Kingston Smith

Helping clients succeed

Impact measurement toolkit

For the charity sector

With the funding environment becoming more competitive and demanding, the ability to effectively measure and clearly articulate impact is essential to securing voluntary income. This toolkit is an introduction to impact measurement procedures and an explanation of the principles involved.

Impact can be thought of as the long term results that your work has for your beneficiaries. Impact is too often confused with 'outputs.' Most charities will be able to say how many people they help. They will probably be able to say how often or for what duration of time services are delivered, and what these services cost. This is not measuring impact. These are your outputs.

Measuring outputs is important of course. Careful monitoring of outputs will give you advance notice of trends in take up of services, the cost of delivery, and may enable you to predict demand and allocate scarce resources more effectively. But measuring outputs alone is not sufficient.

Research from New Philanthropy Capital has shown that in the last five years over 70% of charities increased the effort they put into reporting impact*.

Around 90% of charities with turnovers of over £500,000 conduct some kind of impact measurement due to increasing pressure from commissioners, grant making trusts and private donors to demonstrate the impact of their work.

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The primary motivators for effective impact measurement are:

- Changes in funder's requirements
- Increased support for impact measurement from funders
- Future project planning
- Management decision making
- Ability to attract new funding.

Nearly 80% of all charities believe that measuring impact makes an organisation more efficient, with the most commonly cited benefit being an improved service*.

Impact measurement

Good impact measurement is embedded in the strategic planning of your charity. Without it trustees cannot make effective decisions to meet their charitable objectives. Many organisations struggle to pinpoint where they are on the journey to measuring their impact. The questionnaire on the opposite page is based on the ImpACT Coalition Transparency Manifesto. Use it to assess where you are and what your next steps need to be.

Score yourself against each criteria listed and choose the statement that most applies to you. Tally the number of 1's, 2's and 3's to determine where you are at.

Throughout this guide we introduce an example template to support the development of your own impact measurement practices. These templates can be found at the end of this toolkit and online at www.kingstonsmith.co.uk/charities

*Source: "Making an impact" NPC 2012.

Impact measurement toolkit

Criteria	1	2	3
Understanding impact	No demonstration of the theory of change	Understanding of the desired change	Clear demonstration of the theory of change, how the organisation works to make that change and progress that has been made so far
Monitoring and Evaluating Impact	No monitoring and evaluation of projects	Funder led or fragmented monitoring and evaluation	Strong monitoring and evaluation of charity's work
Communicating impact	No communication of impact	Impact of projects communicated in isolation or when required	Clear demonstration of a coherent impact across the whole charity and shared learning with others
Leadership	No leadership commitment to impact measurement, accountability and transparency	Leadership beginning to consider and ask for impact statements but not as part of project or strategic planning	Leadership is demanding relevant and meaningful impact measurement and allocating resources
Organisational culture	Resistant to change	Considering change in some areas	Embracing change as a natural result of learning
Stakeholder / funder engagement	Feedback according to terms and conditions only	Some discussions with funders and stakeholders on impact measures	Active debate about measures, tools, priorities and validation
Service user engagement	Counting outputs only	Some customer satisfaction-type surveys or isolated case studies	Regular pre- and post-intervention impact studies
Total			

Results

Mostly ones

There is little or no understanding of the need or process of impact measurement. The organisation has not previously measured outcomes though it probably has and does measure output. Leadership do not think this is a cost-effective step or will often believe that it is difficult for the organisation to undertake impact measurement for their particular cause or beneficiary group.

Training for trustees and senior management on impact measurement and communication to establish context, need and process will help the organisation move forward.

Mostly ones and twos

Whilst there will be an understanding and acceptance of the need to measure impact, it is likely that so far, measurement will have been reactive and in response to external requests from funders or stakeholders. A sense that this is a peripheral activity rather than an imperative part of the charity's activities is also likely to prevail.

Building on impact measurement work done already through consultations and constructing mechanisms that suit the organisation is enabled by knowledge and ownership of the process.

Nearly 80% of all charities believe that measuring impact makes an organisation more efficient.

Mostly threes

Your organisation has culturally embraced the importance of measuring impact and will create effective techniques to do so.

The next step to building on this success is ensuring that results are communicated and learnings are disseminated in an appropriate, audience-relevant language.

Please see our 'Communicating Impact' template, included as Appendix A.

Why measure

Good impact measurement can deliver several benefits in key areas:

1. An organisation can use it to determine how it is performing against its set vision, mission and objectives.
2. It can help to inspire and motivate staff, increasing performance and results achieved.
3. It can help the charity understand what is working and what isn't working and how resources can be used more effectively.
4. It allows the charity to identify key areas of improvement and determine how to improve them.
5. Effective communication of improvements and achievements can help the organisation raise its profile.
6. The enhanced profile can in turn help create a point of difference from other organisations and attract funding in a heavily competitive and saturated marketplace.
7. Strong impact measurement will also allow funders to see how they are making a difference.

What to Measure

Before deciding what to measure, the key question to ask is – will the proposed research tell us why and for whom our intervention is working best? Then:

- Decide what is really important and who it is important to.
- Define your research questions according to what you want to achieve rather than what is easy to measure.
- Keep it simple and proportionate – do not attempt an evaluation system which will cost as much as the service. Ensure you understand the resource implications and build these into project delivery processes wherever possible to minimise cost.
- Decide if your sample is to be random (e.g. every 10th person in an alphabetical list), weighted (e.g. to include the same number of men and women) or purposive (e.g. selected to give a wide range of views) and document the reasons for your selection.
- Consider the long term and avoid developing measures which will be time limited.

Once you have chosen your measures it is important to be able to explain why you have chosen them. You should be able to describe clearly:

- how the evaluation programme will be delivered;
- what tools are to be used.

This information is very helpful to project staff, stakeholders, partners and beneficiaries.

Once you have decided what to measure, look around you to see who else may have measured the same thing. Find out how they did it and what they learned. There is a huge amount of data available and research at this planning stage will undoubtedly save you time later and give you a better validated research methodology.

When to measure
If you want to measure the impact of a particular project with a fixed group of participants it is usually best to measure before the project starts and after it has finished so you can test distance travelled.

For one off activities it is best to seek feedback on the day so participants still feel close to the impact. Try the 'before' and 'after' approach again to be able to chart the journey.

It may be important for you to track people over time to find out whether changes immediately after the project are sustained in the longer term e.g. job seeking success as a result of training. This can be difficult if your beneficiaries move a lot and are hard to track. Ensure you obtain the permission of your sample during your project and agree with the best method of keeping in touch – telephone or email.

For charities working with large numbers over long periods it is sometimes useful to undertake randomised control trials (RCTs) so you can benchmark your participants with a group not receiving your services.

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How to measure

McKinsey & Co. identified over 150 tools for measurement in 2009. Whilst there may be a small charge for using existing tools, those that are well used are externally validated, benchmarked and tested with academic rigour, so they are credible. Funders may already be comfortable with them. You can always customise to some extent.

Qualitative research – the method of collecting data using techniques such as case studies, interviews, life histories to understand why as well as what. The output is Stories.

Quantitative research – the method of collecting data using surveys, group measures and analysing statistics. The output is Numbers.

Define motivations

Why are you embarking on a measurement exercise?
What are the drivers? Are they internal or external?
What are the risks? What are the benefits?

Plan

What will you measure and how will you measure it?
Who will execute the exercise and how will data be analysed?
What will the finished product look like?

Execute

Deliver the process according to the agreed plan.
Constantly monitor and manage execution.

Analysis

Categorise data collected into outputs and outcomes.
Assess quality of the exercise - are there lessons to be learnt from successes or failures?

Review and report

What are the main findings?
What are the implications of these on your work?
How will you disseminate them to internal and external stakeholders?
How will you implement learnings that arise?
How will you define and report improvements that arise as a result?

The flexibility of SROI as an impact measurement tool has seen it grow in popularity.

Social Return on Investment (SROI)

As impact measurement becomes more fundamental to the charity sector, a number of models are emerging to help charities most effectively demonstrate the value of their work. There are many variables that affect the approach a charity takes towards impact measurement so flexibility is important.

SROI is one such model and can be viewed as a framework that is populated with the outcomes of your work. These outcomes are assigned a monetary value, which is used to show the financial benefit resulting when they are achieved.

For example, a charity that aims to reduce reoffending rates would regard keeping their service-users out of prison as one of its outcomes. They would look at the known cost associated with an individual being sent to prison and compare it with the cost of their intervention. If the outcome is met and an individual remains out of prison as a result of their work, they would be able to show how much social value their work creates.

This model is useful for fundraising as it enables charities to substantiate claims that the work they deliver is cost effective. Claims like 'for every £1 invested, we create £6 worth of social value' can be made.

The flexibility of SROI as an impact measurement tool has seen it grow in popularity. Evaluative SROIs can be conducted retrospectively and are based on outcomes that have already taken place. Forecast SROIs can be used to predict the level of social value created if a project meets its forecasted outcomes. Results from SROI exercises can be useful in both applying for and reporting on grants.

Communicating impact template

1. Who you are (Mission and Vision)

2. What you do (in context to the issue)

3. The problem and your solution (output)

4. Your objectives and how your performance is measured against them (outcomes)

5. Your learning (Monitoring and Evaluation)

6. How you are improving

Appendix B

Suggested sources for Measurement Tools

1. Survey Question Bank (SQB)

The University of Essex holds the SQB which gives access to questionnaires, in PDF format, from a range of major UK and cross-national social surveys conducted over the last 20 years. The service offers a survey question search which has over 200,000 questions from more than 50 survey series. You are likely to find something here to enable you to frame questions in a format which has been tried and tested.

www.surveynet.ac.uk/sqb/

2. Survey Monkey

This sophisticated online tool is free for basic surveys. Templates exist for a range of question types. Templates are tried and tested by feedback from users in many disciplines including not for profit so there is some external methodology verification. They can be uploaded to your own website or emailed to service users. Or they can be completed on laptops at the service delivery location.

www.surveymonkey.com

3. The Outcomes Star

The Outcomes Star™ is a tool for supporting and measuring change when working with vulnerable people e.g. older people, people with disabilities or impairments, young people and children. It is widely used and is:

- Underpinned by an explicit model of change
- Carefully adapted for different client groups, including older people, mental health, families, young people, ex-offenders
- Available to download and use for free in paper format – on condition that no changes are made
- Available as a web application: the Star Online. There is a charge for online or commercial use

www.outcomesstar.org.uk

4. The Well-being Measure

This is an externally validated tool created by New Philanthropy Capital. It is useful for those working with children and young people. It measures:

- Self-esteem
- Resilience
- Emotional well-being
- Friendships
- Family relationships
- Satisfaction with school
- Satisfaction with community

www.well-beingmeasure.com

5. Goodman's Strengths and Difficulties Questionnaire

This is a US system designed to measure outcomes of mental and emotional health interventions. It can be used to measure:

- Emotional symptoms
- Conduct problems
- Hyperactivity/inattention
- Peer relationship problems
- Pro-social behaviour

www.sdqinfo.com

About Kingston Smith's Charities Team

If you would like to speak to someone about impact measurement and reporting, Kingston Smith Fundraising and Management offers two free hours of consultancy to any charity. Please contact James Newell, Senior Associate, on 020 7566 3635 or jnewell@ks.co.uk, to take advantage of this offer.

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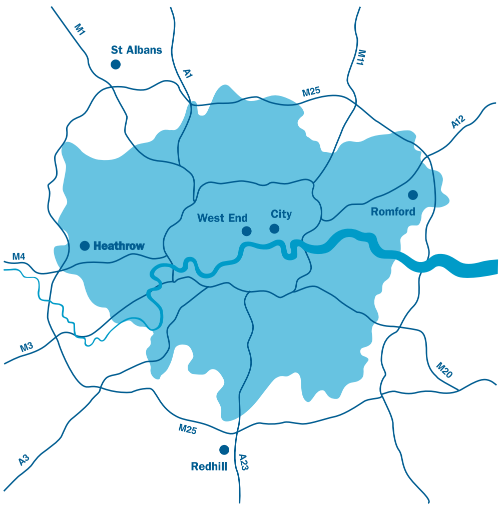

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