

## 2. Running your organisation

### 2.17 Impact and impact measurement

#### What is Impact?

One way of thinking about impact is to say “How would the world look if my organisation/project was not here?” Or, put more positively, “What difference does my organisation/project/ event/activity make?” There are usually some things which come to mind easily, usually related to your organisation’s mission or reason for being. There are probably other impacts which you may, or may not know about. What is important to realise is that impact can be positive and negative and may be planned or unplanned. Usually it is the result of years of work, of being in a situation, and it is hard to untangle who or which organisation is responsible for the change which is observed.

Impact is often linked to outcomes, as if there is a process where an organisation uses resources (inputs: people, time, money, assets, reputation) to make something happen (outputs: meetings, services, activities, projects, work with groups or individuals) which leads to a noticeable change in a person or organisation (outcome: service user gains employment, supported family stabilised, organisation supported wins funding). Outcomes can be described as hard (easily counted, eg gained employment, value of funding captured) or soft (not easily measured milestones to the hard outcome: service user gains confidence, organisation has ability to choose an appropriate grant scheme). Impact can be seen as the wider effect of the outcomes (employment means an individual maintains a tenancy, or contributes to family income or reduced use of services) but can also be the result of inputs (funding gained means that the organisation moves offices, has a better reputation, is seen by partners as more important).

It may be that you are more interested in looking at outcomes than impact at the moment. If so, read the WCVA information sheet ‘Hard and Soft Outcomes’

#### Why look at impact?

Impact is about whether your organisation is making a difference. Therefore, it should be something which the trustees or board of directors is interested in. However, it is also something that other stakeholders will be interested in:

- Service users/clients/customers and your own volunteers and staff will want to be associated with a group/service/organisation that is seen as a ‘good thing’ in their peer group.
- Funders will want to see what difference their funding is having.

- Local councillors, AMs, MPs and MEPs will all want to see your organisation as making a positive contribution and .Partner organisations will be interested in how your influence, reputation and ability to deliver can help them achieve their goals. So, there are many reasons for looking at your impact

## **How impact links to activities and plans?**

For many organisations, impact is intuitive: it is sensed by board members who know the organisation and the local community or the stakeholders. However, you may need to tell or show some stakeholders the impact you believe is caused by your organisation. This can be done in a whole range of ways:

- You can concentrate on one project or the whole organisation.
- You can look at things from the perspective of the board or service users or funders.
- You can look at financial, social, or environmental aspects.
- You can do it as an ongoing activity or every so often.

It might be called an evaluation or a review or an audit.

Some quality frameworks include an element of impact (eg the European Quality Measurement Framework, using customer or service user satisfaction). Some performance measurement frameworks also include it, selecting indicators which look at the effect on the community (eg use of free school meals as an indicator of levels of income deprivation or the crime statistics or fear of crime in an area). There are also service commissioning frameworks which link high level quality of life or other indicators to the outputs and outcomes of services (eg Results Based Accountability). Use of these frameworks will mean that impact will be linked to service evaluation or service monitoring.

## **Demonstrating Impact**

Linking impact to evaluation using surveys or indicators suggests that you can measure impact. This is probably not true, as impact can depend on the perspective of the person observing it. Thus, it is possibly more correct to talk about demonstrating impact. This can involve numbers and statistics, but can also use descriptions, quotes or stories which show what has happened. These might be the reflections of key individuals, the experience of a service user, reports from stakeholder meetings, the appearance of an idea in a policy document or press articles. Sometimes repeating the work done for a needs analysis for a grant or project proposal can show how things have changed.

## **Measuring impact**

To measure impact requires a good indicator of what you think has changed and at least two good, comparable, measurements of the indicator. Some statistics gathered by the government can be good indicators, and are independent (so people cannot say you have influenced them). Using your own surveys can also provide this kind of

change information, but the surveys must be comparable, using the same approach as well as the same question. For instance, you can get different results from an on-line survey compared to a postal survey.

## **Mine or yours?**

An important issue when demonstrating or measuring impact is the extent to which your organisation or project can claim the credit for a positive impact, or is to blame for any negative impact. There are usually other projects or organisations involved, and it can be difficult to separate the many circumstances which have caused an impact, particularly if it takes a few years to be obvious. The context of any statement of impact is important, so that it is clear that others have had a role.

## **Costs and benefits**

If you have not done it before, demonstrating or measuring impact will have a number of costs associated with it:

- Customer, staff or stakeholder surveys will cost time and money.
- Planning and running meetings to plan what you should look at and how you will investigate any potential impact can be a long, drawn out process. This can be incorporated into a review of the business or strategic plan and so the cost is reduced.
- New monitoring systems will need time to bed in, staff and volunteers will need to be introduced to the new way of doing things, and there may be training needs.
- Someone will have to collate the information, check its quality and report on it. This cost will depend on how well the impact demonstration fits into normal monitoring systems.

There are also likely to be a number of benefits, depending on circumstances:

- The organisation will become more focussed on the effects that it is able to have. This can help in strategic planning.
- Any negative impacts can be addressed rather than swept under the carpet.
- It can provide stories which give your organisation a sense of identity and place in the wider community or society.
- The information can be used for internal reports and promoting your organisation with funders and other stakeholders leading to a higher profile.

## **Approaches to demonstrating impact**

There are a number of different approaches which will suit different organisations depending on their ethos, area of activity, available resources, requirements of external stakeholders, whether it needs to be independently verified, whether you wish to benchmark against similar groups and the time available.

Some of the main ones are mentioned here. A review of over 20 approaches has been published by the New Economics Foundation<sup>1</sup>.

- Co-operative Environmental and Social Performance Indicators: a series of indicators linked to co-operative principles.
- Eco-mapping: a system which enables your organisation to consider its impact on the environment
- Global Reporting Initiative (GRI): a system for reporting economic, social and environmental impacts
- Local Multiplier 3 (LM3): a tool to estimate an organisation's local economic impact
- Prove it!: a tool to show the impact of an organisation or project on people's quality of life
- Results Based Accountability (RBA) or Outcomes Based Accountability (OBA, title used in England): this provides a framework for relating the outcomes of a project or services to population level indicators of social need. It is being used in service commissioning by Social Services Departments in Wales.
- Social Accounting and Audit: a system which involves reporting on an organisation's economic, social and environmental impacts. It includes external validation
- Social Enterprise Balanced Scorecard: primarily an internal strategic planning tool involving financial, social and environmental goals. The indicators can be used for external reporting.
- Social Return on Investment (SROI): an outcomes measurement tool which uses a cost-benefit approach to convert social, environment and economic impacts into financial terms and expresses this as a return on investment.
- Social Value Toolkit: developed for the NHS to evaluate the added (non health or social) value of commissioned services, includes a comparison tool for commissioners.
- Volunteering Impact Assessment Toolkit (VIAT): a framework plus guidance for showing the impact of volunteering on volunteers, service users, staff and the community.

## **Deciding which approach to use**

With the variety of tools and frameworks available, how do you decide which one to use? A number of these tools have been reviewed by nef and are grouped into tools which are suitable for small, medium or large organisations, which concentrate on quality, strategy or impact and those which concentrate on economic, environmental or social aspects or take a holistic approach. The tools are then described based on the resources needed, the complexity of use, what type of support is available and whether external verification is available.

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<sup>1</sup> Tools for you: approaches to proving and improving for charities, voluntary organisations and social enterprise, New Economics Foundation, 2009

## Core Elements to consider

A recent report by Demos<sup>2</sup> suggests that when looking at demonstrating impact, there are core elements which should be included, moving from the basic (and less resource intensive) to more complex and technical elements:

1. Outputs (eg 200 hours of training to 500 people)
2. Outcomes (eg 20 found employment as a result of the training)
3. Wider impact (eg office reduces energy use by 5%)
4. Stakeholder Participation (eg have outcomes been measured by consulting the stakeholders)
5. Measuring Distance Travelled (eg year on year comparisons we increased number of people finding work by 12% more than last year)
6. Finance Values (eg financial value of activity increase in employment has resulted in a £20,000 reduction in welfare benefits)

It would be useful to consider which elements of any demonstration of your organisation's impact are essential or optional and which are desired for internal or external stakeholders or audiences.

## Further information

Other information sheets:

- 2.1 Developing a strategic plan
- 2.5 Quality
- 2.6 Monitoring and evaluation
- 2.14 Using freelance trainers and consultants

[www.wcva.org.uk](http://www.wcva.org.uk)

Other sources of information:

Demos: [www.demos.co.uk](http://www.demos.co.uk)

New Economics Foundation: [www.neweconomics.org](http://www.neweconomics.org)

For further information contact



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