

What is social impact?

Social impact is a term which can cause confusion and is often over-used. Much of this centres upon the often interchangeable definition of what it is or could be. Contemporary commentators argue that if you google social impact you are likely to receive 77,000 different search results - so not that helpful.

Terminology and specific definitions about impact are notoriously hard to define, and vary depending on the context. Impact is best explained as part of your organisational journey.

Your organisation has a strategy to help or assist people or clients, and as part of this thinking you have an idea about the difference your organisation will make. The key is whether you can demonstrate or evidence that difference.

Many of the terms around social impact are interchangeable - so it helps to have a clear definition of what each might be. Support Cambridgeshire uses these:

Input

An input is the resource allocated to a project or service: This could be time, finances, raw materials or office space (all of these are valid examples).

Activity

An activity is how the input is used. This might be running a service, meeting beneficiaries or arranging a conference.

Output

The output is the tangible result of the activity. It might be called a deliverable or a product. This may be the number of beneficiaries met, a conference organised, or a report published.

Outcome or impact

The impact is the change intended from an output. The term outcome is often used to describe the nature of that impact. For example the outcomes of improved well-being and improved social relationships for an individual might constitute the impact of a peer-support course.

At its heart, social impact has two core themes.

- An improvement in the lives of people, be that groups or individuals.
- Its social impact and not personal impact - so in order to reach a group of people, social impact must be elevated from a one-off, case-by-case approach. It must be systematic. That way it can be applied efficiently and effectively to many people. Certainly the results are personal, as testimonials from clients or service users often show, but they are also social or system-wide.

A good definition of social impact could be:

"Activities or projects which deliver systematic and social improvement for individuals or groups within society."

Here are some examples of the kind of areas that improve the lives of people in society.

- Physical security
- Housing security
- Food security
- Civil rights
- Freedom of religion
- Artistic expression

For example, can a food bank perform systematic social improvement? No. Food banks provide food to hungry people, sometimes temporarily, sometimes for prolonged periods of time, and in doing so they reduce or eliminate the physical hunger of their clients. But physical hunger is not the underlying problem. It's merely a symptom of that problem, which is food insecurity. Yet most food banks exist not to eliminate food insecurity.

Systematic social improvement would be an organisation with a mission not just of feeding people, but of training them for employment in the culinary arts. It's systematic: the organisation uses a consistent approach to training and services. It's social: it serves a group of people, usually low- or no-income individuals suffering from food insecurity, housing insecurity, and other underlying problems. And it's improvement: graduates of the training curricula go on to support themselves with culinary employment.

Why measure social impact?

Access to finance

Impact is an increasingly important item on investors' agendas, and one that is proving hard to ignore. For organisations looking to access funding, demonstrating impact opens new doors and opportunities. Whilst securing investment is no mean feat, demonstrating social impact is essential if you want your application to be successful. Embedding good impact practice and measuring relevant impact will ensure your organisation stands out from the crowd in a competitive bidding process. Demonstrating exactly how you deliver on your mission can make the difference between securing funding and missing a valuable opportunity.

Measuring impact is the sign of a well-run organisation

Impact can be a form of performance monitoring, and if you are embedding impact measurement within your organisation then it sets up very visible ways of judging the success of an organisation and showing that it is delivering to its beneficiaries. It is a signal to donors, investors and beneficiaries that your organisation cares about improving its delivery, and is willing to be held accountable for its performance. This transparency increases engagement from external donors and can also help to motivate employees and volunteers as they see the progress they are contributing towards.

It helps tell your story to stakeholders

Communicating your work effectively builds engagement with stakeholders. Stakeholders such as donors or investors increasingly want to see the return on their investment, whilst wider stakeholders want to know how your work is progressing. Using empirical data as evidence of your outcomes and benefits helps build your narrative. Telling a good story needs facts and impact, not just output. Data is essential in order to make the most of your outcomes, whilst testimonials play a strong supporting role. It is even better if this narrative can be readily re-told, so that your story is being disseminated and as a result gains social validity.

Impact reporting is here and it's here to stay

Whilst the use of the term 'impact' may change and alter, the key principles will remain the same: the need to effectively demonstrate your performance as an organisation. Currently, it is estimated that charities are spending 2-5% of their revenue on demonstrating their impact, and the emphasis on measuring impact is only

getting stronger as funders look to understand the performance of organisations operating within similar areas. As the impact agenda moves forward to include more empirical benchmarking using core indicators for particular areas and beneficiary groups, being ready with your relevant impact indicators and data will help to ensure your competitive advantage over those organisations that have not embedded impact measurement within their strategy.

Achieving your purpose

As social organisations, your mission and purpose is central to your existence and reason for being. Delivering on that mission is why you carry out your work, so having definitive proof of how you are achieving your aims and to what extent is paramount. Measuring impact can help with this, but it is important that you make measuring impact work for you and your organisation. When impact measurement is carried out effectively, it will not only provide access to finance but also support your key performance indicators and your organisation's overall effectiveness. If what gets measured is to get done, it is crucial to measure the right thing. It is important that the vital work being done is not overshadowed and that impact measurement is done in a practical and proportional manner.

Impact is a valuable tool for ensuring more is done better, for the benefit of society. The question is not whether or not to measure impact, but how to do it effectively and efficiently, and how to ensure that it is embedded into your organisation.

What's our starting point?

Support Cambridgeshire believes that Impact practice is as important as Impact measurement.

In other words, the process of developing good policies, procedures and service delivery ideas is as important as any attempts to measure the difference organisations make. Sometimes, given the nature of our community work it is impossible to quantify impact - no matter how hard you try.

The key is that you have tried, and you can demonstrate this to potential funders.

Inspiring impact has developed a simple free online resource to assist organisations on the first part of their impact journey - identifying the gaps in what you do and how you do it.

Measuring Up is a straightforward, step-by-step self-assessment tool that allows you to review and improve your organisation's impact practice - that is, the way you plan, evidence, communicate and learn from the difference that your work makes. Measuring Up has been designed for use by all kinds of charitable organisations, social enterprises and funders.

There are three versions of the Measuring Up tool available.

- For small organisations (those with an income of £0-£100,000 or newer to impact practice)
- For medium to large voluntary organisations (those with an income of £100,000+ or more experienced in impact practice)
- For funding organisations

The portal can provide you with a basic report which highlights your strengths or where improvements are required, although you will need to register for an account in the first instance. This can form the basis of your organisational strategy, your impact practice and where you need to develop your skills and experience.