A Short Guide to Impact Measurement
Reach for Change Case Study

Set Objectives
First and central piece of any impact measurement exercise
1. Define the overarching social problem
2. Define scope and impact objectives
3. Select (and invest in) Social Purpose Organisations (SPOs) that can contribute to solving the social problem and meet the impact objectives

Tools and resources available:
Theory of Change, logic model, minimum questions to be answered plus causation, Theory of Value Creation

Analyse Stakeholders
Understand expectations of stakeholders, their contribution, potential impact on them, and the co-operation of main stakeholders in the Impact Measurement (IM) process

Phases:
• Stakeholder identification: mapping & selection, analysis of their expectations
• Stakeholder engagement: understand their expectations and then verify if these are met

Monitor & Report
Iterative process
• Monitoring: collecting data and tracking progress against (deviation from) indicators & objectives (identify data sources for all measures, establish baseline status for beneficiaries, determine how data will be collected and by whom, and the human resources available for the evaluation)
• Reporting: transforming data into presentable formats, relevant for key stakeholders

Tools and resources available:
PULSE, Social Reporting Standard, Sinzer Global Reporting Initiative

Measure Results
• Transforming the objectives into measurable results
  - Outputs: tangible products and services that result from the SPO’s activities (# of people reached)
  - Outcomes: changes, benefits and other effects on the beneficiaries that result from the SPO’s activities
  - Impact: the attribution of an SPO’s work to the broader long-term societal change
  - Indicators: set to measure outputs, outcomes and impact

Tools and resources available:
IRIS, Global Value Exchange

Verify & Value Impact
• Verifying impact (desk research, competitive analysis, interviews / focus groups): can we claim we are having a positive impact?
• Valuing (measuring value created)

Tools and resources available:
• Qualitative methods: storytelling, qualitative surveys, interviews, focus groups
• Quantitative methods (monetisation): quantitative surveys, revealed preference, perceived value and use of financial proxies

Consider impact achieved by SPO and assess the impact of Venture Philanthropy Organisation (VPO) on the SPO
Reach for Change’s (RfC) Impact Measurement Journey

- **Background:** RFC invests through grants with a five-year incubation programme in very early stage social enterprises, allocating relatively small funds and heavy investment in non-financial support (NFS).
- **Target areas:** local entrepreneurs/SPOs (called “Change Leaders”) aiming to improve the lives of children in 17 markets across Europe, Central and Eastern Europe and Africa.
- [www.reachforchange.org](http://www.reachforchange.org)

### Step 1: Set Objectives

**Platform:** Bringing together the five steps:
- **Pathway of Change**
- **How are objectives set for the SPO?**
- **What is RFC’s approach?**
- **Step 1:**
  - **Target areas:**
  - **Background:**

### Step 2: Analyse Stakeholders

1. **Who are RFC’s stakeholders?**

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Who are they?</th>
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<tbody>
<tr>
<td>Children</td>
<td>The final beneficiaries of the actions of RFC</td>
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<tr>
<td>Change Leaders</td>
<td>The recipients of RFC’s financial and non-financial support who, with their</td>
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<tr>
<td>Ecosystem for</td>
<td>The broader public, whose behaviour can be changed thanks to the work of the</td>
</tr>
<tr>
<td>Social entrepreneurship</td>
<td>social enterprises</td>
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</tbody>
</table>

2. **How are RFC’s stakeholders engaged?**

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children</td>
<td>• help RFC understand the market</td>
</tr>
<tr>
<td>Change Leaders</td>
<td>• help assess the needs and expectations from the accelerator programme</td>
</tr>
<tr>
<td>Ecosystem</td>
<td>• present Change Leaders as role models</td>
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<tr>
<td>Social entrepreneurship</td>
<td>• engage with key influencers</td>
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</table>

### Step 3: Measure Results

**How to measure social impact?**

**Bottom-up approach:** the Change Leader sets impact indicators with RFC guidance.

- **Indicators:**
  - Footprint units: the scale of the SPO’s impact — e.g. # of schools
  - Human resources: the capacity of the SPO to deliver its offer and scale its impact
  - Turnover: the SPO’s financial sustainability
  - Key influencers and recognition: the SPO’s recognition from influential people — e.g. politicians
  - Business plan: how many SPOs have one, compared to the previous year

### Step 4: Verify & Value Impact

**Verifying impact of SPO**

- **Interviews, field visits, case studies,** and **impact storytelling involving final beneficiaries** — e.g. children asked to explain how their lives have changed thanks to the SPO.

**Summarised in the “Report on Social Impact”**

- **Change Leader Survey**
- **Annual “Change Leader Survey”** to evaluate the NFS provided and the Incubator Programme as a whole.

**Key Measures Survey**

- **Change Leaders’ reports on revenues,** and **# of employees and volunteers,** geographical footprint, and total # of children supported.

### Step 5: Monitor & Report

**Continuous monitoring through the online spreadsheets**

**Tracking progress**

- **Social Impact Report** (published annually)

**Other reporting formats:** blogs, videos and website testimonials

**Key Learnings**

- It all starts with the Theory of Change
- Be conscious of who your investees are
- You can standardise the process, without imposing the objectives
- Prioritise stakeholders (primary/secondary)
- Stakeholder analysis should be revised periodically
- Survey stakeholders about their needs/expectations and the effectiveness of the investment
- Be aware of both the PROs and CONs of the bottom-up approach: useful management tool for the SPO, but hard to aggregate at portfolio level
- Celebrate successes and learn from failures
- Guarantee data correctness
- Use qualitative and qualitative data
- Consider “informal” information channels
- Keep an open dialogue between the IM team and the local teams
- Encourage the SPO to continuously monitor its own activities — for its own benefit
### Managing Impact at Reach for Change

#### Investment Process

<table>
<thead>
<tr>
<th>Deal Screening</th>
<th>Due Diligence</th>
<th>Deal Structuring</th>
<th>Investment Management</th>
<th>Exit</th>
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</thead>
<tbody>
<tr>
<td><strong>Guidelines</strong></td>
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<tr>
<td>Assess whether investment opportunity fits with VPO’s strategy by asking questions detailed in setting objectives (Step 1)</td>
<td>Dig deeper in the questions asked in setting objectives (Step 1)</td>
<td>Map outputs, outcomes and impacts and decide on key indicators (Step 3)</td>
<td>Regularly assess impact results against indicators &amp; revise indicators if necessary (Step 5)</td>
<td>Perform thorough analysis of impact results against objectives – verifying and valuing reported results (Step 4)</td>
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<td><strong>at RfC</strong></td>
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<tr>
<td>Call for proposals for SPOs to join the Incubator programme (rigorous selection process → only 2% successful applications)</td>
<td>RFC monitors the investments throughout the investment period. RFC conducts interviews with children to assess the SPO’s impact on them and check its improvement.</td>
<td>General rule = the SPO should &quot;survive&quot; without RfC, by itself or using funding from other sources. SPO that are sustainable enter the Alumni cohort.</td>
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<td>Pre-incubation support for pre-selected Change Leaders</td>
<td>Legally binding agreement stating that the social entrepreneur will report quarterly and fulfil the mission stated in the Pathway of Change. Reporting and achieving impact objectives is therefore mandatory.</td>
<td>Quarterly reports + data collected from IM + field visits + investment manager discussions with key stakeholders + partners + Social Impact Report</td>
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<td>Three months to develop the Pathway of Change, assess if there is a match between the SPO’s objectives and what RfC can offer</td>
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<td>Reinvestment decision (once a year)</td>
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<tr>
<td>Investment decision</td>
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#### For more information

- Read the full publication "Impact Measurement in Practice: In-Depth Case Studies"
- Register for our course "VP in Practice: the Fundamental Toolkit" and our "Impact Management Workshop"
- Contact us at info@evpa.eu.com

#### Disclaimer

As an evolving organisation, Reach for Change is continuously working on impact measurement and its IM system is constantly improving and subject to changes.