



ANDE SA's Impact Management Knowledge Brief

Aspen Network of Development Entrepreneurs South Africa's (ANDE SA) Impact Management Learning Lab - A forum for entrepreneurial support organisations in South Africa to learn and discuss Impact Measurement and Management (IMM) with peers and experts.

In partnership with Social Value UK (SVUK), ANDE SA conducted the "Impact Management for the South African social and creative enterprises sectors" project, with support from the *British Council's* Developing Inclusive and Creative Economies (DICE) Fund.

Following ANDE SA's Metrics Learning Labs ¹, the DICE project aimed to further understand the Impact Measurement and Management (IMM) landscape in South Africa, with a focus on social and creative enterprises in the region. In the efforts to drive inclusivity and development, the project supported entrepreneurial support organisations who wanted to learn how to measure their impact and, in turn, support their entrepreneurs when using data to improve their decisions and performance regardless of their level of exposure to IMM practices. The project sought to include intermediaries who support these enterprises thereby creating a community of common practice within this sector. The DICE project's objective also included supporting intermediaries to better understand the financial return on their investments over time and in future.

THE PURPOSE OF THE PROJECT WAS TWO-FOLD:

1. To promote the practical implementation of IMM in the ecosystem that supports social and creative enterprises in South Africa.
2. To support intermediaries to capacitate entrepreneurs to have an IMM practice to make better decisions and attract funders.



The project was implemented through peer **learning labs**, **training workshops** and a series of **learning briefs**. In addition to these, an excel-based **IMM toolkit** was designed specifically to support social and creative entrepreneurs and organisations by providing a standard approach to measure and accurately manage the impact of the activities they provide. The IMM toolkit not only serves as an efficient tool for storing and managing qualitative and quantitative data but is intended to ensure appropriate data to inform decision-making leading to ongoing improvements at a practitioner or organisation level.



¹ In 2017 and 2018, ANDE SA initiated Metrics Learning Labs, supported and funded by the UK Department for International Development's Impact Programme. The learning labs provided a peer forum where intermediaries came together to better understand the Impact Measurement industry standards, best practice and methods of measuring outcomes among other things. The learning lab aimed to catalyse the Impact Measurement Practices in South Africa.

LEARNING LAB 1

Identifying key challenges in IMM faced by intermediaries

The purpose of this first learning lab was to establish an understanding about the difficulties in IMM faced by intermediaries. This was to support the development of appropriate content for the subsequent learning labs and train-the-trainer workshops. During this first learning lab, SVUK and ANDE SA introduced the concepts of IMM and social value. In contexts where funding and capacity is often limited, it is critical to emphasise the importance of pursuing other priorities, such as IMM.



WHY DO WE DO IT?

MAXIMISE

Make as much of a difference as possible with the resources available

MANAGE

Do things to increase positive changes and reduce negative changes

MEASURE

Find out what changes people have experienced

Learning Lab 1 was the first introduction of the ten Impact Questions. These questions function as a guide for entrepreneurs and their intermediaries on how to make better use of their IMM practices to maximise their positive output, strategically engaging stakeholders and develop their products and service offering. In addition to the Impact Questions, learning lab 1 also introduced the Principles of Social Value.



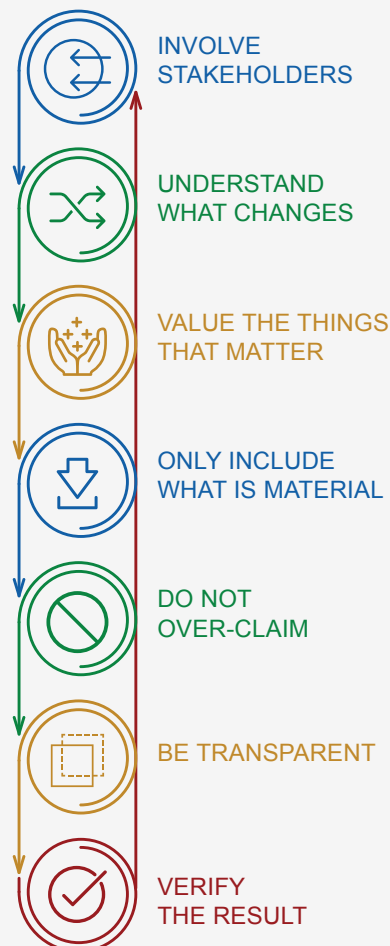
TEN IMPACT QUESTIONS

1. What problem are we trying to solve?
2. What is our proposed solution to the problem?
3. Who experiences changes in their lives as a result of what we do?
Segments based on characteristics.
4. What outcomes are (or likely to be) experienced?
5. How much change in each outcome has happened
(or is likely to happen)?
6. How can we measure these outcomes?
7. What is the relative importance of the different changes in outcomes?
8. How long do we need to measure the outcomes for?
9. How much of the change in each outcome is caused by our activities?
10. Which outcomes matter enough to be managed?

KEY CHALLENGES IN IMM THAT INTERMEDIARIES FACE 2:

- How do you manage **consent** linked to access to data?
- How do you set the correct metrics at the **correct time**?
- How do we measure **attribution**?
- Being overwhelmed by the **breadth of data** and not sure what is relevant.
- How do you manage **staff capacity** and **time** dedicated to IMM practices?
- Reliable **baseline data** requires the collection of information at the very beginning of the intervention process.
- It is often difficult to determine what data to collect and how to measure it.

THE PRINCIPLES OF SOCIAL VALUE



2 Informed by feedback during Learning Lab 1.

KEY TAKEAWAYS FROM LEARNING LAB 1

CONTEXT IS KEY. Before you measure impact, you need to understand the audience and purpose of your intervention. These factors determine the amount of data needed and how it is used. Ask, “What data is valuable and to whom?”

ENOUGH PRECISION FOR THE DECISION! Understanding the context of the programme and its beneficiaries influences how we approach data collection and what data we collect. This ensures we collect evidence that is fit-for-purpose: enough precision for the decision. Impact management is not a perfect science – and we should not be held back by thinking we need perfection.

THE SERVICE-USER VOICE IS IMPORTANT. This is where it is the responsibility of the implementing organisation or enterprise to push back to funders and other key stakeholders to ensure that the impact measurement approach is primarily designed with the services-users in mind.

ASK THE RIGHT QUESTIONS TO THE RIGHT STAKEHOLDERS to better understand how to measure and manage impacts. The Impact Questions below provided a useful frame for the subsequent training and discussions in the Learning Labs.

Each of the subsequent learning labs focused on working through the Impact Questions using practical examples. While answering each of the questions it is important to continually refer back to the Principles of Social Value.

LEARNING LAB 2

Planning for Impact - Spotlight on measuring the impact of youth entrepreneurship



This learning lab focused on addressing questions 1 - 4 of the 10 key Impact Questions.

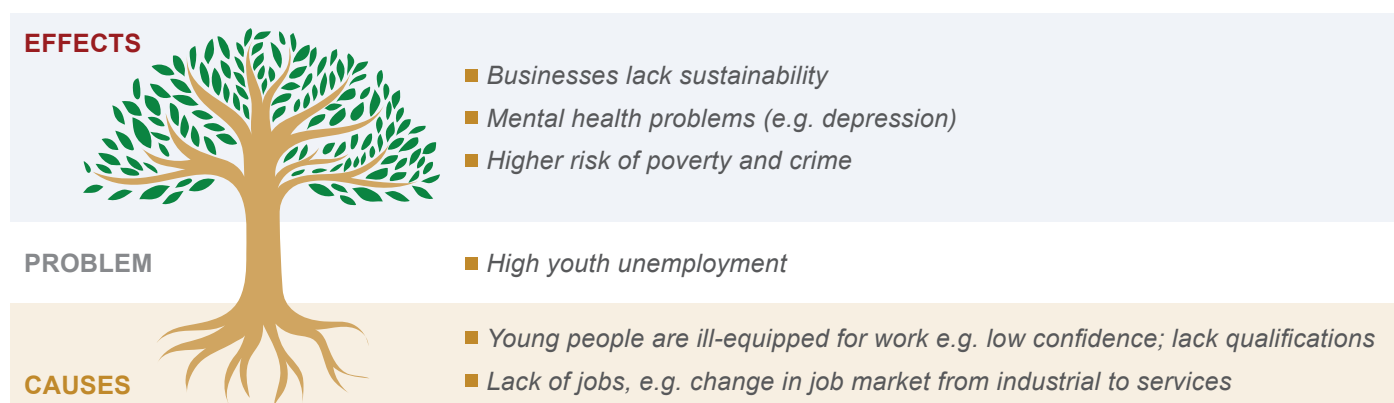
1 IMPACT QUESTION 1: What are we trying to solve?

One of the first important objectives is to understand **what the problem is** that we are seeking to address. There are instances where the nature of the problem is so complex that it is difficult to identify and separate the effects, problem and root causes.

A helpful resource to guide answering this question is a problem tree.

Discussing the issue at hand through the problem tree analysis helps to differentiate the root causes from the identified problem and further differentiating that from the effects witnessed. This in turn can capacitate an informed discussion about solutions.

EXAMPLE: Youth entrepreneurship intervention



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IMPACT QUESTION 2:

What is our proposed solution to the problem?

Thinking about your solution in relation to the problem tree can help to assess whether your solution is correctly aligned to the problem and its root causes. In many cases the problems are too large to be addressed by the intervention alone. The problem tree can also identify what cannot be achieved and show where partners are needed.



This highlights **Social Value Principle 1: Involve Stakeholders**. Successful interventions engage with other stakeholders to leverage existing resources and collaborate. Furthermore, involving stakeholders even at design stage can help refine your solution to make it more effective.

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IMPACT QUESTION 3:

Who experiences changes in their lives as a result of what we do?

PRINCIPLES OF SOCIAL VALUE: PRINCIPLE 1: Involving stakeholders, also related to Impact Question 3 and critically requires placing the service user at the centre of your IMM strategy.

THINGS TO CONSIDER BEFORE ENGAGING WITH THE SERVICE USER:

- What are the risks regarding engaging directly with the service user?
- Is there a community liaison to support such engagements?
- What are the language requirements of the community?
- Are there other issues in the community which may hinder participant feedback?

THINGS TO CONSIDER DURING ENGAGEMENTS WITH THE SERVICE USER:

- What were their expectations?
- Did the 'solution' implemented by the project align to these expectations?
- What changed in the service users' lives? Were these what was expected?
- Were these changes consistent across the community?
- What were some of the 'knock-on' effects of the project experienced by the community?
- How were these dealt with?

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IMPACT QUESTION 4:

What outcomes are (or are likely to be) experienced?

Outcomes answer the question: 'What changed as a result of your intervention?'

OUTCOMES CAN BE:**Positive****Negative****Intended (as per plan)****Unintended****THINGS TO CONSIDER WHEN DETERMINING OUTCOMES:**

- What are the priority outcomes for the intervention?
- Is the logic between the intervention and the outcome clear?
- Are there any non-funded outcomes?
- Were all outcomes positive?
- If there were some negative outcomes, how are (can) they be addressed?

SOME QUESTIONS TO ASK WHEN BRAINSTORMING A COLLABORATIVE SOLUTION:

- What stakeholders are active in the space or are central to the intervention?
- Who do we already have relationships with whom we can leverage?
- Is there a central stakeholder who we are not linked to who would improve our likelihood of success?
- How do we define roles?



BUT HOW DO WE COLLECT DATA ON OUTCOMES? IT DOESN'T HAVE TO BE DIFFICULT NOR PERFECT, YOU CAN USE BOTH QUANTITATIVE AND QUALITATIVE DATA AS EVIDENCE ³.

- Evidence is required to measure an intervention's outcomes.
- Data does not need to be perfect – even 'messy' data can provide valuable information to support decisions.
- Sometimes during the process of extrapolating data, other (unplanned) outcomes become clear.

KEY TAKEAWAYS FROM THE PEER DISCUSSION

LACK OF COMMUNICATION BETWEEN FUNDERS on the same/similar project(s) can present difficulties for IMM practitioners as the needs are often different. E.g. Donor A focuses on quantitative components while Donor B focuses on the more qualitative breadth of the project. The different data components require different measurement approaches, which can become resource heavy for the implementing organisation.

CONSISTENCY OF LANGUAGE DIVERSITY IS CRITICAL. Often when a project is designed priority is given to ensure that the project staff is equipped with the necessary local language skills. This priority needs to be maintained throughout all components of the project. i.e. Ensure that all Monitoring and Evaluation (M&E) tools are translated into the required local language. Otherwise, the measurable value will be further limited.

OUTSOURCED IMM VS INTERNAL IMM. Where an external partner is selected perhaps through subsidisation or recommendation of a funder, it is advisable to build the IMM capacity of the internal team to support sustainability if a funder retracts support. If capacity allows, integrating one internal staff member into the external IMM team (as a form of a secondment) can be a valuable way to ensure skills transfer.

ENSURE THE DATA IS EASY TO UNDERSTAND AND USABLE. Currently there are numerous options for easy-to-build dashboards. It is important not only for the funder to be able to understand it, but also the project teams. This information needs to be available to inform project activities and priority actions for team members.

CONTACTABILITY. One of the challenges identified with youth entrepreneurship interventions in South Africa is the frequency with which they change telephone numbers and the subsequent challenges related to contacting them. Some stakeholders have found that developing a strong relationship at an individual level through frequent engagements builds trust. This in turn contributes to more open and consistent communication. Similarly, in the case where there are fewer issues with job security, youth are less inclined to change their numbers.

ENTREPRENEURSHIP IS A JOURNEY. There is an unrealistic expectation within the space that that small businesses run by entrepreneurs should should be sustainable and successful from the start. In the context of South Africa there are various opportunities to engage unemployed youth in community-led interventions to solve issues in their own communities. This can provide valuable 'work-experience' thus addressing a key limitation cited by job seekers. Hereto, volunteerism can help develop key skills youth will need for all forms of employment, including entrepreneurship.

“ Youth entrepreneurship doesn't start at ideation, it starts at community engagement. ”

Alex Hadfield | SMME Sector Lead
Harambee Youth Accelerator



³ Consider example from Employ-Ability Youth Entrepreneurship Training Programme Case Study, See 📄 "Maximise your Impact" Free Resource.

LEARNING LAB 3

Impact Investing with a gender lens



This learning lab focused on addressing questions 5 - 8 of the 10 Impact Questions with a key focus on gender equality as a factor in driving development of small and growing businesses in South Africa.

WHY WE CHOSE A GENDER LENS FOR THIS WORKSHOP?

In alignment with the DICE programme objectives to create and develop inclusive creative and social economies, ANDE aimed to create a resource that would support ideas around developing capacity to manage impact programmes with a focus on gender equality and impact investing through a gender lens. In addition, we intended to encourage peer-to-peer dialogue and increased knowledge sharing amongst intermediaries. In support of one of the key DICE Fund objectives – tackling issues faced by minority groups related to unemployment and contributions to economic growth in emerging markets – we further discussed adopting a gender lens and inclusive opportunities for all genders in the South African IMM practices with ANDE members. We particularly wanted to support intermediaries in assisting entrepreneurs in preparing themselves to become more investment ready social and creative enterprises, while improving sustainability practices, when focusing on gender-impact work.

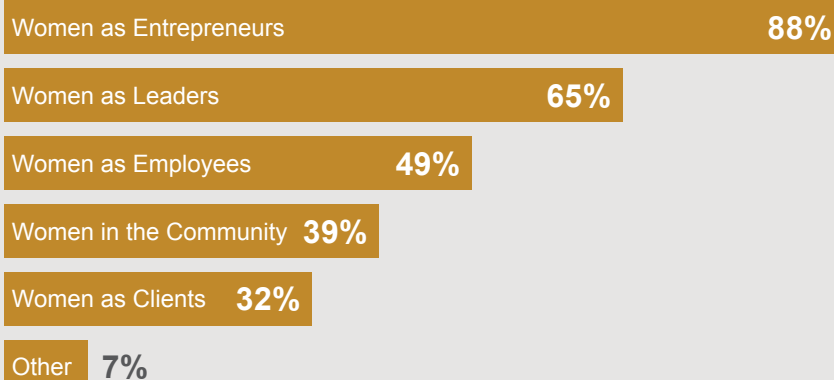
In 2019, ANDE became ready to increase its impact along with the prominence of the SGB sector. With 10 years' worth of committed contribution to the ecosystem, ANDE is directly aligning its objectives and new strategy with the Sustainable Development Goals (SDG). Three urgent issues have been identified as critical focus areas for ANDE programmes, with Gender Equality (SDG 5) being one of them:



ANDE MEMBER PROMINENCE:

- Globally, ANDE members are identifying addressing gender gaps as a high priority in the work they do to support entrepreneurs.
- Supporting women as entrepreneurs has become one of the highest priorities of ANDE members.
- ANDE members show interest in promoting gender inclusion – seen most prominently in their efforts to support women's leadership through investment and capacity building.

SUPPORTING WOMEN AS ENTREPRENEURS IS CONSISTENTLY LISTED AS THE HIGHEST PRIORITY GENDER GAP ANDE MEMBERS AIM TO ADDRESS



N = 92

SOURCE 2018 ANDE Impact Survey



In line with this, ANDE seeks to promote impact investing through a gender lens to help improve access to capital, equity, products and services provided by the SGBs supported in emerging markets.

Impact investing through a gender lens matters for practices in IMM, because it highlights that investments in social, economic and financial systems are affected by gender. This deliberate inclusion of gender factors in investment structures is an impactful way of working to shift structural gender inequality in business models around the world.

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IMPACT QUESTION 5:

How much change in each outcome has happened? (or is likely to happen?)

To answer this question, we require two different data points: the baseline (at the start of the activity) and the endline (when the outcome occurs). The change or difference between these two points is the measure of impact of the intervention.

BASELINE

measure of impact of the intervention

ENDLINE**THINGS TO REMEMBER:**

- It's important to establish your indicators early so that you can identify what your baselines are for collecting data.
- If you forget to collect the baseline data, it is recommended to ask scaling questions about "how much..." or "how many..." circumstances have changed since the beginning of the project to establish your indicators.

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IMPACT QUESTION 6:

How can we measure these outcomes?

To measure the outcomes which we identified in Question 4, we need to begin to think about the data we will work to capture. Even if we understand that the difference between point A and point B is the impact, impact question six supports the process of measuring those outcomes. By using the data points in impact question five, there is a need to develop indicators. Indicators can reflect absolutes (e.g. feedback from Yes/No questions) or a variable range (e.g. rating-related questions). The importance is that the indicators are identified and are relevant to the programme in question.

THINGS TO REMEMBER:

- To measure the change from the comparison between baseline data and endline data, we must decide on indicators before we begin the programme or intervention.

INDICATORS CAN BE SUBJECTIVE OR OBJECTIVE:**SUBJECTIVE:**

- The opinion- of the person interviewed provides an idea of the change that has occurred.
- Numeric scales are useful when trying to understand an individual's perceived change in an outcome of an intervention.

OBJECTIVE:

- These indicators can be observed by a third party, where change in outcomes is easily identified.
- Baseline data is especially important for this.



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IMPACT QUESTION 7:

What is the relative importance of the different changes in outcomes?

This requires input and engagement from the myriad of stakeholders involved (beneficiaries, intermediaries, investors). It is up to them to determine the relevance and validity of the changes in outcomes.

WAYS TO ESTABLISH THE RELATIVE IMPORTANCE OF OUTCOMES:

- **RANKING:** Listing all the outcomes that different stakeholders experience in a ranking order (most important to least important).
- **DIFFERENTIAL WEIGHTING:** Stakeholders rating the outcomes on a scale of 1 to 10.
- **FINANCIAL PROXY:** Replace the differential weighting with a financial value. The financial values allocated to each outcome are used to give an indication of the preferences stakeholders have.

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IMPACT QUESTION 8:

How long do we need to measure the outcomes?

This question is dependent on the programme or intervention in question and the type of outcomes agreed. It is also dependent on when the stakeholders engage with the process, and what their expectations are. What is most helpful here is to manage these expectations through clear communication of project timelines and associated outcomes based on the resources available.

CHALLENGES OF MEASURING GENDER IMPACT WORK

- While gender exclusion has been identified as a challenge, specifically tracking gender inclusion needs to be explored further. There are obvious methods – using number of women, or number of women-led businesses as indicators. However, more generally, this is an area which requires more attention.
- KIVA (ANDE Member) includes gender as a core indicator on their project impact score card. However, what is also important to note is that one can't assume that there is female empowerment if a woman is the recipient of a loan. It is more complex than that. Key questions to engage with include: "Can the woman use the money?"; "Can she make decisions about the use of the money, or even contribute towards deciding how the money is used?"
- With small businesses, resources are often so limited at the beginning that designing metrics and establishing measurement methodologies do not receive the time they require. This is true of all metrics, not just those specific to a gender-lens. Further effort needs to be engaged to empower business owners – male and female – to implement these systems from the beginning, thus allowing more accurate measurement and progress tracking.
- While there are examples of female-focused grants, these tend to be focused on female youth. Opportunities for older women (specifically above 35 years), appear to be more challenging to source.

LEARNING LAB 4

Experiences using the IMM toolkit in the South African context



The fourth, and final DICE workshop focused on the remaining two Impact Questions (9 and 10), as well as a collaborative feedback session on members' and other stakeholder groups' experience using the IMM Toolkit to measure and manage the social impacts of their own organisations.

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IMPACT QUESTION 9

How much of each change in each outcome is caused by our activities?

Social impact interventions are generally people focused. As such, there are multiple factors which may cause changes in behaviour, decision-making and consequences thereof. As such, question 9 is particularly important for practitioners in both understanding the contribution of an intervention towards a change in outcomes (e.g. what change would have been experienced even if the intervention had not happened), whether or not that causal link actually exists, and who else contributes to the changes experienced. This is particularly relevant when the practitioner is engaging directly with stakeholders.

BENEFITS OF ASKING THIS QUESTION:

- Prevents over-claiming responsibility for the changes in outcomes experienced.
- Helps to identify potential partners who are contributing to the same outcomes. Working together with other organisations with similar goals can help to create additional value.
- Identifies individuals who have experienced outcome changes regardless of said intervention. This, in turn, can help ensure that the intervention is redirected to others who are either at greater risk, or who would not experience a change in outcomes without the intervention.

RISKS IF WE FAIL TO ASK THIS QUESTION:

- Over-claiming the intervention's contribution to the change in outcomes.
- Misallocation of resources resulting in limited additional value creation.
- Duplication of efforts with those of others in the space.



IMPACT QUESTION 10

Which outcomes matter enough (and are important enough) to be managed?

If previous questions have already been addressed, we, as practitioners, already have an understanding of the different stakeholders involved in the intervention. However, question 10 addresses the value or importance that each stakeholder allocates to different outcomes. Depending on the stakeholder, different outcomes may be more important than others.

BENEFITS OF ASKING THIS QUESTION:

- Identifies the changes in outcomes which are valued the most. With this information, it is possible to direct the intervention to areas which will have the greatest impact.
- Ensures better understanding of how the value of our intervention is viewed. This in turn, empowers us to communicate our value better to investors, funders and, where needed, to partners.
- Enforces ideal allocation of resources. By this we mean that if we identify that certain changes in outcomes are experienced, but are not greatly valued by the community, this should not be a priority area for impact measurement. In an ideal world, all changes in outcomes should be measured as perceptions change over time. However, where resources are limited, it is of paramount importance that only the most valued impacts are measured.

RISKS IF WE FAIL TO ASK THIS QUESTION:

- Resources are focused on collecting evidence which does not bring value as the evidence is not linked to those areas which are most appreciated. Where resources are limited, it is critical that they are focused on areas which result in maximum value.
- Areas of improvement are not identified and thus, we continue to implement activities or an intervention “because this is what we have always done” rather than ensuring it's focus brings maximum value by identifying ideal targeting methodologies.

IMM TOOLKIT

Developed by SVUK and introduced to practitioners in August 2019.

PRACTITIONERS' 4 EXPERIENCE WITH THE TOOLKIT:

- Ensured we were well equipped to inform financial decisions.
- Improved our ability to manage investor expectations.
- Provided a valuable means to bridge the gap between the investors (financial questions/answers) and the beneficiaries (those who experience the change in outcomes).
- Supports efficient communication of what is being done, and what is being measured.
- Extremely administratively intensive.
- Provides a consolidated view of the intended impact of an intervention.
- The toolkit is very useful in measuring impact, once we know how to use it and do so appropriately.
- By using the toolkit we have been able to identify gaps in our approach in terms of: 1) Mapping our stakeholders and 2) Understanding what we are measuring.
- The tool takes a long-term measurement impact approach.
- The toolkit has been useful to support storytelling of our interventions and to motivate for programme budgets.



4 Experience limited to those who attended the fourth and final DICE learning lab workshop

PRACTITIONERS' ⁵ CHALLENGES WITH THE TOOLKIT:

- At a grassroots level, the stakeholders (such as the entrepreneurs) may find the language difficult to understand.
- Assumes there is an active M & E department to post or capture the required data into the toolkit.
- Requires the implementers to have a clear understanding of what they want to measure (based on clear understanding of stakeholders' needs and the problem being addressed). Unfortunately, this is not always the case.
- Challenging to implement mid-way through a programme. The toolkit is ideally most effective when introduced at the start of an intervention, which is rarely the case.
- It is not very easy to understand initially. It takes some time to come to grips with the different components of the toolkit.
- The data is only as good as what is captured. Where there are challenges with data capturing, the value of the toolkit as a whole is severely limited.
- Collecting data on a quarterly basis, as suggested by the toolkit, can be challenging for smaller enterprises and intermediaries given capacity constraints and / or the type of intervention.

PRACTITIONERS SUGGESTED IMPROVEMENTS FOR FUTURE ITERATIONS OF THE TOOLKIT:

- Include a glossary of terms used in the toolkit with definitions in laymen language to support organisations with explaining the content to stakeholders.
- Consider creating an approach (IMM toolkit) which is designed specifically for entrepreneurs, rather than intermediaries.
- Integrate Key Performance Indicators into the toolkit measurement model.
- Establish an online toolkit to promote further transparency and learning.
- Divide the tool into customised versions appropriate for different groups or organisations.
- Integrate design thinking into the toolkit.
- Provide a training and capacity building component.
- Assist the users and organisations on how to align the data captured within the toolkit with the organisation's theory of change.
- Develop a method to review the accuracy of the data.



⁵ Experience limited to those who attended Training of Trainer Workshops in August 2019 and the fourth workshop

FINAL THOUGHTS

Impact management is about *increasing our positive impacts* and *reducing our negative impacts*. The *Principles of Social Value* and *ten key impact questions* can help entrepreneurs manage their actions and measure the changes experienced by beneficiaries. By *setting targets* we can hold ourselves to account – so instead of asking how much impact have we created, we are starting to ask:



Have we created
as much impact
as we expected?



What can we
do differently to
increase our impact?



IMM is not always perfect. Much of its value is in the attempt to understand how our actions are affecting others – intentionally or not – and managing both the positive and negative consequences. Asking these questions can help learning at an organizational level and inform how we prioritise our actions.

As discussed in the learning labs sections, there are numerous challenges with IMM – especially in the development and entrepreneurship space where resources are limited. However, it is in such spaces that IMM can bring additional value ensuring that the limited resources are allocated to where they will bring about maximum impact.

FREE RESOURCES

ANDE LEARNING LABS:

- ↓ South Africa
Impact Management

ASSESS WHERE YOU ARE AT IN YOUR IMM JOURNEY:

- ↓ Social Value
Self-Assessment tool
- ↓ Iris
- ↓ Global Value Exchange

ADDITIONAL:

- ↓ Maximise your Impact

IMPACT MANAGEMENT PROJECT (IMP):

- ↓ Sign up to Impact
Management Project
(IMP) updates
- ↓ Join the IMP's 'Managing
Impact' Forum on the
Harvard Business Review

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ANDE SA IMPACT MANAGEMENT

FOR THE SOUTH AFRICAN SOCIAL AND
CREATIVE ENTERPRISES SECTORS



With support from the
British Council

