

Corporate sustainability lessons learned

Impact measurement: getting started

We're interested in learning how social and environmental ventures can maximise their impact.

So we're collaborating with entrepreneurs to find out, and sharing the lessons with others in this Impact Measurement Series.

It's part of our blueprint for better business.

Learning about impact measurement

We're pioneering new ways of doing business as part of our sustainability agenda. This includes supporting entrepreneurs with a passion to set up ventures with an environmental or social purpose. They often bring innovative thinking to difficult issues of our age, such as fairer, greener products or homelessness and inclusion.

But are they really making a difference? And are they better than "business as usual?"

In the past 12 months, we've piloted social impact measurement training (SIM) in our community volunteering programmes to see how it can help accelerate success. Here we report back on the benefits to and the challenges faced by the social entrepreneurs, in the hope that it will help many more.

Impact measurement as part of our sustainability agenda

As a significant UK business, we've a responsibility not just to our clients and employees but to broader society. Our vision is to do the right thing for our clients, our people, the environment and our communities.

So, our community programmes aim to engage our people, not only by giving them experiences outside of their regular work, but providing the opportunity to use their exceptional financial and business skills to help people who live near our offices across the UK.

We've been working with social entrepreneurs for 5 years now, mentoring and coaching them for success. But, increasingly they are required to demonstrate the value of what they do – to get funding to start up, or expand, for example. So last year we decided to include social impact measurement, or SIM, bringing the skills we use for clients to the not-for-profit sector.

In 2010-2011, we developed and piloted a training programme on social impact measurement with one of our key community partners, the School for Social Entrepreneurs¹. Between us we matched 16 students with 16 PwC volunteer mentors for a year and they attended sessions on measuring impact together.

Developing and delivering impact measurement training

The training was devised and delivered in December 2010 by three of our senior economists. It included two modules, an Introduction to SIM as students joined the school, and a SIM Surgery, part way through the year.

The Introductory module explained what social impact measurement is and why it is important through a housing organisation case study. It highlighted the importance of defining clear objectives and identifying beneficiaries. And it provided an overview of the different approaches to impact measurement.

Students attended with their PwC mentors, and together they worked through a series of templates to apply the theory to their own projects.

We ran the follow-up SIM Surgery in February 2011, to discuss issues and help the entrepreneurs overcome any obstacles they were facing.

Students were asked to submit specific questions before the Surgery so that it could be tailored to their needs. It also included a case study with one of the students talking through the progress they had made in measuring the impact of their venture and sharing the issues they had faced. The group was then able to discuss common issues including how to source the right data, and how to measure outcomes such as increased aspirations of beneficiaries, or environmental benefits.

¹ The School for Social Entrepreneurs offers practical learning programmes for social entrepreneurs. These consist of a combination of expert witness sessions, project visits, action learning sets and individual mentoring.

Gathering feedback

In line with good practice we asked participants to complete feedback forms– one straight after each event and a follow-up form around six months later. These asked about their experience, in a mix of quantitative and qualitative questions.

The results we present are not intended to be statistically robust, given the numbers involved, but they do provide some interesting insights that we hope will help other entrepreneurs, and which we have used to refine the SIM programme this year.

Lessons learned

1. Training increases people's awareness of SIM and how they can use it

Before our training, only 10% of participants had begun to measure their organisation's impact and 30% professed to having little understanding of the area. After the first session, everyone's understanding of SIM had increased and 90% could see how SIM could be applied to their project. By the time of the follow-up session two months later, 43% of respondents had started to measure the impact of their social enterprise.

“The training gave me a heightened sense of why I should be measuring the impacts and a strong sense of urgency to get started”

2. The process of impact measurement has many benefits

Once people's understanding of SIM had increased, they could see a wide range of benefits. High proportions of students could see that it would help with communications (90%), fundraising (90%) and strategic planning (80%). They also found SIM a useful tool in better understanding their potential customers.

“SIM has now become a key part of all our fundraising applications and our sales and marketing. From both these perspectives it has been invaluable”

3. Social entrepreneurs do things differently after learning about SIM

Several people said that learning about the principles of SIM had caused them to re-assess how they were operating and to do things differently. Some started to record new measurements; some altered their priorities; some want to include SIM in their future business plans and funding applications; some saw new markets to explore; even those who knew something about measuring impact before the training felt that they had a more strategic approach to SIM, as a result.

4. Measurement methods need to be tailored to the nature of the project and its lifecycle

Social impact measurement encompasses a range of approaches, from a basic articulation of goals, to the most sophisticated measurement of a Social Return on Investment (SROI – the social value created per pound spent). But other measures are also helpful in explaining the aims and benefits of a social venture – such as cost per output (job created, life improved, carbon emissions obviated etc.).

The social entrepreneurs we worked with had projects at different stages of development: around 60% were at the 'planning' stage and roughly 40% at the 'doing' stage², so many were still focused on getting the concept right.

SIM was more relevant to those whose ventures were more mature, although all felt that measurement data could strengthen their story. 100% of participants in the second session thought SIM would be a useful tool to help them communicate what their project is about.

“Usually social entrepreneurs tell a story from emotion but it's essential to have other data to back it up”

5. It is important to be clear about what you want to measure (and why)

Several people said that the process of impact measurement helped them to think about what they needed to measure, why it was important and how they could do it.

The process of impact measurement should help an organisation to think through what its objectives are, how they'll know when they've been achieved and what will change as a result (and for whom), if they are successful.

“I have learned that I can't measure everything”

It's also essential to know if the changes were down to what your organisation did, as opposed to what others did. This means establishing the “baseline”, and gathering data on how conditions have changed over time – probably through a mixture of primary and secondary information.

But data gathering can be time-intensive. And a valuable lesson for the social entrepreneurs was only to measure what they needed to achieve their goals.

6. Measurement is low priority until it is understood

We've always believed that impact measurement has to be integrated into business planning processes to be truly effective, and the experiences of the social entrepreneurs who attended our training back this view up. Some have reported difficulties in finding enough time and/or resources to do it, and sometimes difficulties in persuading others that it is worth doing.

² Based on a 4 phase lifecycle: Idea stage, planning, doing or evaluation

This is not surprising – it’s not always easy for a busy social entrepreneur who is juggling a host of competing priorities. And not everyone agrees that social impacts are relevant, or important.

“The biggest challenge is time – everything else seems to take priority”

Integrating SIM processes into a project as soon as possible, and involving stakeholders early are the first steps to overcoming these challenges.

And the feedback indicates that our training has increased the entrepreneurs’ commitment to overcome these challenges and start measuring their impact. After the second session only 14% thought they would struggle to find the resources required for measuring impact, down from 40% at the first session.

One explanation for this is that our training has helped the entrepreneurs to see the strategic value of impact measurement and given them the tools and motivation to overcome any barriers.

Applying the lessons

It’s too soon to tell if these organisations are more impactful than “business as usual”. But we are delighted with the feedback from the social entrepreneurs, which confirms the value of social impact measurement training. One organisation, Enabling Enterprise, has gone on to develop and launch an impact report in just 9 months. It’s given us the confidence to continue and extend SIM across more of our community programmes.

Meanwhile, we’ll also be using the insights to make our support as effective as possible. We’ve already enhanced the format of the training for this year and we’re creating some new tools to make it easier to assess common outcomes and values. We’re also extending social impact master classes to more social entrepreneurs via the SSE network and via a new PwC Social Entrepreneurs Club and Centre for Social Impact.

We’ve also assessed the benefits of this programme for our own staff. The results are in a separate report – “Corporate Sustainability Lessons Learned: The business benefits of mentoring social entrepreneurs” available on www.firestation.pwc.co.uk/csi.

For information on our overall corporate sustainability programme visit www.pwc.co.uk/corporatesustainability or contact Bridget.H.Jackson@uk.pwc.com.



www.pwc.co.uk/corporatesustainability
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Leah’s story



Leah McPherson founded Cultivate London in March 2011. An urban farm based across a number of sites in west London, Cultivate London aims to help young unemployed people develop skills and gain work experience so they can move into paid employment.

Whilst a student at SSE, Leah came into our SIM training with a clear idea about Cultivate London’s mission and outcomes but with questions about how she could collect the information she needed, particularly measuring increases in confidence and independence of the people she employs, and measuring reductions in carbon emissions resulting from producing fresh food locally rather than importing it.

As a result of the training, Leah has reassessed her views on the impacts that Cultivate London will have and the way the organisation should operate: “Before the training, I thought the environmental impacts of Cultivate London were equal to the youth training and employment impacts. However, the SIM sessions made me realise that the training and employment elements are more important and that food growing is a delivery mechanism”.

She acknowledges that undertaking impact measurement has been challenging at times: “I’ve had to refine what I measure and dovetail it into the information I’m collecting along the way”. But her overall impressions are positive: “It’s been really challenging at times but I know that Cultivate London is in a stronger position because of it”.

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