

**White Paper**

# **A Guide to Measuring Social Impact**

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# 1. Why Measure Social Impact?

## 1.1 Social Impact tells the story of the change we bring to people's lives

When asked to measure your Social Impact, do you feel you are being pressed for yet another time-consuming report - without the resources to do it?

However, nowadays, every organisation can (and should) measure their social impact. Indeed, funding often depends on it. Funders want to know that their investment will make a real difference.

This is not the only reason why it is good to measure social impact. The real benefits derived from the process happen within the organisation.

If we have a way to tell the whole story of our impact - not just the numbers of how many people walked through our doors - we have an incredibly powerful tool that will:

- improve our credibility and encourage people to believe what we say,
- inspire our staff and volunteers,
- encourage us to continuously improve our services,
- communicate to other stakeholders how good we are,
- form the basis of powerful publicity materials and funding applications,
- help us to make an even greater difference.

Every organisation - no matter how small or new - can measure its social impact.

That being said, it is often better for small organisations to start by measuring just one indicator, perhaps related to just one activity. Once used to this, more indicators can then be added.

## 1.2 What does Social Impact mean?

How does the term 'social impact measurement' make you feel? Scared, confused, overwhelmed? But what does the term 'social impact' really mean? Well, let's break it down into its two elements - 'social' and 'impact'.

The word '**impact**' we understand. There are consequences to actions we take. We create change in something else. If I crash my car into someone else's the impact changes the car I drove into - it causes a dent in the other car (and mine too!).

So what about the '**social**' element? We already do 'social'. That is the reason for being, the purpose, of the organisations we work in - to address a social need we have identified in our communities.

If I asked you to tell me about your social aims you could probably come up with a response fairly easily. But what if I asked you what is the social impact that your organisation achieves?

Well, if the impact we have consists of the consequences of our actions, then our social impact is simply the consequences of the actions we take to address the social needs we have identified. Put even more simply, 'social impact' is the change we bring to the lives of the people and organisations we work with.

Rather than asking about the social impact your organisation achieves, what if I asked you to give an example of how your organisations has changed someone's life? Your 'social impact' is how the lives of your clients are being changed.

'Social Impact Measurement' is just a new approach to doing something we have always done - talk about how the organisation is impacting the lives of the people or organisations we work with.

## 2. Identifying the changes to be measured

Little here is new. It is just a new approach to telling the stories of the changes we have brought in the lives of our clients.

Your organisation may already have a vision and mission statement, along with aims and objectives. If it does, you're halfway there. However, it's worth checking if it needs updating.

This part of the Social Impact Measurement process is the planning process that should underpin every organisation – defining its values, vision, mission, aims, and objectives. Your organisation may have different names for these steps. It doesn't matter - the important thing is that you have defined the detail of what you wish to achieve.

### 2.1 Values

Values embrace your whole organisation. Whatever you do will always be guided by your values. They act as an internal guidance system.

Think about your own personal values. If you are asked to do something outside of your own values, you feel uncomfortable and it is likely you will not do it. The values that are important to your organisation are reflected in everything it undertakes - how it manages its staff and volunteers, treats its clients and stakeholders and the quality of the service it provides.

Typical organisational values might be:

- providing 'value for money',
- caring for customers,
- being trustworthy,
- being profitable,
- striving for the highest quality.

We may also have values that relate to our social aims - those that drive the work that we do, such as:

- caring for local community,
- concern for the environment,
- creating opportunities for disadvantaged people,
- being a supportive employer,
- re-investing profits back into meeting social aims.

Your values will be unique to your organisation - the things that are important to you.

## 2.2 Vision

A vision statement explains how different your community will be in the future because of the work you do.

It should inspire, creating a mental picture for each reader to help them imagine what your organisation will be doing. It should excite people about your organisation.

If you don't have a vision statement yet, try to think in terms of 5 or 10 years' time. Imagine how you would like things to be, what your community will look like once the social problem you are addressing has been eradicated.

Of course, there does need to be an element of realism. As worthy as the vision to 'bring world peace' would be, unfortunately it is unlikely to be considered realistic in the next 10 years.

At the same time, however, your vision statement should challenge your organisation. There is little point to a vision statement you can achieve too easily. Dream bigger dreams!

A vision statement can be as detailed as you want it to be. However it needs to be simple enough to be easily understood; and must describe where the organisation aims to be in the future, and form the basis for decision-making in the future. Use simple language and avoid jargon. Make it easy to remember and you can teach it to all your staff, volunteers and board members and get them to buy into the vision too. That way, everyone will be working towards the same goal and everyone knows what your organisation aims to achieve.

It is often hard to write a vision statement. However, once you have something, you can keep coming back to it, updating as necessary. The following phrase may inspire you:

### **We want a society where....**

Although you may not keep that phrase in your final vision statement it will help you get started.

## 2.3 Mission

What are the key things you wish to achieve? A mission statement needs to communicate the essence of an organisation to anyone interested. While the vision statement looks at the future picture and the values statement talks about what guides the organisation, the mission statement gives a more pragmatic view of what it is currently doing.

It should answer the following four questions:

- **who** are you?
- **what** do you do
- **who** do you do it for?
- **where** does it happen?

The Mission Statement should use simple words, ones that people can remember and use. It should not be too long - one or two sentences at the most. The words and phrases used should sound good as well. It should also show the uniqueness of the organisation by stating how it is different from other organisations.

## **2.4 Aims**

Aims and Objectives describe what an organisation will do in order to meet its vision and mission. The vision statement outlined the larger plan for the future of organisation and the mission statement gave a brief description of what the organisation is and what it will do. The aims go into more detail and start to specify the changes that the service or product will bring to the lives of the people or organisations they work with.

You may have some general organisational aims which might include statements like the following:

- to become financially sustainable,
- to be better than other organisations at what you do,
- to produce the highest quality service on the market.

You will also have a series of social aims focusing on the benefits that the services or products you offer will bring to other people, to the community and the environment. They beat at the heart of an organisation. They are what drive it to succeed.

Aims will use terms like:

- to enable,
- to empower,
- to improve,
- to promote.

They are general and client-focussed: What change will your organisation bring to their lives? Thus, measuring our social impact is about how successfully we achieve our aims.

## **2.5 Objectives**

Once an organisation has set its aims, it is important then to break these down into smaller, achievable chunks. These are called objectives and are the measurable activities that your organisation will undertake to meet its aims. One aim may have several associated objectives - activities that need to happen in order for the aim to be met.

Objectives are the action points required to achieve the changes you want. They describe what you will do, by when you will do it and what you will need to achieve it.

An objective may begin with a phrase like:

- to provide,

- to setup ,
- to support,
- to deliver.

Once you have done all of these steps you will have a complete picture of your plans for your organisation over the coming years. Then, of course, you need to get on with planning your services and delivering them.

The final two steps in this process may need to be repeated as you go down to further levels of detail within your organisation. You may need to specify aims and objectives for a section of the organisation, or a programme within that section, or an activity within that programme. Beware! Different organisations use different words to describe these processes and groupings.

### 3. Measuring the changes

So, if we know what changes we are bringing, how do we measure it? Traditionally organisations have measured the things that are easily countable. Often these are called 'outputs' e.g. How many people came on our programme, how many clients attained a qualification, how many progressed to a job or further training etc.

'Social impact' is about telling the story of the changes we bring to people's lives and organisations. Sometimes these are harder to measure and are thus sometimes called 'soft outcomes'. Moreover, little of it can be counted in the same way. We have to find another way to measure it.

If we have written out our social aims then we have statements about what we are trying to achieve, such as:

- to empower young people to achieve their potential,
- to enable older people to play an active part in their communities,
- to promote healthy eating.

The key to the process is a four step model to turn your aims and objectives into 'indicators'. These consist of descriptors that show how this may be recognised at various levels. Recording these at the start and finish of the change process will indicate the distance travelled during that process.

#### 3.1 Step 1 - What is the change?

The first step is to take each aim and decide what change you are looking for.

What will illustrate the change? Might it be that young people will feel more hopeful about their future? Or might older people feel less isolated?

Imagine your clients, before they have any engagement with you. Then imagine them afterwards, how would they be different? What would the change be?

For example, a job-readiness programme for young people has, as one of its aims, to empower young people to achieve their potential. When they identified the change they were looking for, the key thing was that young people felt more confident in both work-related and social situations.

#### 3.2 Step 2 - Who will you ask?

The next step is to decide who is best placed to notice that change in the clients. In the case of the job-readiness programme the organisation decided that the young people themselves were the best judge of how much their confidence had increased.

This won't always be the case. If you work with children or people with disabilities for example, it may be more appropriate for a case worker to make an assessment on behalf of the individual - to decide on the change they have observed working alongside them.

### **3.3 Step 3 - What questions will you ask?**

The next step is to decide the best questions to identify this change. These are the 'indicators' - the things that show the change we want.

Take the example of the job-readiness programme. They now had to decide what questions to ask young people to find out about their confidence levels.

They decided on three questions which would give them a good idea of overall confidence levels of the young people:

- How confident would you feel phoning a company to get a job application pack?
- How confident would you feel in a job interview?
- How confident would you feel at a party where you only know one or two people?

#### **3.3.1 Standard or non-standard indicators?**

Should we use standardised indicators?

Having a set of standard indicators, or questions, might make it easier to implement - rather than coming up with your own. It is also useful for funders who want to measure the impact of the different organisations they fund through a common programme. It also works for membership organisations which can not only use the data as a complete set but also for geographical studies and benchmarking.

However, it can limit the freedom of organisations to set their own indicators on top of those prescribed. This can end up with a situation where we try to fit a 'square peg' into a 'round hole' indicator. Also organisations need the appropriate resources to enable them to build in this measurement to their existing systems.

### **3.4 Step 4 - Measuring the 'Distance Travelled'**

The final step in this process is to actually find a way to measure the actual change in an individual or organisation.

In the job-readiness programme, we aren't just interested in how confident they feel at the moment. What is more important is how much more confident they feel after doing the programme.

This is called 'distance travelled'.

If we imagine their confidence levels on a scale from 'completely scared' to 'incredibly confident'. We want to know how far they have travelled up the scale over the course of the programme.

This means we have to:

- devise a scale on which we can measure this change,
- ask the questions we have chosen more than once so that we can measure the distance travelled along the scale.

You don't necessarily have to give guidelines as to what each point on the scale means. However, giving people a framework, helps them decide where to mark. If you wish to aggregate such data for comparisons, the more defined the indicators, the more accurate the comparisons.

You can ask your clients the questions you have chosen as often as you like - before they join the programme, at the beginning, midway, at the end and even 6 or 12 months later.

Such data cannot just be used summatively to describe a programme. It can also be used formatively to track progress through a programme, enabling remedial action or support needed to be identified and carried out.

## 4. Support Organisations

The discussion so far has tended towards organisations that work with individuals. However, it is also relevant for organisations that work with other organisations - be they support or second-tier organisations, consortia, funders, consultants or trainers.

In fact, this type of organisation can be even more effective at proving their social impact.

Why? Because not only can it prove its own social impact, but it can also report on how well its own clients (front-line organisations) have achieved their social impact.

If you are a funder for example, your own social impact might actually be how successful the organisation you have funded has been in achieving its aims.

You might prescribe, say, 12 indicators for the organisations, as part of your monitoring systems. If you use standard indicators across all the organisations you fund you can then report across the board, compare organisations with each other and see where the funding has been most successful.

Of course, any organisation you ask to implement a social impact measurement strategy must be given access to the resources they need to do it.

You might be surprised at how little these resources will cost for an organisation. Very few will need to pay a consultant to come in and work with them. For most organisations, all they will need is investment in a system or process to make the process of monitoring and client management more effective and efficient.

Tools designed for this process (such as Social Impact Tracker) should allow you to automatically collect data from your members whenever needed, so you are not chasing up quarterly monitoring reports.

## 5. Managing the Process

### 5.1 Alternatives to questionnaires?

You may say that our clients do not want to spend all their time filling out questionnaires. Then you have to spend hours collating and analysing the responses.

Indeed, in some cases the traditional questionnaire might be inappropriate. Is all of the monitoring and evaluation you do already necessary? It may be that, rather than adding new questions to your existing forms, that some of the other information you already collect can be dropped or re-formatted.

If you add questions to an existing form, keep it short. Focus on the key questions you want to ask. The quality of the responses you get will diminish as the questionnaire gets longer. People will get bored and won't take time to read it properly.

If the questions are part of a course of learning, they can form each individual's learning plan. These then aggregate into a summary of the success of that learning process across the whole programme.

### 5.2 Staff resources

You may say we have not enough staff resources to put into this.

The key is to start simply and make it easy for yourself! Just pick one programme or activity to start with. Get your social impact measurement strategy in place for that activity, and everyone used to the process. Then you can add another. Over time, you will cover everything.

### 5.3 Collating the information

How do we collate all this information?

It really depends on how complex your operation is. The key is to find a system that does not create more work for you, but that actually saves you time because it is an efficient way to handle your data.

With some activities you may find that using a spreadsheet is sufficient. You can set it up with the appropriate formulae so that it will make all the calculations you need.

### 5.4 Reporting

Now we have all this information what do we do with it? How do you then present it?

Well that depends on the information you are being asked for. Funders may require chapter and verse on every activity. They may want graphs and tables illustrating the data you have collected. You may want to include the information you have collected in your annual report. Alternatively, you may want to produce a separate social impact report.

## 6. Management Software

Once you start to measure the impact of a number of activities and programmes, you may need to choose a more sophisticated system to ensure you don't create more work for yourselves.

The ideal is one piece of software that will do the following:

- keep all of your clients, partners, staff, volunteers and stakeholders information in one place,
- tracks each interaction you have with your contacts - each time they come to a workshop, or have a one-to-one session, or someone talks to them on the phone,
- collects monitoring, evaluation and social impact measurement responses from clients and links them to their personal record and then to all the programmes they have engaged in,
- allows you to link a service or programme you run with one or more of your social aims - so that all the information you have collected on your contacts can be used to report on your outputs for each programme and on your social impact,
- allows you to link a funder to different services and programmes and create reports for funders.

This is why we suggest **Social Impact Tracker**.

## 7. More Complex Social Reporting

There are also ways you can take this process further.

### 7.1 Social Accounting

This is an approach developed by the Social Audit Network. It looks to provide a process for accounting for an organisation's social, environmental and economic impact.

The process is similar to the one we have been through - defining your mission/vision and aims, identifying your stakeholders, choosing who to collect data from, asking questions and collating the results. The social accounting method then puts these results into a report. An auditor then inspects the report.

You can find out more about the Social Accounting method from the Social Audit Network website at [www.socialauditnetwork.org.uk](http://www.socialauditnetwork.org.uk)

### 7.2 SROI (Social Return on Investment)

This is an approach to understanding the social impacts of a project, organisation or policy. It aims to put a financial value on the key impacts identified by stakeholders.

The financial value shows for each pound that is invested in the organisation how much of a saving would be made. This is often used to show how investment in a project will save the Government money in the long-term. As a result of this, SROI is particularly useful for organisations that are looking to tender for local government or PCT contracts.

You can find out more information from the SROI UK website at [www.sroi-uk.org](http://www.sroi-uk.org).

## 8. More Help

If you feel you need more help then please contact us.

**Social Impact Tracker's** distributors are experienced social enterprises. They specialise in ICT services to the Third Sector and spend a lot of time talking to organisations about how they are going to measure their social impact.

You can find a list of them here:

<http://www.socialimpacttracker.org/distributors.aspx?p=distributors>

If you would like more information on the **Social Impact Tracker**, we can arrange a demonstration so you can have a proper look at the software and see how it might work in your organisation.