

IMPACT MEASUREMENT FOR SOCIAL ENTERPRISES



Impact Measurement for Social Enterprises

Welcome to this resource that will help you understand the importance of adopting an impact measurement framework, and how to get started with measuring the impact of your social enterprise. As you navigate through your social entrepreneurship journey, you will reach the pivotal moment when you need to answer the following questions:



How do I know if I'm making a difference?



How can I prove that my social enterprise is changing lives or addressing the problems that I claim?



How do I assess whether my social enterprise's intervention is having a positive effect, or whether progress is resulting from other factors?

And this where impact measurement comes in handy!

The Importance of Measuring Impact for a Social Enterprise

In the absence of a systematic plan to measure your impact, you might not know whether you are having the impact that you set out for. Your social enterprise may become an organization with good intentions, but lacking evidence of its effectiveness in addressing the relevant issue. Worst, it may even have unintended consequences.

PLANNED IMPACT

Planned impact is the positive change that your organization intends to create through its products and services.

Example: Your solar lantern product aims to improve the health of customers by decreasing their exposure to kerosene fumes and to increase productivity by enabling work or study after dark.

UNINTENDED IMPACT

Unintended impact is the unplanned or unexpected consequences of your organization's work.

Example: Your solar lantern product may inadvertently put local entrepreneurs out of business or undermine local cultural practices.

MEASURING IMPACT WILL HELP YOU:

TO PROVE that what you do is effective in changing in the world for the better.

TO UNDERSTAND an ever-changing audience, and make adjustments accordingly to yield stronger results for your beneficiaries

TO ALIGN your measurements with your organization's strategy and the funding you can access

TO SHOWCASE your work for more effective communication and marketing

Get started with your Impact Measurement

Think about your Endgame

When you think about impact, what does success look like? Understanding your long-term vision is the first step in determining how to measure your impact effectively.

Develop a Theory of Change

Having an Impact Thesis and a Theory of Change will help you choose and measure the important metrics to evaluate how your social enterprise is making a difference.

Assess associated impact risks

Assessing the associated impact risks is essential to help you identify and mitigate any potential unintended consequences.

Design a data plan

A data plan will help you determine how to collect the data needed to unfold your Theory of Change, and to measure and effectively communicate your impact.

Three Dimensions of Impact

Breadth of Impact

- ✓ How many people's lives were changed?
- ✓ How many lives are you reaching based on the number of goods/services sold, delivered or distributed?

Depth of Impact

- ✓ How much, and in what way has someone's life changed?
- ✓ What would happen if you didn't introduce this product or service? (i.e., what is the counterfactual?)

Focus on your Target Audience

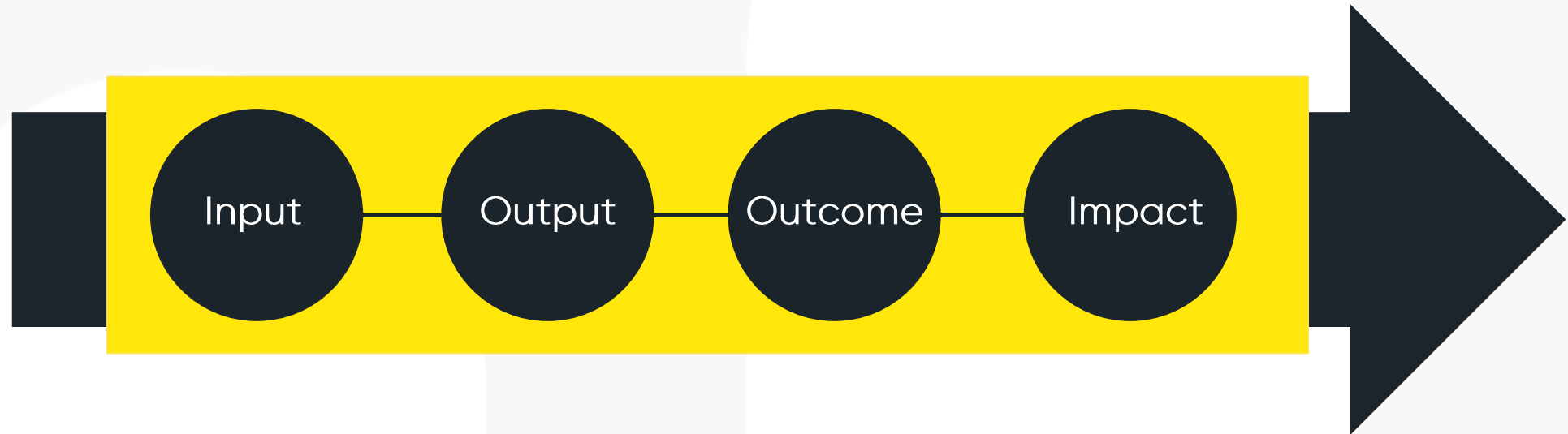
- ✓ Who are you serving?
- ✓ Is your organization serving someone without access to basic goods or services?
- ✓ What are their level of needs or how are they affected by the problem?

Theory of Change

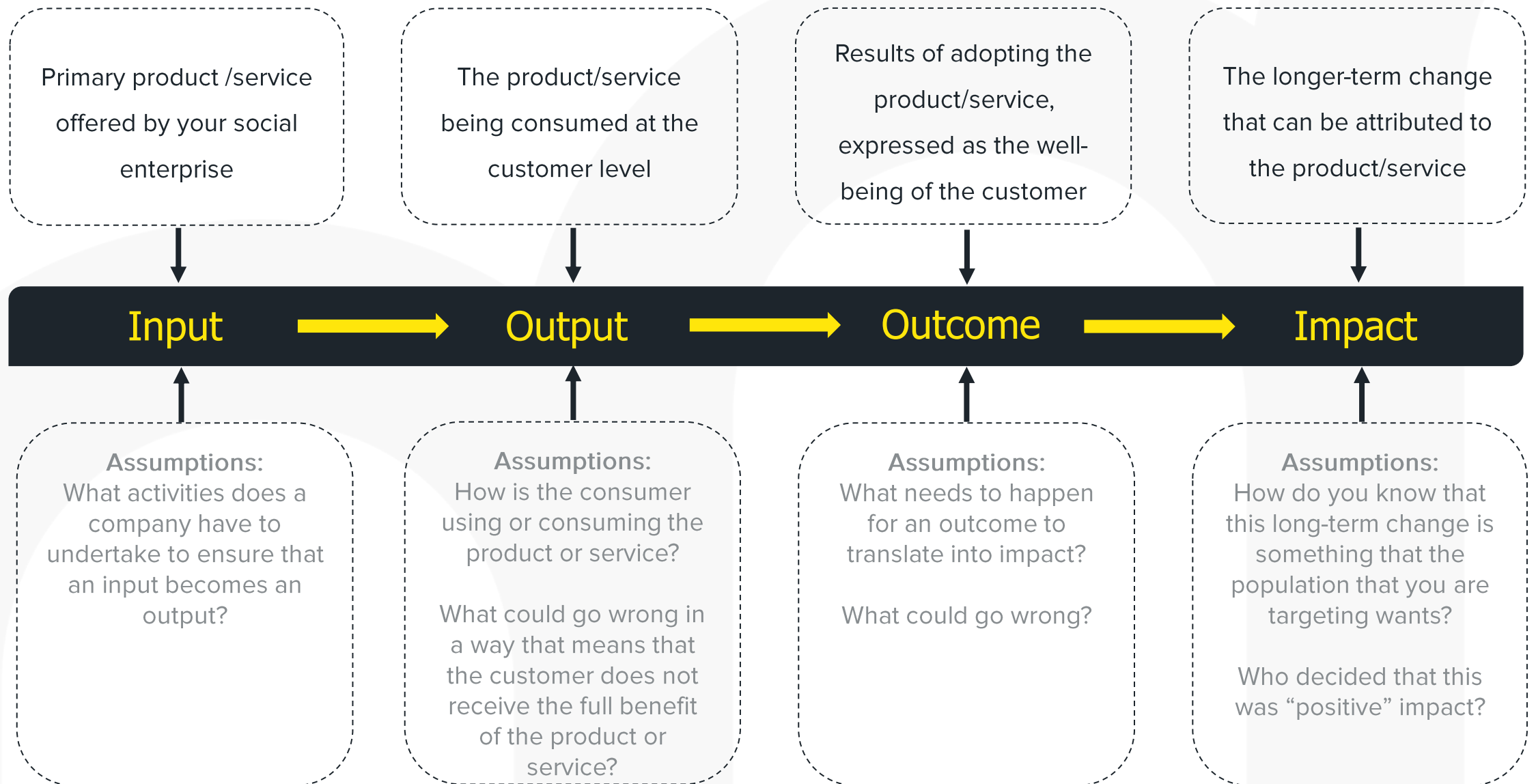
A Theory of Change is a logical articulation of what you think will change, because of your organization's product/service. – What needs to happen for your organization's desired social impact to become a reality?

Through this framework, you can identify areas that require further investigation, and identify crucial data to collect over time to validate your theory.

While developing a Theory of Change might be a thorough process, it often culminates in the creation of a diagram that serves as a **valuable roadmap** for your impact measurement journey:



Theory of Change



**Six Questions your
Theory of Change
should
answer...**

1. WHO

Who are you seeking to influence or benefit? (target population)

4. HOW

How will you make this happen?
(activities, strategies, resources, etc.)

2. WHAT

What benefits are you seeking to achieve? (results)

5. WHERE

Where and under what circumstances will you do your work? (context)

3. WHEN

When will you achieve these results?
(time period)

6. WHY

Why do you believe your theory will bear out? (assumptions)

CASE STUDY: d.light

d.Light, founded in 2007, aims to replace kerosene as a home energy source in rural communities in India and East Africa afflicted by energy poverty and reliant on kerosene lamps. These lamps have harmful consequences, including respiratory illness, burns, poisoning, and high expenditure on kerosene as a fuel.

During the development of d.Light's solar lanterns, it was hypothesized that the lanterns would improve customer health by reducing exposure to toxic kerosene fumes and increase education levels and productivity by enabling study and work after dark.

d.Light's comprehensive Theory of Change allows the organization to systematically monitor progress toward its impact goals, ensuring a deliberate approach instead of relying on chance when introducing a product or service to the market.



d.light's Theory of Change



Input

Output

Outcome

Impact

Assumptions:

Lanterns are reliable, more affordable than kerosene, and is rightly designed for its target audience.

The company is marketing effectively to the target demographic, ensuring quality manufacturing, and educating the customer on how to use and care for the product.

Assumptions:

d.Light lanterns are appropriately used at household level – used regularly and cleaned.

d.Light lanterns are used for educational purposes.

d.Light lantern are used for productive purposes.

Assumptions:

Kerosene has a definite causal link to respiratory illness and lanterns are the only source of harmful fumes in the household.

More study hours lead to better education outcomes.

The cost of the solar lanterns is < revenue from additional working hours.

References

1. [Acumen Social Entrepreneurship 101 Module 3 Readings](#)
2. [How to measure your social impact – School for Social Entrepreneurs](#)
3. [Six Theory of Change Pitfalls to Avoid – Stanford Social Innovation Review](#)
4. [Celebrating d.Light's Million Lives Illuminated](#)

trampoline
by CURIMJEE

THANK YOU

CONTACT US

Trampoline Ltée

2nd Floor @ QG, Old Post Office Road

Industrial Zone, St Pierre, 81406

contact@trampoline.mu

trampoline.mu

