How to measure social impact

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As a social enterprise, creating positive social or environmental impact is at the heart of what you do, and you must be able to identify, understand and capture the full value of the impact of your activities.

Your organisation probably already has an 'impact attitude' having been established to make some kind of difference in your local community – where you are regularly thinking, talking, telling, and questioning the impact you make. Building on this foundation and more formally planning, measuring, and communicating your impact will help you to understand and track what your organisation achieves in the world.

As a starting point for thinking about impact, you should ask yourself:

- What are the longer-term changes we want to make for people, the environment, or the economy?
- What are the most important indicators we need to know about? What impacts, if we were not achieving them, would stop us from meeting our goals?
- Are there any other impacts or outcomes (intended or consequential) that we need to know about, and are they positive or negative?
- Who do we need to tell, and in what form do they need to know (e.g. report, funding framework, video, flyer, social media update)?

By answering these questions, you should be able to identify a short list of key measures which will help you measure impact. Some common measurements or metrics include: Lives impacted, job creation, or geographic coverage.

The more specific you are about the communities/populations you are impacting (socially deprived populations, low income families, minorities, women, refugees) – the better. If your organisation has an environmental focus, then hectares of land cleared of rubbish, clothes or plastic recycled, energy conservation, and carbon footprint are common measures.

Social enterprises should understand how their high-level vision translates down into 3 to 5 key measures that can be put into numbers. They should be able to articulate what success would look like in 10 years by those measures, whether it's the number of trees planted, jobs created, or investment made.

How to select impact measurement indicators

When starting to measure impact, it is important to identify what the starting situation is, so you can then say how it's changed, and what difference you have made.

What? – What impact occurs, and in what time period? How important is the impact to the people or environment?

Who? – Who experiences the impact?

How much? – How much of the impact occurs? Number, duration, reach...

Contribution – What is your enterprise's contribution to the impact, taking into account what would have happened anyway?

Risk – What is the risk to people and the environment when impact doesn't happen as anticipated?

Source: https://impactmanagementproject.com/impact-management/impact-management-norms/

There are many impact indicators you can use, so you need to identify which are most appropriate for your enterprise based on your vision, aims, and what changes you want to bring about in your community:

1. **Do some research**

    Take the time to investigate the problem you're solving and the solution you're proposing. Does A = B, or are there other factors at play?

2. **Define what success looks like, and make it as concrete as possible**

   If the aim is to encourage educational achievement, maybe success looks like an increase in school graduation rates or improved test scores as a result of increased educational support.

3. **Now imagine how you could measure that success**

   It doesn't have to be a single factor or metric. In fact, a variety of measures is best and are called your impact indicators. These should be specific, clear, and measurable.

   They should also be outcomes rather than outputs, which in the case of the school example above, you would want to track students grades and delinquency rates, not just hours of support or number of people giving support.

4. **Track your impact indicators over time**

   Figure out how often you want to measure your outcomes. This should be an ongoing process and looking at your impact indicators should be done on a regular basis. The data you collect will let you know which of your initiatives have been successful, which did not do so well, and which were unhelpful. Designate someone to be in charge of tracking and analysing your data.

5. **Check in**

   At least once a year, meet with your staff to go over your impact results. Is there anything surprising? Do you need to update your measures? Do any patterns stand out? As key stakeholders in your organisation, it is vital to give your staff the opportunity to offer insights, explanations, or ideas for new impact measures.

6. **Report your findings, and invite feedback**

   Publish a report detailing the impact of your interventions and programs. Put it on your website and social media pages, send it to donors and investors and circulate it internally. Nothing is ever perfect. Bring outsiders into the conversation, and they'll likely offer insights you'd never consider.

Question to ask yourselves	Actions needed to answer the question
Who changes?	Take account of all the people, organisations and environments affected significantly.
How do they change?	Focus on all the important positive and negative changes that take place, not just what was intended.
How do you know?	Gather evidence to go beyond individual opinion.
How much is you?	Take account of all the other influences that might have changed things for the better (or worse).
How important are the changes?	Understand the relative value of the outcomes to all the people, organisations and environments affected.

Summing up

Think about including stories and personal testimonies – measuring quantitative impact (numbers) is important, but not everything can be directly measured. A good impact assessment and report includes both quantitative and qualitative data.

It is clear that no single set of metrics will work for all social enterprises, and there are no universal key performance indicators for social impacts. Instead, social enterprises should be prepared to measure, from day one, whatever impact metrics are important to the operations or mission of their enterprise.

Far too often, social enterprises believe that tracking and reporting on a host of socially-aware metrics will make their business more impactful – whereas doing so may be (at best) a distraction to operating the business, or (at worst) lead to wrong interpretations being made, and bad decisions following, putting at risk the survival of the enterprise.

From this perspective, impact measurement should answer the question of relevance: and only include impact measures which are critical to the social enterprise, and not those which are a distraction.

Tools for impact measurement

Measuring social impact can be both complicated and expensive, but there are many free tools available, and the following are just a few of the tools that can be used:

1) Social Accounting and Audit

Social accounting and audit (SAA) is about assessing the social value generated by an organisation. It helps you to prove, improve and account for the difference you are making. It also helps you to plan and manage your organisation, as well as demonstrate what you have achieved.

SAA is a logical framework which enables your organisation to build on existing documentation and reporting systems, and develop a process so that you can:

Prove – account fully for and report on your organisation's social, environmental, and economic performance and impact.

Improve – provide the information essential for planning future actions and improving performance.

Account – be accountable to all those you work with and work for.

More information: http://www.socialauditnetwork.org.uk/getting-started/what-is-social-accounting-and-audit/

2) Logic Models

An organisation's logic model describes its intended impact, along with the intervention the organisation has chosen to achieve that intended impact. Social enterprises often use tools such as the Business Model Canvas to map out their activities, value proposition, and target audiences. However, an understanding of how costs and impact value are created is best developed using what is known as a logic model.

Logic model lays out:

- Inputs – the infrastructure, materials, and labour needed to make the organisation run.
- Outputs – the products and/or services the organisation creates, as well as the externalities, or side effects and unintended products of their work.
- Outcomes – the results the organisation produces, from long-term stability for its employees to increased traffic and economic growth for its neighbourhood.

More information: https://medium.com/@Ecotone_PBC/designing-your-impact-logic-models-for-entrepreneurs-and-investors-17528caa3b0f

3) Social Return on Investment (SROI)

SROI is a method for measuring and communicating a broad concept of value that incorporates social, environmental, and economic impacts. It is a way of accounting for the value created by your activities and the contributions that made that activity possible. It is also the story of the change affected by your activities, told from the perspective of your stakeholders.

SROI measures change in ways that are relevant to the people or organisations that experience or contribute to it and can encompass all types of outcomes – social, economic, and environmental – but it is based on involving stakeholders to determine which outcomes are relevant. There are two types of SROI:

1. *Evaluative SROIs* are conducted retrospectively and are based on outcomes that have already taken place.
2. *Forecast SROIs* predict how much social value will be created if the activities meet their intended outcomes.

SROI tells the story of how change is being created by measuring social, environmental, and economic outcomes, and uses monetary values to represent them. This enables a ratio of benefits to costs to be calculated. For example, a ratio of 3:1 indicates that an investment of 1 (£/€) will deliver 3 (£/€) of social value.

More information: "A guide to Social Return on Investment" Social Value Library:
http://www.socialvalueuk.org/resources/resources/