



Video Transcript

ENTREPRENEURSHIP IN NONPROFITS

The effects of impact measurement

[Georg von Schnurbein] After an evaluation, the big question is: what happens with the results? Are they just shelved, or do they create even more impact? The thing about impact measurement is that it calls for reactions. It increases the expectations of donors, beneficiaries, and other constituents. It may provoke conflicts between staff and executives. It is time consuming and increases bureaucracy. And it is demotivating if the aim of impact measurement is to highlight the failures of the past instead of emphasizing future potentials. Long story short, if impact measurement doesn't add impact, it is not necessary.

First of all, we have to be aware of the major target groups of your initiative. You are not conducting an impact measurement solely for your own initiative. There is a society and you are positioning in the public. There are the beneficiaries and your wish to improve your work. And there are the funders, and you need to legitimize your activities.

All these three target groups put pressure on your initiative. From an economic perspective, we could say that your initiative is facing three different markets. And on all three markets, your impact results can help you to sustain or even grow. The positioning in the public is a question of awareness. Improving your work means better interventions. And on the fundraising market, the legitimacy before the funders is a very valuable asset. Let's have a closer look at these three areas.

Awareness means that your core issue is a relevant topic in the public debate. You may connect two socially relevant ideas such as the sustainable development goals to better connect to public issues. Most of all, your impact results should help you to formulate stories and facts about the core issue and to allow others to use this information. This means integrating the impact results in your communication strategy and to plan the right communication channels.

Your beneficiaries are not just recipients of your services. In the best case, they are your informants and experts on how to improve your work. Let them know how their experience helped you to improve and how they participated in making processes more efficient or effective. This will have a positive impact on your next intervention with both the same beneficiaries and with others.

Finally, you should use your impact results to strengthen your legitimacy with respect to the funders. Today, most funders expect some kind of impact measurement, even if they are not sure about how to use the results. First of all, your impact results are needed to prove that things went well. But you should strive to show how you improve things not only for the project, but also for your organization. It is time consuming and expensive to address all the different target groups with separate information tools and communication channels. I want to present you, in short, the social reporting standard as an idea how to report impact results. The SRS contains a structure and recommendations on how to integrate impact results in your annual report.

On their web page, you will find helpful material and templates. Another example for guidelines from the field of corporate citizenship is the London Benchmarking Group Framework. It is especially helpful if you are at the overlaps of business and nonprofits. Using a standard to communicate about your impact will facilitate the work and create even more impact.