



Breakout Series 3: Impact Assessment

Wednesday 25 May 2016

11:15am

Session Reporter: Aki Leung

Summary of the Content of the Session:

Moderator: Priscilla Boiardi (Knowledge Centre Director, European Venture Philanthropy Association)

Speakers:

- Jeremy Nicholls (Chief Executive Officer, Social Value International)
- Eric Stowe (Founder & Executive Director, Splash)
- Tomohiro Hamakawa (Chief Strategy Officer, Kopernik)
- Derek Handley (Founder, Aera Foundation)
- Liang Lehui (Associate Director of Investment, Social Ventures Hong Kong)

This session provided insights into impact measurement for social enterprises. Speakers shared their experience on impact assessment from the social entrepreneurial, investors and grant-making perspective.

Major Conclusions of the Session:

Standardization of Impact Measurement:

- Jeremy Nicholls spoke on the importance of having a standardized impact measurement using accounting or business ROIs as an example. Having a common principal helps not only measure impacts, but it also maximizes impacts.
- Derek Handley pointed out having a standardized impact measurement on social impact is incredibly challenging, if not impossible, given the nature of impact and vast diversity of social problems.
- Tomohiro Hamakawa pointed out principals are commonly agreed on at the top level. However, when it comes to operations, people at the front line generally have a hard time reporting to different needs.

Reasons for Impact Measurement:

- Liang Lehui spoke on SVHK's experience in developing an impact assessment that pleases everyone. In conclusion, it was not realistic. Liang shared that SVHK learned to identify their main audience as entrepreneurs. In order to better serve entrepreneurs, it is essential to believe in their expertise and be the liaison in developing trust between them and donors.
- Eric Stowe noted the importance to question the reasons for measuring impact. He shared the data in water quality, which were deeply inaccurate and skewed.

Specifically, India claimed that 90% of its schools had clean water. However, 60% of the water sample showed the presence of E. coli. Having said that, a majority of data analysis effort goes into establishing a more accurate norm to unlock financial resources from the public and private sectors.

Who Pays for It:

- No consensus was developed between the panelists. Tomohiro Hamakawa believed the party asking for the findings, may it be donors or investors, should be financially responsible for it. Derek Handley pointed that the findings can be powerful marketing tool, thus the organization should invest in it.

Types of Impact Assessment:

- While social enterprises or entrepreneurs hesitate to share negative outcomes with their funders, these data are critical to improving practice or even business models. On the other hand, positive findings energize investors and funders. As mentioned before, these results are also powerful marketing tool for business development. Therefore, it is important to treat these data differently.

Implementing Impact Assessment:

- Many view impact assessment as an additional task to their operations. Oftentimes it takes a backseat in terms of priority. The panel emphasized the importance of incorporating data collection and impact assessment from the very beginning. The best time to start the conversation is when entrepreneurs develop the business model. For established organizations, board and leadership buy-ins are vital in leading the change.
- Limited resources are the common challenge when it comes to data collection and analysis. Panelists shared creative ways to tackle the problem, including using qualitative data (e.g. story telling), technology (remote sensors), and live data to counter the issue of small sample pool or lack of human resources.