

Socialsuite

Share your impact
with the world.



Introduction

Measuring and reporting impact is a complex process that needs a lot of data to be collected from many stakeholders in different locations. Historically, organisations have said it is “just too hard” even when they know they should do it. But this looks set to change. There has been a surge in interest from organisations in measuring and reporting their impact. Similar to how software is used to report financial performance, impact measurement can be standardised and systemised using impact management software. Having an impact management system has tremendous implications for streamlining overall business effectiveness, benchmarking performance and impact, as well as influencing investments towards areas of maximum impact.

Role of Technology

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Governance

Boards are becoming increasingly accountable for the actions of the organisation they represent. It is imperative that a

board can ensure that their organisation is acting in a prudent and ethical manner and that the appropriate controls and monitoring systems are in place to manage risk.

The implementation of an Impact Management system

will ensure that the board has the peace of mind that the appropriate monitoring of positive and negative impact can be identified and acted upon.

The use of an Impact Management system importantly allows the board of a purpose led organisation to assess if that organisation is actually living up to the Values, Mission and KPI's that it adopted as part of its strategy. Without a system that continually collects and reports impact data, the board will be relying on anecdotal feedback and gut feel.

Impact reporting should have the same rigour and transparency as financial reporting, especially if stakeholder trust and investment capital was tied to impact.

When it comes to signing off on impact reports, the Board of Directors, CEOs and key management personnel need to have confidence that the data have not been manipulated or laden with errors.

An impact management software will provide the assurance of high integrity impact data and reporting.

Having high standards and integrity around impact measurement will reduce the likelihood for organisations to “cherry pick” their impact stories, falsely claiming (or exaggerating) positive impact.

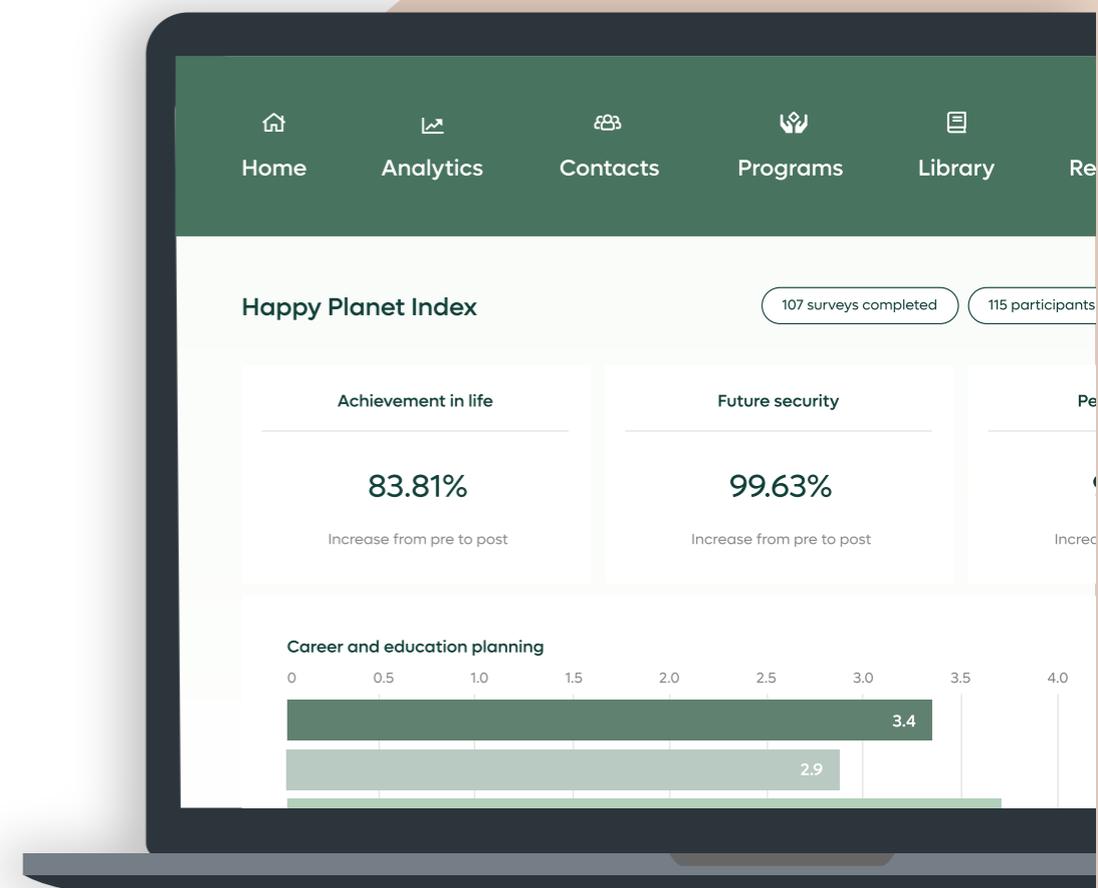
Monitor vs. Measure

Organisations who retrospectively measure their impact (months or years after a service is delivered) run the risk of going years before realising their interventions have not delivered benefits. This could lead to millions of dollars wasted, jeopardising community trust and the chance of securing further support and capital. Even worse than the loss of money is where some programs that set out with the best intention are actually doing damage and causing harm to the causes they are trying to support.

By contrast, organisations who monitor their impact on an ongoing basis can quickly identify areas in their programs that require further improvement; resulting in positive impact and cost reduction of ineffective services.

To manually measure outcomes and report impact on an ongoing basis is untenable from a resourcing perspective, as staff are typically at capacity with day-to-day operations.

An impact management software would enable organisations to monitor and track their impact on an ongoing basis, providing real-time performance data.



Supporting Anecdotes with Evidence

A key challenge around impact measurement is how to quantify “intangible” impact metrics such as a change in quality of life or general well-being. There is frequently an over-reliance on anecdotal and qualitative evidence to validate impact. This results in superficial impact reports.

Impact reporting should have the same rigour and transparency as financial reporting, especially if stakeholder trust and ongoing capital was tied to impact. This means quantifying the “intangibles” using key performance metrics, and monitoring these metrics over time.

One example is to use an “index” or a score to quantify what constitutes a positive quality of life; and then tracking this index before, during and after an intervention. However most organisations lack the in-house expertise to design impact measurement metrics and to date, impact measurement standards are not as readily available as accounting principle standards.

Using an impact management software will enable organisations to “plug-and-play” evidence-based measurement metrics that can be used for ongoing impact measurement.

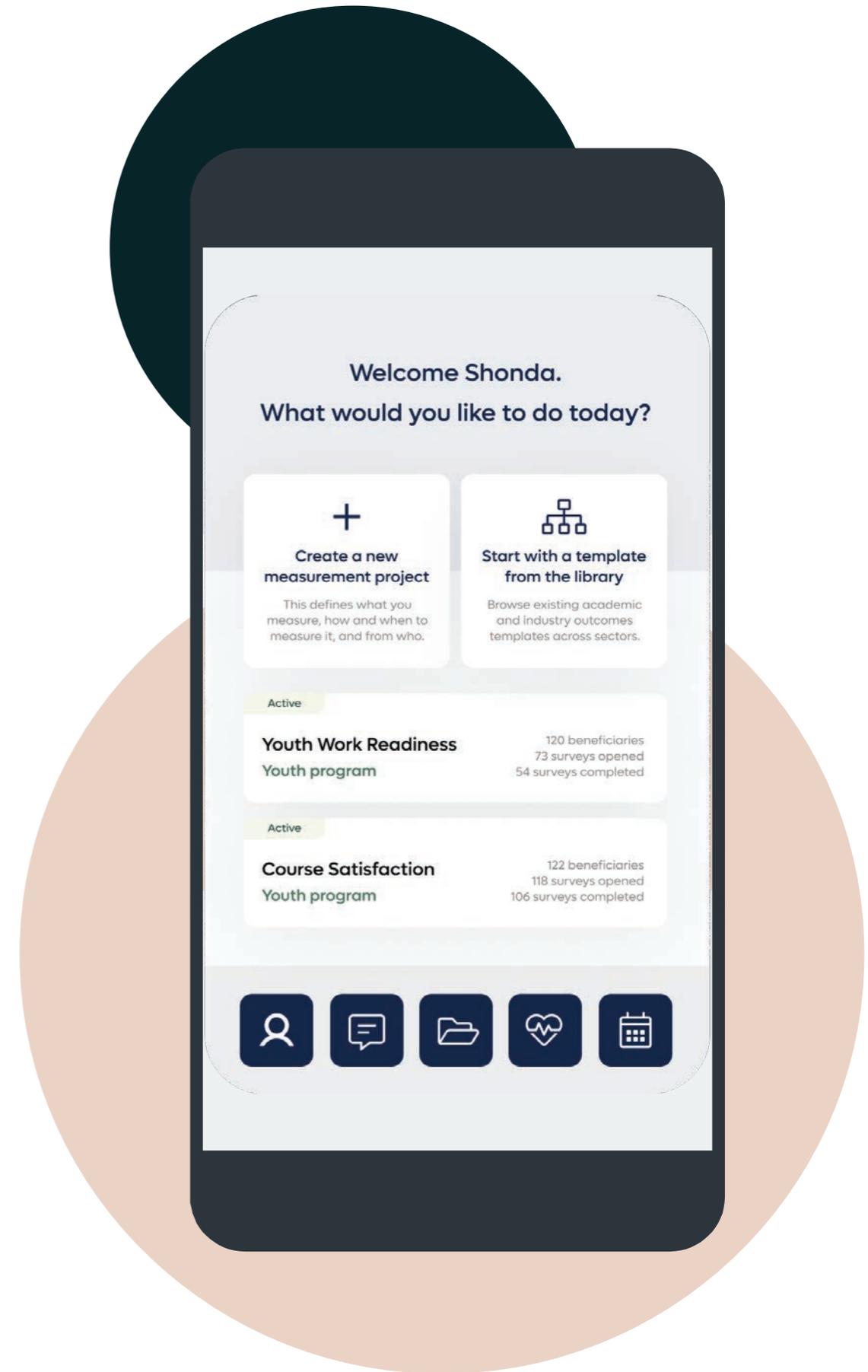


Instant and Accurate Information

The CEO may request an immediate impact report for a Board or Funder meeting. For organisations who do not regularly monitor their impact, staff will **scramble to produce an ad hoc report with integrity of the data questionable.**

Organisations who monitor their impact on an ongoing basis **can generate real-time snapshots of their impact at any time**, avoiding compromise to validity of its impact claims.

An impact management software facilitates ongoing data collection, offering access to real-time impact performance reports even on the go.



Data Sovereignty

The location of where data is stored, and whether that jurisdiction's government or local authority can gain access to that data, is highly contentious.

Organisations who collect impact data about their service consumers and business performance should **be aware of where their data is stored, particularly as this data tends to be sensitive in nature.**

For some cloud services such as accounting software, organisations may have the option to keep their data stored in data centres located in the same country. In fact, a number of large institutions including banks and some Fortune 500 companies are starting to become more mindful of hosting less data offshore.

It is **important for organisations to verify their data storage options.** Web-based applications, such as online spreadsheets and online survey/data collection tools, are likely to store data in offshore servers. Organisations also need to ensure that their data is not replicated onto offshore servers.

Data Security

Impact data contains highly sensitive information about business performance and/or personal information about the business' customers and service consumers. It is imperative that this **data is captured and stored under high security standards.**

Organisations without an impact management software tend to use Google Spreadsheets or multiple unmanaged spreadsheets, **exposing this data to unauthorised access and potential loss.**

Having your data on the cloud presents several benefits, such as enabling a smoother flow of data and collaboration between employees and stakeholders regardless of location. It also supports ease of file and data backups, without the need for expensive servers. For such benefits to outweigh the risks of data security and sovereignty, **organisations shopping around for cloud technology to measure their impact is encouraged to weigh up their options around where and how their data is stored.**

Labour Cost

We have estimated that it would cost organisations at least \$15k in annual labour cost if they were to manually measure their impact quarterly each year. This cost is only for a single program and based on the assumption that electronic surveys are used to collect data. **Labour cost would almost double if paper surveys were used**, due to additional administrative effort required to collect and enter the data.

Labour cost spent on impact measurement increases with program complexity such as number of program beneficiaries reached, number of program delivered, and number of program locations covered.

Organisations could be fronting an estimated \$58k in annual labour cost if impact measurement was undertaken quarterly for a single service that is delivered in up to 4 geographical locations. This cost increases to \$96k if the number of programs increased from 1 to 3. If using paper surveys, annual labour cost would more than triple to a significant sum of approximately \$280k per annum.

This poses a challenge for large and more complex programs to undertake ongoing measurement.

An **impact management software** will enable service providers to **scale their measurement requirements alongside service delivery, without making a dent on existing labour utilisation and cost**. With SaaS technology, the annual licensing costs plus labour cost to administer the software is significantly cheaper than for staff to deliver the whole end-to-end process themselves.

¹ Labour cost estimations are based on the following assumptions current as of January 2019: Program Monitoring & Evaluation ("M&E") managers earn an average \$70k per annum and staff / data collectors earn \$65k per annum; Total labour cost is calculated as a sum of respective earnings for program manager and their staff, taking into account forecasted time spent on impact measurement tasks allocated to each role (time forecast is based on our experience); Impact measurement tasks range from survey and data collection method design, collation of beneficiary contact details, data collection, data entry, mapping of pre and post intervention impact data, data analysis, report preparation and presentation; Number of beneficiaries per program is 20.



Employee Engagement

Staff are usually busy with day-to-day operations that they have little or no visibility on the overall impact their role in the organisation is making.

Affording staff a view of the big picture would not only promote retention, but it would also motivate and have a positive impact on key stakeholders and service consumers.

An impact management software will provide rigorous and realtime impact reports, facilitating regular dialogue and feedback loops across all levels of staff and eventually consumers and key stakeholders.

Protection of Corporate Memory

An estimated 1 in 7 Australian employee leaves their job each year (Business Insider, 2018).

The departure of experienced employees such as a manager can have significant impact on service delivery and productivity, especially with the loss of organisational knowledge and skills.

Performing ongoing measurement using an impact management software will facilitate seamless access to data and reports at any time.

Conclusion

In the current climate of economic uncertainty and political volatility, people are losing trust in institutions and are increasingly turning to private businesses and service providers to invest in the betterment of societies. A precedence is now placed on organisations to undertake impact reporting alongside financial.

Measuring impact is a complex process that needs a lot of data to be collected from many stakeholders in different locations - in the past companies have said it is "just too hard" even when they know they should do it, but thankfully there are robust technology solutions that have emerged in recent years.

Organisations looking to get started with impact measurement should be weighing out the costs and risks associated with undertaking impact management manually using paper-based methods and existing staff capacity. Having a guarantee of high data security and sovereignty is also key should organisations choose to explore free or web-based survey and spreadsheet tools.

Being able to work with standardised, benchmarkable and reliable impact data is fundamental to impact measurement as this facilitates ongoing monitoring and improvement over time. Both small and large organisations will be able to collect, report and act upon their impact with the right impact management technology solution.

About Socialsuite

Founded in 2014, Socialsuite is the global leader in Impact Management Software. Socialsuite is backed by a world-class board and executive team and has customers across the globe. Socialsuite's software simplifies the complexity of impact management for corporates, not-for-profits/charities, NGO's, governments, foundations, management consultants and impact investors. The easy-to-use software provides automated data collections across multiple stakeholder groups over time, using any impact measurement methodology and produces actionable impact reports. Socialsuite supports over 100 measurement methodologies on its marketplace that have been developed by third-party impact experts.

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