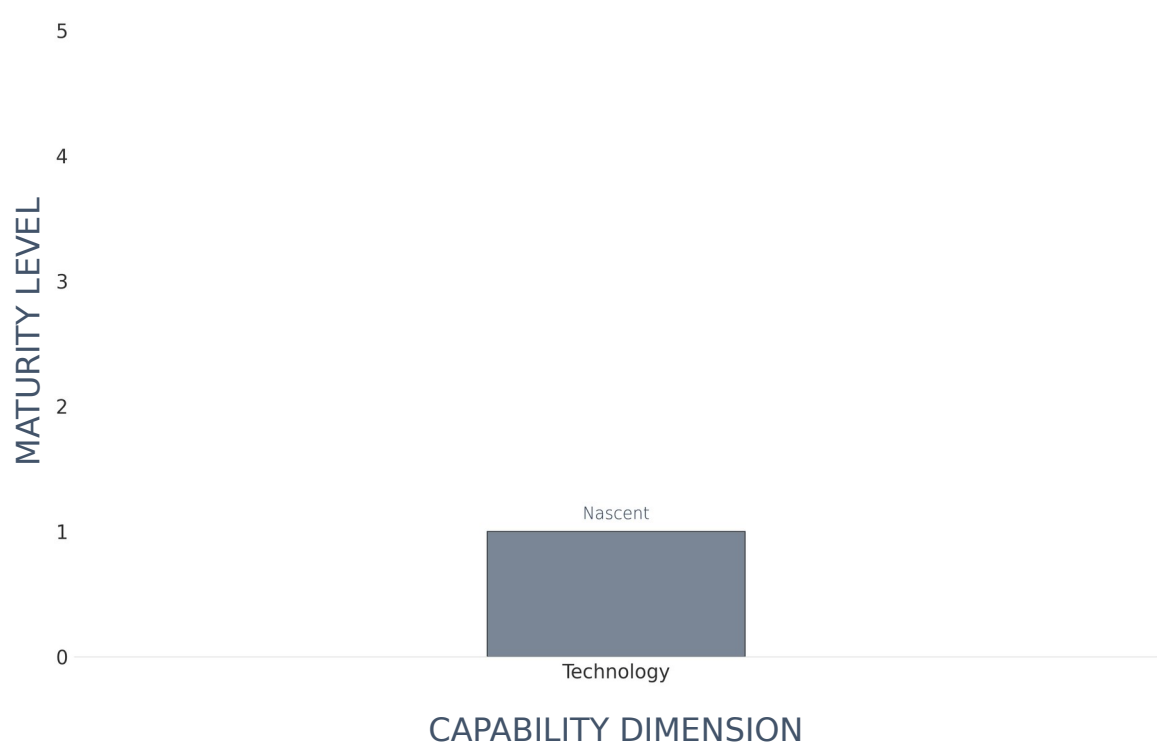
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RECOMMENDATIONS: TECHNOLOGY

The table below outlines the recommended actions to close gaps towards intended future state across the Technology dimension.

TECHNOLOGY	Research and identify relevant technology (tools and / applications) that can be used consistently across the organisation.

4

NEXT STEPS

NEXT STEPS

> It will be important for you to consider the extent to which these shifts will serve the broader organization to be able to make decisions as to the structure of the organization, with the inclusion of the Impact Management Capability.

> We recommend reviewing the recommendations based on the future state pathway and plan timeframes for implementing prioritised elements, including priorities and actions for the next year. Identify implications for operational planning and budget processes.

> Execute your plan and make positive shifts towards the key elements of the Impact Management Capability and its potential to realise strategic benefit for your organization and its stakeholders.

> Hold yourselves accountable to your plans and track progress against implementation.

> Review overall progress at the end of each year, and establish progress objectives for the following year, using the maturity assessment matrix.

Relativ is able to assist with capacity building in many of the areas of recommendation and would welcome the opportunity to discuss any specific elements.

5

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THANK YOU FOR JOINING US ON THE JOURNEY.

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