

Impact assessment

Tools for success: doing the right things and doing them right



Intellectual leadership: developing talent, enhancing performance



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About this guide

The purpose of this guide is to encourage you to adopt impact assessment in your organisation in the hope that it will enable you to achieve even more with your funding. The guide has been produced to complement the series 'Tools for Success: doing the right things and doing them right' which provides guidance on running an effective charity.

Understanding and communicating the difference you make is increasingly important. It can both improve your chances of securing funding, and help you to improve your services and achieve even more for your beneficiaries. In the current funding environment where charities are being asked to do more with less, impact assessment is a key component of building a more effective and sustainable organisation.

Many organisations feel daunted by impact assessment and fear that it will be too difficult or expensive to undertake. This guide aims to describe the principles of good impact assessment and how you can introduce it into your organisation in a way that is proportionate to your needs and budget.

Each area of this guide offers an overview of the important activities with tools, checklists and tips to help you through them. There are also signposts to websites and other sources of information, support and advice.

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Acknowledgements

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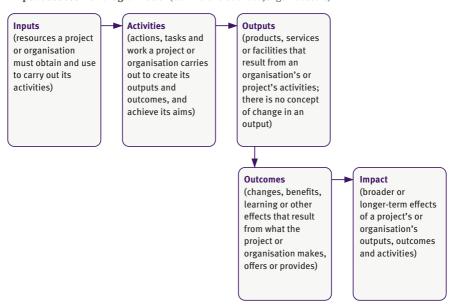
What is Impact Assessment?

Most organisations want to do their very best and be successful. To do this they need to understand what they are trying to achieve, how they are doing compared to their objectives and what they could do to improve performance.

Impact assessment can help charities build a detailed understanding of their performance by identifying not just what they did – but the difference they are making in return for the resources used. It involves building an understanding of how activities combine together to create change and monitoring and evaluation to see what change is actually occurring.

Impact is often described as being the broader or longer term effects of either an individual project or the whole organisation. Many people find the following logic model helpful when identifying their impact, though it should be noted that it is not always possible to chart a linear progression from inputs to impact.

Impact assessment logic model (definitions source: Jargonbusters)





For further information on definitions see Jargonbusters: an informal group which aims to help UK funders, the Charity Commission and voluntary and community organisations to be more consistent in the way they use technical terms in voluntary sector management and commissioning (www.jargonbusters.org.uk).

Good impact assessment will help your organisation to:

- Focus on the activities which contribute most to your mission
- Help your beneficiaries in the best way possible
- Explain its work to beneficiaries, volunteers, donors, funders and other supporters
- Be accountable to stakeholders and the public by engaging in open honest dialogue
- Attract donors and funders to invest with trust and confidence
- Stay competitive in a challenging funding environment
- Motivate volunteers, staff and trustees
- Develop a virtuous cycle of improvement and funding: visible performance, improved results, increased funding and so on.
- Above all, [good impact assessment] tells us what is working and what is not, so that we can refine our programmes to have maximum impact in the future.

 Impact reporting in the UK charity sector, 2011

To achieve these benefits, you will need to ensure that your impact assessment is not done by one individual or to simply produce a one-off report. It needs to become part of your culture, informing decisions at every level in the organisation.

66 Impact reporting for us is about learning. We do this as part of our business, not to provide a single report. This is part of our DNA. 99 Impact reporting in the UK charity sector, 2011

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For further information about using impact assessment to inspire your whole organisation see NCVO's guidance on impact leadership: www.ncvo-vol.org.uk/strategy-impact/impact-leadership

How to get started

There is no one type of impact assessment that suits all organisations so an important first step is to identify an approach that is appropriate to your needs and proportionate to your size and capacity.

Impact assessment can be as simple as a brief description of what you want to achieve and how your activities deliver change. Alternatively it can involve sophisticated research, evaluations and financial analysis, sometimes with help from external consultants. Some organisations develop their impact assessment slowly over time while others create a specific team to implement it in a shorter timeframe.



You do not need to implement large complex projects: keep the process clear and simple, considering what your stakeholders need and what information is most relevant, helpful and credible to show how you are making a difference. Review what already exists and build on this rather than reinventing the wheel. For example, you may already have good evaluation data for individual projects or funders or a team that is already advanced in its thinking about impact assessment.

The following questions will help you to identify a suitable approach:

■ Why do you want to assess your impact?

Get the key people within your organisation together to discuss your priorities and identify the benefits you would most like to get from your impact assessment. Come to an agreement and adopt an approach that addresses these priorities. Some organisations use impact assessment

as a means of improving specific areas (for example: strategy, brand, resource allocation, service quality, fundraising or bidding for contracts).

■ How much impact assessment is it necessary to do?

For some organisations impact assessment may be essential to obtain funding or improve strategy. However, if you have steady income or a stable and well-proven business model a detailed assessment may be less critical. Make an explicit Board decision about how much assessment is appropriate for your organisation, taking into account the cost compared with the anticipated benefits, funder requirements and best practice for an organisation of your type and size.

■ What is your capacity and readiness for impact assessment?

Even the simplest approaches require commitment and time from management and staff. Managers will need to identify the type of information required and develop the people and processes for data collection and analysis. Frontline staff may need to be persuaded that impact assessment is a positive and useful activity and to devote time to data collection. You may need to pay for external advice, IT or communications. If you feel your organisation is not ready for impact assessment or has insufficient resources available, identify what needs to be put in place and work on this first.



Implementing your approach successfully

Get your staff team on board. Impact assessment may require a significant culture change in the way you think about yourselves, your services and your beneficiaries
Involve your trustees and CEO as impact leaders and champions
Develop a plan showing what needs to happen and when
Review progress against plan regularly
Work with funders to manage their expectations of what assessment is cost-effective
Bring impact into every aspect of your organisation: Board discussions, strategy, business planning, finance, HR appraisals and training, organisational learning and improvement, service quality.

Developing an impact map

Before you can assess what you have achieved, you need to have an overview of your outputs, outcomes and impact. This impact map will enable you to be clear about what you are doing, why you are doing it and how you will assess your achievements. It is a necessary step whether you are adopting a simple or more complex approach to impact reporting.

To develop your impact map involve a range of people who understand your activities (staff, volunteers, trustees, service users, funders). These groups may have different experiences and will therefore help you develop a complete picture of your impact including any unintended consequences. Hold discussions, workshops or focus groups to identify your outputs, outcomes and impact. Certain types of work have intended impacts that take many years to achieve so you may need to identify intermediate outcomes which show you are on the way to achieving your impact.

Summarise your map in a way that makes sense to you using templates, diagrams, pictures or flow charts. Some impact maps show a linear progression from inputs to impact. Others provide a more detailed picture of how change will be created including information about any necessary preconditions, key dependencies and the role of other variables, especially other organisations. The latter approach may use a technique called 'Theory of Change' which is becoming increasingly recognised in the UK. For a worked example of how an organisation used Theory of Change to create an impact map, see Project Superwomen on theoryofchange.org www.theoryofchange.org/pdf/Superwomen_Example.pdf

It is helpful to accompany your impact map with a brief narrative telling the story of your organisation in a way that is memorable for your supporters.

Example impact map:

charity providing educational support to blind and partially-sighted children

Mission

■ To improve the life chances of blind and partially-sighted children.



Impact

- Better quality of life for the individuals (improved employment chances and salary levels)
- Gain for society (active citizens who have less need to use public resources).



Outcomes

- The children achieve five GCSEs
- Transition to training or employment
- Improved confidence and self esteem.



Outputs

- Braille materials
- Teacher training sessions.



The following tools may help you to develop your impact map:

- CES Planning Triangle: a practical tool to help you picture what you do and why. It helps you to organise your mission, aims and objectives and to see how they link with your impact, outcomes and outputs. The completed triangle can be used to develop your monitoring and evaluation system. See Charities Evaluation Services: www.ces-vol.org.uk/tools-and-resources/planning-for-monitoring-evaluation/ces-planning-triangle
- **Proving and Improving:** a quality and impact toolkit for charities, voluntary organisations and social enterprise. It provides both online and paper-based tools for mapping your impact, including a storyboard approach which can be used with individuals or groups to describe how your activities lead to your longer term impact: www.proveandimprove.org/myimp/index.php
- Theory of Change: a tool which shows how an organisation's day-to-day activities contribute to its overall mission. It sets out a clear path from needs to activities to outcomes to impact, describing the change an organisation wants to make and the steps needed to make that happen. For advice on how to use Theory of Change see New Philanthropy Capital: www.philanthropycapital.org/publications/improving_the_sector/theory_of_change.aspx, and Charities Evaluation Services: www.ces-vol.org.uk/Resources/CharitiesEvaluationServices/Documents/makingconnectionsusingatheoryofchangetodevelopplan-80o-808.pdf
- NCVO suggest an approach called 'full value' which looks at the broader worth of your organisation, including the value of experience and secondary effects (i.e. the value brought to people or things beyond your primary users: trustees, staff, volunteers, funders, local residents, the environment or the economy): www.ncvo-vol.org.uk/fullvalue

The link between impact and mission

The example impact map on page 9 shows that your impact flows directly from your mission or overall purpose. Most impact assessments aim to demonstrate the extent to which the organisation is achieving its mission.

It is therefore extremely difficult to carry out a useful assessment if your mission is hazy or undefined.

To develop your mission, bring together a selection of materials describing what your group does. These can be from your objects or memorandum of association as registered with the charity commission, from funding applications, feedback from service users or any press coverage you may have received. The following questions will help you to improve your understanding of your mission:

- Why do we exist?
- What issues are we ultimately trying to tackle?
- What changes do we seek?
- The best mission statements are clear, straightforward, memorable, demanding, but realistic and stable.

 Barnard and Walker, 1994

Measuring your impact

Your impact map takes you a good distance on your impact assessment journey and for some organisations this will be sufficient. However, depending on the approach that you decided was appropriate and proportionate for your organisation, you may also wish to measure your impact. This will provide you with persuasive, reliable evidence.

What to measure

Your impact map will have already identified a few key things that are important to measure. You now need to develop specific performance indicators to show whether the change you intend is actually happening. These are often the amount, proportion, frequency or quality of something, e.g. the number and frequency of services, the percentage of people benefitting from your service, reported satisfaction levels and the changes experienced by individuals receiving your help.

There are two main types of indicators:

- **Quantitative** indicators answer questions such as 'how many? how often? how much?' and express the result in numbers
- Qualitative indicators help to demonstrate or describe changes which cannot be expressed in numbers such as those related to ideas, feelings, attitudes and experience.



Using performance indicators for impact assessment

- ☐ Work through your impact map asking 'how will I know this has happened?' for each output, outcome and impact: these are your indicators ☐ Choose which indicators are most important to measure (take into account what is practicable with the time and resources you have available) ☐ Set indicators which are both qualitative and quantitative, and incorporate the breadth and depth of your work ☐ Consider if it would be helpful to set targets for any of your indicators ☐ Refine and reduce your list of indicators so that you do not overwhelm your
- frontline staff and only collect data that you actually need.



Many organisations will have similar indicators and work is on-going to develop banks of sample indicators. For further information see:

- Proving and improving: www.proveandimprove.org/meaim/ samplendicators.php
- Charities Evaluation Services: www.ces-vol.org.uk/tools-and-resources/ outcomes-and-outcome-indicators/outcome-indicator-banks
- Wikivois: www.wikivois.org/index.php?title=The_WikiVOIS_Database

How to measure

Having identified what to measure, you now need to collect and analyse information about your performance indicators.

You can **collect** information from your own sources through questionnaires, phone or face-to-face interviews, discussion groups, diaries (paper, photo, video), or observation. You can also use information from other organisations such as reports, research or official statistics. Before starting any data collection test your approach to ensure that it is capturing the information that you need. For example ask some project participants to fill in a questionnaire or carry out interviews with a small number of people. If you are working with young children or vulnerable adults they may find it hard to engage with traditional methods of data collection, so it is important to choose the right approach for your target group.

You can **analyse** the information in a spreadsheet or database. For numerical data ask questions such as: 'what percentage of users rated our advice service as very good?' For textual data look for common themes in the material and consider what these themes tell you. For both data types ensure that the information is reliable and, if possible, use more than one data source before arriving at any conclusions. For example if a survey of users reports increased self-confidence, you may be able to obtain evidence of this increased self-confidence from a second source such as professionals who work with the user or attendance records showing that the user is participating in more activities. Sometimes referred to as triangulation, this enables you to check that the findings make sense and are robust.

To get the most value from your analysis consider factors such as what influenced or prevented change, whether there were any unexpected outcomes and whether the planned benefits were those most valued by users. Be wary of assuming that there are causal links between your activities and the end results and look beyond the data to ask what the results mean for your organisation.

There are benefits and limitations to each method of data collection and analysis. To find out more see: www.proveandimprove.org/meaim/ comparemethods.php

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There are a range of tools and techniques which can help you to collect and analyse evidence.

- For an overview of what is available see NCVO: www.ncvo-vol.org.uk/strategy-impact/learn/tools-and-techniques/tools-for-demonstrating-impact
- For an easy to use online survey tool which enables you to ask questions and analyse the results see **Survey Monkey**: www.surveymonkey.com/

For tools to help you to measure soft outcomes such as confidence, self-esteem or wellbeing, see:

- New Philanthropy Capital Wellbeing Measure for young people aged 11 to 16. It is an online survey-based tool, which allows you to create your own survey, track its progress and receive a detailed report of results: www.philanthropycapital.org/how_we_help/well-being/
- **Triangle Consulting** Outcomes Stars which support and measure change in vulnerable people. There are 14 versions for different client groups and services: www.outcomesstar.org.uk/

Implementing successful measurement

When deciding what and how to measure, consider the following questions to ensure that your approach is fit for purpose and feasible to implement:

- What data needs to be collected to monitor your performance indicators? When? By whom?
- Does this data take into account the needs of your stakeholders and how you plan to use the information?
- Is your approach practical given your resources, timetable and skills?
- If you are measuring change over time how are you going to establish baseline data?
- To what extent do you need to measure your impact in financial terms? (for more information see **Social return on investment (SROI)** on page 15)

- Do you need new or altered systems (e.g. a database) or processes (ways of working) to capture this data?
- Do you need to train your staff to collect accurate data?
- How are you going to validate your data?



Take into account ethics when measuring your impact. Treat the people who provide your data with respect, thank them for their input and follow data protection rules. Presenting open and honest results will show that your organisation has integrity and is capable of learning.

Social return on investment (SROI)

Charities are under pressure to deliver efficient and effective programmes for less money and often have to compete to win contracts to deliver services. In this environment there is focus on understanding the value of what each organisation is providing. SROI is an alternative approach which helps you to understand, manage and communicate the value that your work creates in a clear and consistent way. It is based on seven principles that help organisations work with stakeholders to decide how to value what matters and how to be accurate, honest and transparent.

The main difference between SROI's principles and those mentioned earlier in this guide is the emphasis on 'valuing the things that matter'. This involves using financial proxies to put a monetary value on social, environmental and economic outcomes. SROI also takes into account factors such as deadweight (the outcome that would have happened anyway), alternative attribution (the outcomes that arose as the result of other interventions) and displacement (the negative consequences of the outcomes).

SROI has attracted large headlines for the ratios that form part of its calculations. For example, an organisation might have a ratio of £4 of social value created for every £1 spent on its activities. However, the SROI Network

stresses that this ratio is only one small part of the SROI approach, which should be viewed as a story and not a number: the story should show how you can understand, manage and prove the value created.

SROI is especially useful when dealing with public service commissioners and other funders requiring outcomes information in financial terms. But it is time consuming and relatively complex. Organisations with skills in evaluation, outcomes, economics and accountancy will find it much easier. For these reasons, SROI may not be appropriate for all organisations.



Always provide some financial context to your impact assessment, even if you are not doing a SROI analysis. For example, show the cost incurred to deliver either your impact or individual outcomes.

Communicating your impact

Many charities have rich information about the difference that they are making but they fail to communicate it successfully. This is a missed opportunity. Effective communication of your impact will help you to celebrate your successes and attract more support for your cause. It can be a much more creative process than simply churning out an annual report.

To communicate your impact successfully:

- Identify your key audiences (this could include funders, beneficiaries, and the general public as well as your own staff, managers and trustees)
- Consider the differing information needs of each audience
- Tailor your communications for each audience
- Keep it short and punchy.

For guidance on **how** to communicate your impact and **what** to include in your communications refer to 'Principles of good impact reporting for charities and social enterprises'. The principles are not intended to be a compliance tool or a checklist. Rather they can help guide an organisation's exploration of its own impact.

Principles of good impact reporting for charities and social enterprises

How	What
Clarity	Clear purpose
Accessibility	Defined aims
Transparency	Coherent activities
Accountability	Demonstrated results
Verifiability	Evidence
Proportionality	Lessons learned

Include persuasive and credible evidence of your achievements. Try to get a balance between qualitative and quantitative evidence and use external research to add weight to your claims. It is important to show a rounded picture of your impact and to report what you have learnt as well as your success stories. This shows a willingness to learn from experience and to identify how things can be improved.

Examples

Quantitative evidence	Qualitative evidence
Our clean water project dug 12 wells in 8 villages meaning that 1,000 people now have access to clean water on their doorstep.	Saleem used to walk 8 miles each day to collect water and she did not have time to attend school. As a result of the new village well, she now attends school: 'I feel so happy to be getting an education' she said.

External evidence to back up the effectiveness of an activity

The following examples are taken from the website of WaterAid:

'783 million people in the world do not have access to safe water. This is roughly one in ten of the world's population.' (WHO/UNICEF Joint Monitoring Programme (JMP) Report 2012 update)

'Studies have shown that improvements in women's rights and economic development are among the most important factors leading to a reduction in population growth. Both of these are contributed to by improved access to water and sanitation, which has been shown to improve girls' school attendance, to help empower women, and to free up their time for economic activities.'

Refer back to your work on your mission and include an overview of the problem you are seeking to address and why your charity is making a difference in your communications. Be as creative as possible when telling this story. For an innovative example from a charity seeking to provide clean drinking water in developing countries see charity water: www.charitywater.org/whywater/



Where to communicate your impact

Learning from impact assessment

Once you have come to conclusions about your impact, you can start to think about how to use this knowledge so that you can achieve even more for your users or cause. Recent research suggests that one of the most important benefits of impact assessment is the way in which it stimulates improvements to services (New Philanthropy Capital, 2012).

In order to gain the most from your impact assessment consider the following questions:

- Were there some activities that contributed more to your impact than others?
- Did you experience any unintended or negative consequences?
- What feedback have you got from beneficiaries and staff which may cause you to refine your approaches?
- How does your impact compare with other organisations providing similar services?

- What changes could you make to increase your impact? Do these require small changes to your activities or a larger scale review of your strategy?
- Are there any cultural changes required to increase your impact? For example, do you need more impact leadership from management and trustees or to include impact objectives in your staff performance appraisals?



If you are interested in comparing your impact with other organisations:

- New Philanthropy Capital has started working with groups of charities with similar activities to share and compare methods and results: www. philanthropycapital.org/publications/improving the sector/measuring together.aspx
- Charities Evaluation Services has also written an introductory guide to benchmarking: www.ces-vol.org.uk/Publications-Research/publications-free-downloads/benchmarking-made-simple



To get more information on how to improve your organisation see:

- **Proving and Improving** have outlined 20 well-known approaches to improvement and has Tool Decider and Comparison charts which will help you to see what type of approach would be most suitable for your organisation: www.proveandimprove.org/tools/index.php
- **Charities Evaluation Services** provide information about different approaches to quality checks including PQASSO: www.ces-vol.org.uk/ tools-and-resources/quality-management-resources

The future

Impact assessment is increasingly seen as an essential part of running an effective and sustainable organisation so it is likely to become more prevalent in future years. To help more charities adopt impact assessment, the Inspiring Impact programme was launched in 2012. It is a UK-wide collaboration between eight organisations, developed and delivered in partnership with the sector. It has an ambitious ten-year vision: to make high quality impact measurement the norm for charities and social enterprises by 2022. The Inspiring Impact programme will develop a Code of Good Impact Practice, provide a diagnostic system to identify how to improve impact measurement and give support with tools, systems and shared measurement.

This publication has hopefully given you an overview of how you can achieve a better understanding of your impact and tell your story to the people and organisations that are critical to your future success. We hope that it has given you some ideas and inspiration for your own impact journey.

Signposts

Publications

Barnard H, Walker P (1994) Strategies for success (London: NCVO)

Cass Business School Centre for Charity Effectiveness (2012) *Tools for Success: doing the right things and doing them right*

Charities Evaluation Services (2002) Practical monitoring and evaluation

Charities Evaluation Services (2011) Monitoring and evaluation on a shoestring

Charity Finance Group and Cass Business School (2011) *Impact reporting in the UK charity sector*

Charity Finance Group, NCVO, Institute of Fundraising, ACEVO, The SROI Network, New Philanthropy Capital, Small Charities Coalition, Social Enterprise UK (2012) *Principles of good impact reporting for charities and social enterprises*

Charity Finance Group, ACEVO, New Philanthropy Capital (2012) *Principles into Practice: how charities and social enterprises communicate impact*

New Philanthropy Capital (2010) Talking about results

New Philanthropy Capital (2011) *A journey to greater impact: six charities that learned to measure better*

The SROI Network (2011) Making it count

Websites

Cass Business School Centre for Charity Effectiveness www.cass.city.ac.uk/cce

Charities Evaluation Services www.ces-vol.org.uk

Charity Finance Group www.cfg.org.uk

Inspiring Impact http://inspiringimpact.org

Jargonbusters www.jargonbusters.org.uk

KnowHow Non Profit www.knowhownonprofit.org

NCVO www.ncvo-vol.org.uk/strategy-impact/impact

New Philanthropy Capital www.thinknpc.org

Prove and Improve www.proveandimprove.org

The SROI Network www.thesroinetwork.org

Where to go for advice

Cass Centre for Charity Effectiveness offers training and support in many aspects of organisational development.

For more information about our short courses, master classes and our MSc programmes, see www.cass.city.ac.uk/cce/

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Cass Business School

In 2002, City University's Business School was renamed Sir John Cass Business School following a generous donation towards the development of its new building in Bunhill Row. The School's name is usually abhrevisted for Cass Business School

Sir John Cass's Foundation

Sir John Cass's Foundation has supported education in London since the 18th century and takes its name from its founder, Sir John Cass, who established a school in Aldgate in 1710. Born in the City of London in 1661, Sir John served as an MP for the City and was kniehted in 1710.

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