Carleton Centre for Community Innovation

A common approach to impact measurement for Ontario's Social Enterprise Community: Insights on a path forward

Introduction

In conjunction with the release of Amplifying the impact of Ontario's social enterprise community: An Action Plan towards a common approach to impact measurement, several members of the Task Force collaborated to host five convenings around Ontario to talk about the Action Plan. Integrated into these convenings were research activities designed to facilitate understanding of the action plan as well as measure readiness to implement it.

Summary of key findings:

- There is broad support for a common approach to impact measurement for Ontario social enterprises. In general, the recommendations were very positively received.

- Social enterprises are eager to work collaboratively toward a common approach that includes a data centre, an association responsible for shepherding the standard, a common process, a set of social and environmental indicators, and a set of organizational indicators.

- There are opportunities to revise the year one action plan to better align key activities with the current capacity and needs of social enterprises.

- Social enterprises with different structures, namely charities and businesses, responded similarly to the overall recommendations, but differently when looking at the details. Year one activities should continue to articulate and describe the heterogeneity and commonalities of Ontario social enterprises in order to sustain collective momentum.

Convening Summaries

After a brief welcome and overview, social enterprises worked in small groups on simulations designed to familiarize social enterprises with the Action Plan and to answer specific research questions. Each convening was 3 hours long.

Date	Location/ Partner	#	Convener's comments
June 20th	Ottawa CCO	9	The recommendations and Action Plan were met with enthusiasm. The group noted that similar initiatives are underway at the local level and were keen to determine how these might complement the overall strategy.
June 21st	Toronto MaRS & CSI	25	In general, the recommendations action plan were very positively received. Simulations provided a structure to understand what standards across the sector might look like. Concern was raised that the SDGs may not be actionable at the community level.
June 28th	London Pillar Non profit	18	Social Enterprises expressed lots of interest in common measurement and its potential to grow the sector, particularly to attract new funders/ investors to social enterprise. Many social enterprises are not currently measuring impact.
June 29th	Thunder Bay PARO	18	Social enterprises saw the benefit of a simplified information sharing process and a common approach to providing qualitative data. They do not have the capacity to take on additional reporting. Additionally, clarity into how to best fit their organizations within the SDG's would be helpful.
July 5th	Toronto CSI & MaRS	19	Social enterprises expressed eagerness to participate in a centre of excellence and welcomed the possibility of a data centre. They felt the organizational indicators were straightforward. Many questions were raised about implementation of SDGs.
TOTAL	5 (Target=4)	88	(Target=80)

Social Media promotion of the action plan included 5 blogs and 78 tweets and posts with over 160 interactions and over 10,000 impressions. Over 450 social enterprises were contacted by email regarding the release of the report and the convenings. Blogs were written and posted by Social Value Canada, Pillar Nonprofit, SEOntario, CCEDNET and ImpactHub Ottawa.

Research Findings and Recommendations for Implementation

Data Centre

Ontario social enterprises felt that the data centre could greatly simplify the task of gathering and sharing impact data. They cautioned that it must be easy to use (not create additional work), and it must manage privacy and comparisons effectively. If designed well, social enterprises feel the data centre will move Ontario social enterprises in a good direction.

Based on findings from survey and consultations, the action plan year one activities are appropriate and feasible, with the following insights for implementation.

- Feedback from social enterprises suggests than an effective data centre is crucial to the success of the rest of the recommendations.

- Social enterprises focused on *how* data is collected. The design phase should focus on the following:
    - All social enterprises emphasized the importance of ease of use however, they had opposing ideas about what would constitute ease of use.
    - Data collection is distributed across many roles (HR, accounting, program staff). Social enterprises supported a data centre that would facilitate centralization of data, not one where a single staff person must first round up data before uploading it. The data centre should accommodate different access and edit permissions for different staff in the social enterprise.
    - Social enterprises have questions about how data privacy and access permissions will be managed for funders and third parties, such as researchers.
    - The data centre should facilitate fair comparisons, not any comparison.

- Refining design criteria should be iterative and consultative. There is enthusiasm for the general direction of the Action Plan, but more consultation and consensus is needed before building a minimum--viable--product.

Centre of Excellence

Ontario social enterprises support the formation of an organization to govern the ongoing development of Ontario's common approach to impact measurement. There was broad support for leveraging existing intermediaries and for collaborative approaches. Social enterprises expressed concerns about an overseeing body with too much autonomy.

Based on findings from survey and consultations, the year one activities are appropriate and feasible, with the following insights for implementation.

- The term "centre of excellence" may not be the right term. For many social enterprises, it implied a duplication of existing efforts and a new (and unwelcome) centre of power. Participants preferred terms that invoked collaboration, such as association.

- The governance structure was the most important issue. Social enterprises emphasized that the process of establishing a governance structure should be iterative and consultative withmaximum engagement with the sector. Concern was expressed that without carefully designed governance processes, the common approach would be captured by large organizations, for--profit organizations, or organizations that are not representative of the whole province.

- Some contributors felt that the new organization should not be private sector company or a university, although they felt that a membership--based organization that included private sector bodies and universities would be appropriate.

A common process for measuring social impact

Ontario social enterprises support the common process for measuring social impact. Many social enterprises stated that they already do this routinely. They felt that implementing a common process would move Ontario social enterprises in a good direction.

Based on findings from survey and consultations, the year one activities may need some revising.

- Increase the emphasis on integrating the five--stage process with the data centre.

- Even social enterprises that are not measuring impact are aware of the resources available to help them. Some comments suggest that the problem isn't awareness or access but that the self--study model isn't a good fit for their needs. Rather than creating another online resource, consider supporting peer--to--peer learning between social enterprises. This could be done through site visits or mixed--group simulations.

A common framework of social and environmental indicators to enable reporting on the collective difference the sector is making

Overall, social enterprises welcome greater guidance around social and environmental indicators as well as the opportunity to better communicate the collective difference that the community is making.

Social enterprise expressed a mix of enthusiasm and apprehension for the SDGs. They see SDGs as a promising initiative, but perhaps ill--suited to their needs. Some social enterprises expressed opposition to the SDGs; some offered unequivocal support. The majority expressed a willingness to further explore using SDGs, stopping short of endorsing of this direction.

Ontario social enterprises mapped themselves to all 17 SDGs, with the largest concentration in decent work and economic growth (Figure 1).

Based on findings from the discussions during the mapping exercise, year one activities may need some revising.

- The action plan proceeds as if SDGs *will be* the common set of core social and environmental indicators. Rather, the SDGs should be framed as a possible option that merits further exploration.

Figure 1: Which SDGs do Ontario social enterprises map their impact indicators to?

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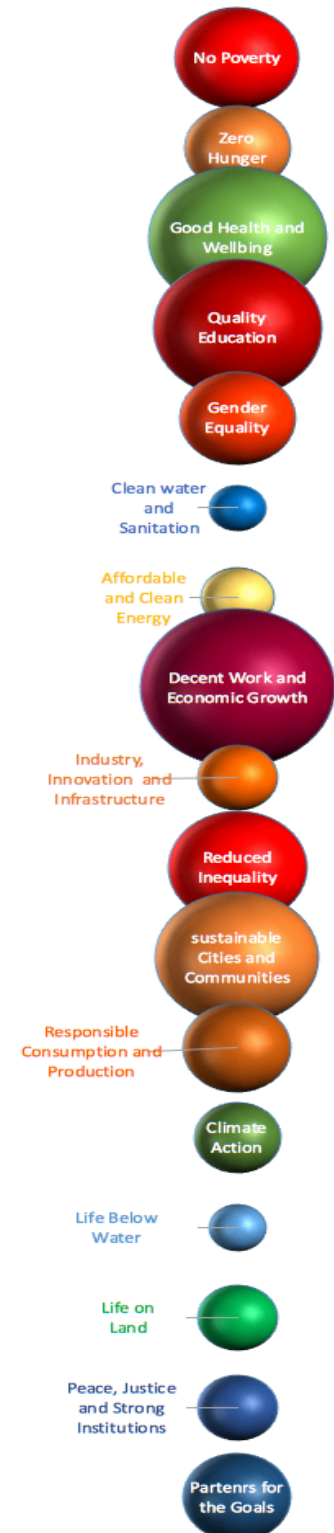
- Social enterprise concerns about the SDGs relate to the interconnectedness between the SDGs and ambiguity when social enterprise goals span several SDGs. Mapping only two SDGs is unlikely to allay these concerns. Social enterprises will require a more holistic process.

- The inventory of impact indicators created during the consultations can be used to simulate different mappings to the SDGs and demonstrate aggregation and comparability across diverse enterprise working on the same SDG.

*Social enterprises map their impact indicators to SDGs*

A common set of indicators for measuring and reporting organizational information

In general, social enterprises support a set of organizational indicators.
Social enterprises were presented with a set of frequently used organizational indicators (drawn from the CSI dashboard as recommended by the Action Plan) and asked to indicate how ready they are to supply the information.

Although, there was no indicator that all participating social enterprises could report on with minimal work, there was general consensus on which indicators should be part of the common set. Social enterprises prioritize relevance over ease. When asked to identify which indicators should be in the common set, they selected those that would be useful to them, not those they can quickly report (Table 1).

Small social enterprises run by a single entrepreneur are the most ready because all the information is either in their head, on their computer or not applicable. Social enterprises with several staff members but weak IT systems are least ready. These enterprises indicated that they have the data but that it is cumbersome to collect because it is buried in file folders in different places in the organization.
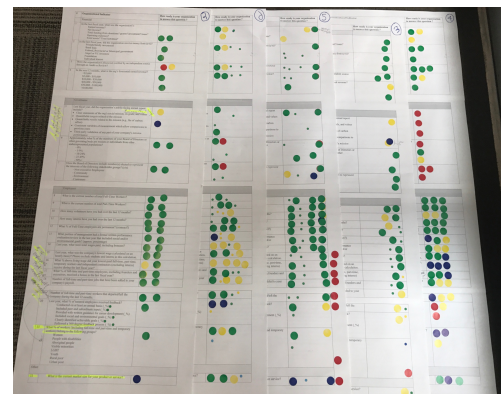
Social enterprises indicate how ready they are to supply key organizational information

Based on findings from the discussions during the exercise, the year one activities are feasible, with the following insights for implementation.

- The appropriateness of indicators was not always initially evident but became evident through conversations with other social enterprises. All indicators should be accompanied with a brief statement of why they are included. Training and presentation of the indicators should continue in small heterogeneous group discussions.

Conclusion and Next Steps

Social enterprises recognize impact measurement as a challenge in need of collective action. Overwhelmingly, they are keen to see and feel that the recommendations make sense.

To ensure that the design of the common approach to impact measurement continues to come from the social enterprise community, consider drafting two or three possible futures for each recommendation and engaging social enterprises in discussions and simulations around these. For example; : present two versions of the centre of excellence with different mandates and governance structures; elaborate different models of the data centre including a basic data repository with a simple online form and another with more functionality and flexibility; simulate a mapping to the SDGs that is more directive and one that is very fluid. Presenting choice will help to build consensus around the details while conveying that the direction is still open ended.

Keep going! Social enterprises want a common approach to impact measurement and, in broad strokes, they see this initiative as on the right path.

Table 1: *What organizational information do Ontario social enterprises routinely measure and collect, and which do they prioritize for a first iteration of a common set of indicators?*	Indicator is routinely measured and collected, or not applicable. *measured as: social enterprise could get information in 3 minutes or less	Indicator is applicable, but not routinely measured and collected. *measured as: social enterprise could take a fewdays to a few weeks to get information	Priority ranking
Financial			
Financial information for the prior fiscal year, including earned revenue, grants, donations, operating expenses, net income, investment, loans, total assets and total liabilities.	60%	40%	1
Sources of external financing in the past fiscal year including philanthropic foundations, government grants, loans, friends & family investments, angel investments and VC investments.	85%	15%	2
Audit or review financial statements by an independent source (y/n)	91%	9%	2
Forecasted revenue for the next fiscal period.	63%	37%	5
Governance			
Non-financial public disclosures such as statement of organization's mission, goals and values, quantifiable targets, quantifiable results, and third party validation of non-financial reporting (y/n)	65%	35%	3

Representation: % of Board of Directors or other governing body that are women or individuals from other underrepresented populations.	85%	15%	3
Representation: Does the Board of Directors include member(s) elected *to represent* the interests of non-executive employees, community, environment, customers? (y/n)	78%	22%	6
Employees			
Current number of total full-time workers	95%	5%	4
Current number of total part-time workers	93%	7%	5
Number of volunteers in the last period	52%	48%	
Number of interns in the last period	89%	11%	5
% of full-time employees are that are permanent	84%	16%	7
Number of full-time and part-time jobs that have been added to your company's payroll in the last period	72%	28%	8
Number of full-time and part-time workers that departed/left the organization during the last period	73%	27%	6
Total wages paid, including bonuses	74%	26%	6
Organization's lowest wage employee (calculated on an hourly basis). Please exclude students and interns in this calculation.	77%	23%	7
% above living wage your lowest-paid full-time, part-time, temporary workers and independent contractors (excluding interns) receive during the last period	44%	56%	6
% of full-time and part-time employees, excluding founders and executives, that received a bonus in the last period	87%	13%	7
Portion of management that had a formal written performance evaluation/review in the last period that included social and/or environmental goals.	69%	31%	5
% of tenured employees that received feedback in the last period	65%	35%	6
% of workers that belong to one of the following groups: women, person with disabilities, aboriginal, visible minority, LGTB, youth, rural poor, urban poor,	59%	41%	5
Other			
Current market size for your product or service	31%	69%	4