

# From Measurement of Impact to Learning for Impact: European Charitable Foundations' Learning Journeys

# Individual Case Studies

Do Good. Do Better.

# Introduction to the Case Studies Stand-Alone Document

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## ACKNOWLEDGEMENTS

We are extremely grateful for the precious time and guidance given by staff at the participating foundations, especially: Luís de Melo Jerónimo, Director of the Cohesion and Social Integration Program (Calouste Gulbenkian Foundation); Francisco Palmares, Manager at the Cohesion and Social Integration Program (Calouste Gulbenkian Foundation); Gina Crane, Head of Communications and Learning (Esmée Fairbairn Foundation); Anthony Russell, Learning Officer (Esmée Fairbairn Foundation); Annica Johansson, Global Head of Impact (Reach for Change); Elisabeth Paulson, Portfolio Director (Impetus); Sherine Mahmoud, Investment Director (Impetus); and Veronica Olazabal, Director, Measurement, Evaluation and Organizational Performance (The Rockefeller Foundation).

We are thankful that Verónica Urda, Head of Socioeconomic Impact at BBK, and Nora Sarasola, Director of Social Projects at BBK, recognized the need for such a publication and supported its development.

Sophie Robin from Stone Soup, and Cristina San Salvador, kindly reviewed this publication and provided valuable feedback.

Designed by [www.vansterandlei.com](http://www.vansterandlei.com)

2020, February

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ISBN 978-84-09-19358-5

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Figure 1: Overview of the participating foundations ↓



NAME OF THE FOUNDATION	<b>The Rockefeller Foundation</b>	<b>Reach for Change</b>	<b>Calouste Gulbenkian Foundation</b>	<b>Impetus</b>	<b>Esmée Fairbairn Foundation</b>
<b>SIZE (assets and annual grantmaking)</b>	Assets of over \$4bn and annual grantmaking of over \$160mn	Assets of \$4.2mn and charitable cause spending of \$4.92mn in 2018	Assets of €2.8bn (among the biggest in Europe) and €65mn in activities (without management costs of €25mn) in 2018	Assets of €8.9mn and annual grantmaking of €4.65mn in 2016	Assets of £996mn and annual grantmaking of £40.5mn in 2017
<b>GEOGRAPHY</b>	Offices in the United States, Italy, Kenya and Thailand	Swedish foundation with presence in 17 countries	Portugal, UK and France	UK	UK
<b>TYPOLOGY OF FOUNDATION*</b>	→ Legacy → Grantmaking	→ Grantmaking	→ Legacy → Grantmaking and Operating	→ Grantmaking	→ Legacy → Grantmaking
<b>HISTORY OF THE FOUNDATION</b>	→ Set up in 1913 → Preserves same mission	→ Co-created in 2010 by successful entrepreneurs in the non-profit and business sector	→ Founded in 1955 by Calouste Sarkis Gulbenkian	→ Founded in 2013 from the merger of two pioneering VP organizations: Impetus Trust and The Private Equity Foundation (PEF)	→ Founded in 1961 by Ian Fairbairn
<b>SECTORS OF ACTIVITY</b>	→ Health → Food → Power → Jobs → Climate and Resilience → Innovation → Co-impact	→ Children and young people	→ Charity → Arts → Education → Science	→ Education and employment for disadvantaged young people	→ Arts → Children and young people → Environment → Food → Social change

As a reminder if the full report has not been read, we offer a framework to understand impact management for foundations, building on the concept of a learning journey, with five steps. The case studies are organised with reference to these five steps, which are summarised below:

- 1. Designing an impact management approach:**  
This covers the 'what', 'where', 'when', and 'how' of impact management including, for example, designing which tools are used, how impact data is collected and validated, and how stakeholders can be included in the process. These are the essential first steps in any impact management strategy by foundations.
- 2. Resourcing and organizing for impact management:**  
This is about ensuring that the organization is budgeting sufficiently for impact management related work and creating an appropriate organizational framework for it to be a foundation-wide activity and concern.
- 3. Embedding impact management through organizational culture:**  
As the saying goes, 'culture eats strategy for breakfast', thus foundations need to pay special attention to carefully embedding their approach as part of the organizational structure, enabling the shift from a compliance and communications-oriented mindset, to one where learning and honest reflection are prioritized.
- 4. Building internal and external capacity to manage impact:**  
The European foundation sector needs to invest more in building internally, as well as among grantees, the necessary skills for implementing impact management.
- 5. Collaborating, sharing knowledge, and being transparent to support impact management:**  
There are encouraging signs of foundations pooling data, reducing the grantee reporting burden, and sharing insights and learnings. The data and technology wave could enable exciting opportunities for foundations to work together to improve impact management across the sector.

## Case Study

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# Reach for Change



## Overview of Reach for Change

Type of foundation	Founded
Grantmaking	2010
Target geography	Target sector
Presence in 16 countries in Europe, Asia, and Africa – with HQ in Sweden (2018)	Children and youth (2018)
Assets	Charitable cause spending
\$4.2m (2018)	\$4.92mn (2018)
Number of organizations supported	Number of children supported
156 (2018)	341,620 (2018)

## 01. Designing an impact management approach

### 1.1. History and sources of inspiration

- Until 2014: The foundation only knew the resources spent, and the number of children supported. The only driver for taking action was the number of final beneficiaries.

- In 2014: Development of a new impact process inspired by its own experience.
- 2014-2019: Continuously questioning and refining its model.

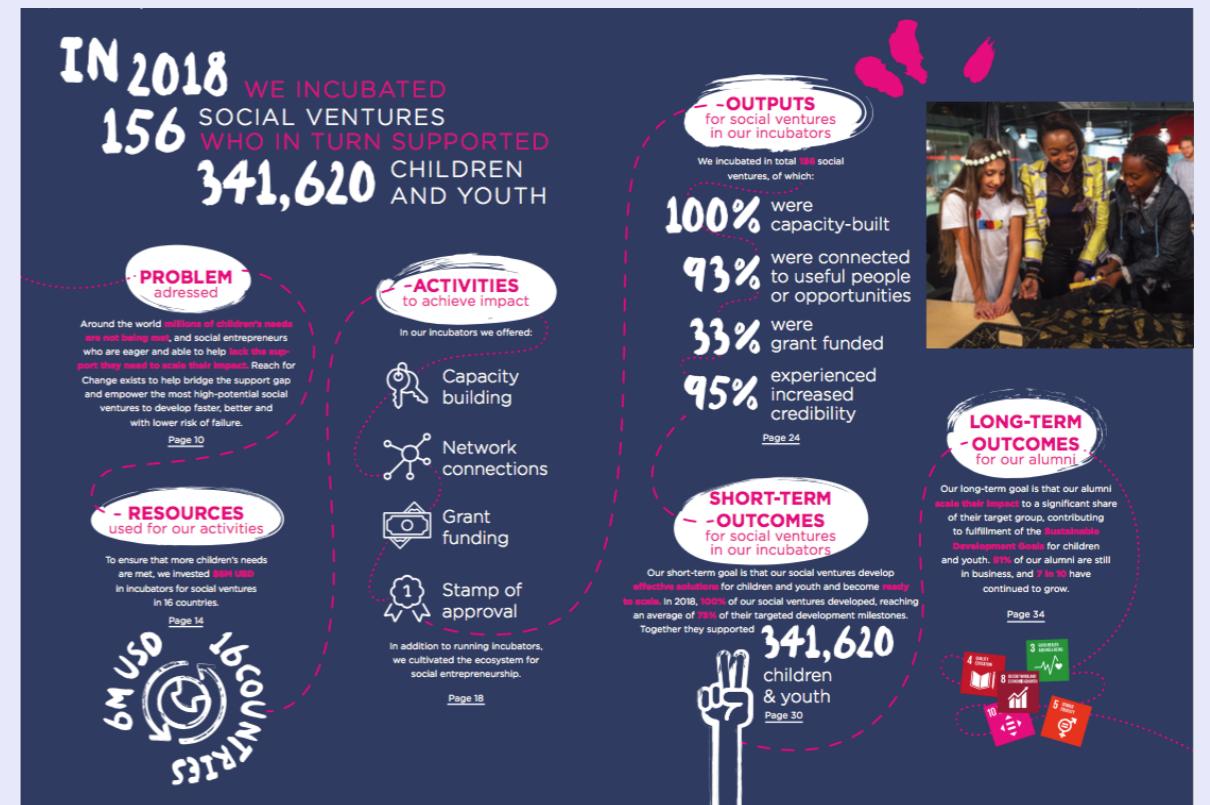
### 1.2. Impact at the level of the foundation

- Theory of change at the level of the foundation has been designed and used.

#### Challenges:

- Establishing links between levels: Connecting outputs with outcomes to understand which types of grantees are succeeding and compare different types of inputs with outcomes.
- Estimating the costs of supporting each venture and ensure the best allocation of resources: Difficulty in drawing the line between programmatic costs and general costs.

## Reach for Change's theory of change with indicators





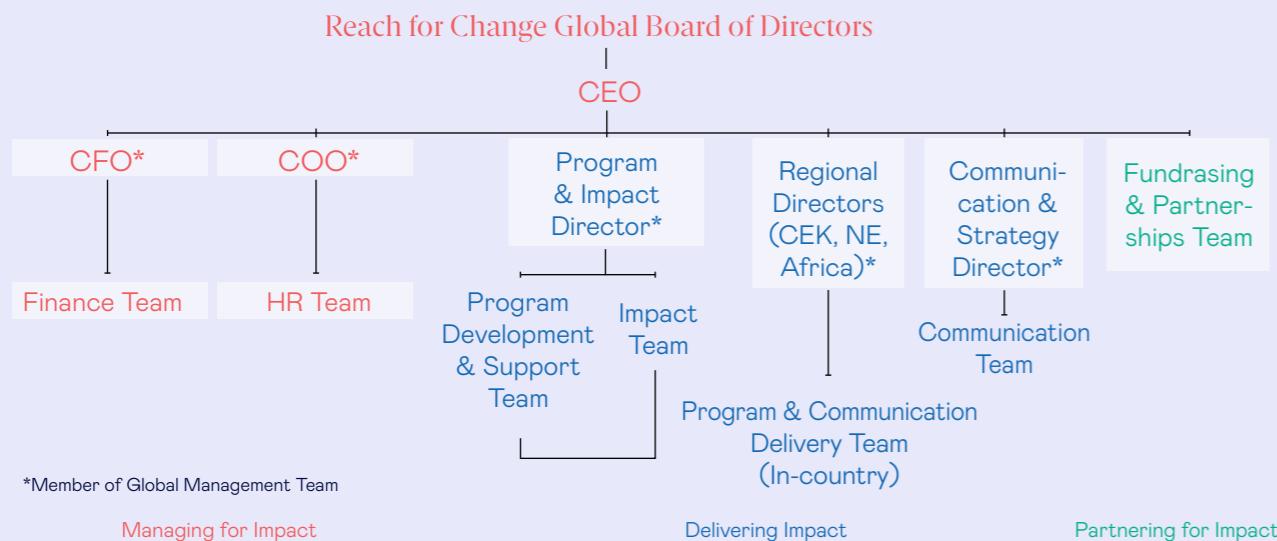
## 01 &gt; 02 &gt; 03 &gt; 04 &gt; 05 Reach for Change

## 02. Resourcing and organizing for impact management

## 2.1. Resources allocated to impact

→ **Impact Team** was set up in 2014 with **1 full-time employee**. In 2019 there were **4 full-time employees**.

## 2.2. Organizational structure



## 2.3. Skills and learning around impact management

- **Skills:**
  - Impact Team has the right skills.
  - Program managers are internally certified after successfully completing training to support the social entrepreneurs in building their frameworks. As of today, the majority are certified.
- **Reflection and learning** around impact is built in different departments and levels of the organization.

## 2.4. Responsibilities of the Impact Team

- **Measuring** the foundation's **impact** on social entrepreneurs.
- **Identifying areas for improvement**, corrective actions, and best practices.
- **Building the capacity of social entrepreneurs** to measure its impact (through the program managers and an Online Resources Center).
- **Promoting social debate**, share information about own learnings and sell consulting services.

## 2.5. Interaction of Impact Team with other departments

- Multiple **interactions** with the other departments and processes:
  - With the **Program Team**, the **Country Program Managers** and **Regional Director**.
  - With the **Communication Team** and the **Fundraising Team**: This is key to ensure that **Reach for Change** communicates in line with its impact philosophy (focus on outcomes not on outputs) and that its funding drives impact not activities.

## 01 &gt; 02 &gt; 03 &gt; 04 &gt; 05 Reach for Change

## 03. Embedding impact management through organizational culture

## 3.1. Spreading the impact mindset through the organization

**Staff response to impact management and enablers to make the transition smoother**

- Some **skepticism and resistance** (mostly from the older staff) due to:
  - Fear of additional work.
  - Feeling that it is not part of their job.
- Tools have been presented as **supporting tools**.
- Staff now understand the **need for evidence** and found the **process inspiring**.

**Key success factors to embed a culture of impact management**

- **Reach for Change** has managed to embed a culture of impact management within the foundation for the following reasons:
  - Leaders think 'impact first'** and the Impact Team is supported by other champions.
  - Employees have been engaged in the impact management process** by sharing results with them and **giving them a say**.

## 3.2. Being a learning organization

- **Reach for Change** considers itself to be a learning organization because it is **continuously looking to improve and is open to change**:

“For us, the learning that comes from measuring impact has been generated not only from analyzing our results, but just as much from carrying out the process of setting our goals and designing our measurement tools. It has challenged the beliefs that underpin our program design and delivery, and made us become more aligned and focused – and in the end more impactful.”

Annica Johansson, Global Head of Impact.

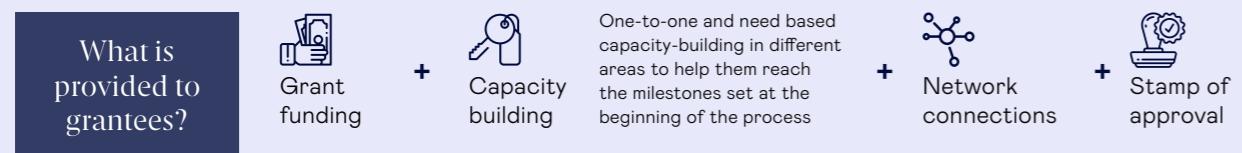
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## 04. Building internal and external capacity to manage impact

### 4.1. Building staff capacity

- Program managers are internally certified when successfully completing training to support the social entrepreneurs in building their framework.
- Impact Team does regular 'Impact Huddles' where they convene to discuss a topic to promote their professional development as M&E specialists, or to support the learning and development of the organization. The team also attends external M&E trainings organized by organizations such as EVPA and SIDA (the Swedish Development Agency).

### 4.2. Building external capacity



How is the capacity of grantees around impact management being built?

- Year 1:
  - Support to map the problems and goals of the social venture.
  - Support to qualitatively explore outcomes: build the social venture capacity to interview children and youth about how they were impacted by their support, and guide them on how to capture what they learn in impact stories.
- Years 2 and 3:
  - Support to quantitatively measure outcomes.

Who builds the capacity of grantees to manage impact?

- Impact team (one-to-one coaching, lectures, workshops).
- Program managers (trained by impact team).
- Partner advisors, mentors and consultants.
- Social entrepreneurs can also access the Online Resources Center (lectures, tools, articles, etc.) for advice.

Grantees' response to impact management

- Most of the social entrepreneurs find that the processes put in place by Reach for Change to manage their impact have been empowering because it has given them a structure. However, some of them have not found it helpful.

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## 05. Collaboration, transparency, and knowledge sharing to support impact management

### 5.1. Collaborating on impact management issues

- Collaboration with different organizations

- Example: Close collaboration around impact management with a Swedish foundation working with children/youth.

#### ↓ Case of a social venture supported by Reach for Change

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**PUTTING SOCIAL ENTREPRENEURSHIP ON THE MAP IN ETHIOPIA**

**CASE: THE IKEA FOUNDATION**

Since Reach for Change launched in Ethiopia in 2015, the country has gone from being a blank spot on the map of social entrepreneurship to the host of the upcoming Social Entrepreneurship World Forum. The partnership with the IKEA Foundation is fundamental to Reach for Change's work to promote social entrepreneurship and improve conditions for children in Africa's second most populous country.

When Reach for Change launched its programs in Ethiopia in 2015, it was the first incubation program specifically for social entrepreneurs.

"We were the first and only organization in Ethiopia focusing solely on social enterprise. We knew we had a lot of work to do to convince people that social entrepreneurship had the power to make a real, sustainable and lasting positive change on society," recalls Anne Chynock, Country Manager for Reach for Change in Ethiopia.

Despite the challenges of being a pioneer in the sector, we immediately saw the potential of working with social entrepreneurs to address the dire needs of children in Ethiopia.

"We found a number of exceptional entrepreneurs who were dedicated to developing businesses that could help them build better lives for their families, improve education, health, create quality jobs and build livelihoods," says Anna Chynock.

In 2016, the IKEA Foundation joined as an anchor partner, and the year after we jointly launched a three-year program focused on the potential of social entrepreneurship to improve early childhood development and primary education in Ethiopia. An aggressive target set to support and scale up 100 outstanding social entrepreneurs who will develop and scale up solutions impacting over 84,000 children (from birth to 15 years) and their families in urban and rural settings.

With a Swedish background and a mission to create brighter futures by helping children and families affected by poverty, the IKEA Foundation has proved a natural partner. And two years down the line, we are well on the way to reaching the targets. To date, through the IKEA Foundation partnership, we have supported 79 social entrepreneurs, who have together impacted more than 68,000 children.

Many of the social entrepreneurs have been able to drastically scale their impact through the support of the IKEA Foundation. Since the program began, many have been able to increase revenue by 700 percent, go from one-to-one coaching to a team of 15 people and extend their reach from two to 20 schools in Ethiopia.

Beyond impacting individual children, the social entrepreneurs in our program are also role models for the entire social entrepreneurship ecosystem in Ethiopia. From experience in other markets across West Africa, Central Europe, the Baltics and Scandinavia, we know that these kinds of role models demonstrate the power of social entrepreneurs to tackle pressing challenges.

Establishing an ecosystem for social entrepreneurship has been key in Reach for Change's work in Ethiopia. One of the first things we did was to bring the IKEA Foundation as a founding partner for Social Enterprise Ethiopia (SEE), a locally led movement designed to create an environment where social enterprise can thrive in Ethiopia. SEE received recognition as a formal association in November 2018.

**Patrick Obeng, Programme Manager, IKEA Foundation**

"We know that social entrepreneurs have a deep understanding of their local realities. This ensures that the solutions reflect the needs, challenges and cultures that they seek to benefit. The IKEA Foundation believes that helping social entrepreneurs in Ethiopia to succeed is key to creating a lasting positive impact. Partnering with Reach for Change, we are supporting social entrepreneurs so that thousands of children in Ethiopia can enjoy better health, better education and a brighter future."

**Anna Larrey, Regional Director Africa, Reach for Change**

"The fact that the Social Enterprise World Forum will be hosted in Ethiopia in 2019 is a testament to how much momentum the sector has gained in only a few years. We can't wait to take the next step together with the IKEA Foundation and other brave partners to see this movement spread nationwide and inspire generations of social entrepreneurs to come."

### 5.2. Transparency and knowledge sharing

- Annual event 'Partnering for Change': sharing knowledge with all stakeholders.

- Attending as guest speakers to mobilize the sector and share learnings.

**Note:** This case study has been built upon:

- Jonhansson, A. (2019). Personal interview.
- Reach for Change. (2018). *Our Impact 2018*.
- Website of the foundation: <https://reachforchange.org/en/>

## Case Study

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# Calouste Gulbenkian Foundation



## ↳ Overview of the Calouste Gulbenkian Foundation

Type of foundation	Founded
Grantmaking and operating	1955
Target geography	Target sector
HQ in Portugal; delegations in France and UK, and activities throughout the world  (mainly Portuguese-speaking African countries, East Timor, and countries with Armenian communities)	Charity, art, education, and science
Assets	Spending in activities (without management costs)
€2.8bn	€62mn
	(2017)

## 01. Designing an impact management approach

### 1.1. History

- **In the past:** Attempts made for a 'one size fits all' performance management system for the foundation. **Unsuccessful** due to the broad scope of intervention/models of the foundation.
- **Current status:** Different processes and tools for each project.
- **For the future:** Trying to **break silos** based on verticals (arts, science, education, charity) in order to have a **more global approach** towards impact management.

### 1.2. Impact at the level of the foundation

- There are **three strategic priorities** (cohesion and social integration; sustainability and knowledge) at the foundation level. However, since its interventions are so diverse, **the foundation has not been able to design a theory of change at the foundation level** (and therefore evaluate impact at this level).
  - There are **only output indicators** at the foundation level.

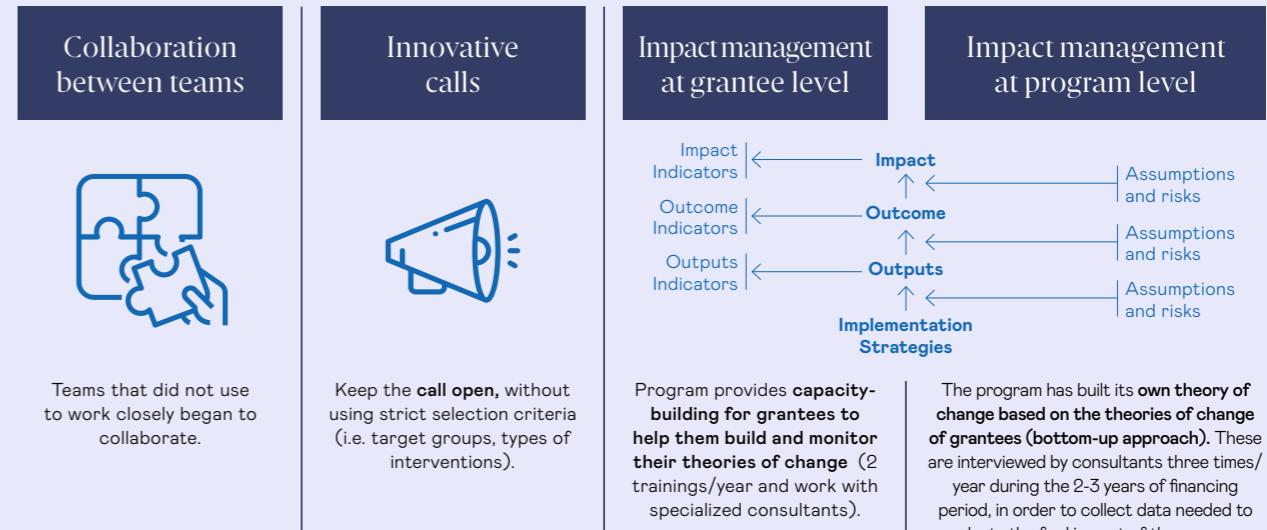
### 1.3. Impact at the level of programs and grantees

#### The Case of the PARTIS Program



- **Description of the program:** PARTIS (Artistic Practices for Social Inclusion) is about projects that use arts to promote social inclusion/change.

#### → What did this program enable?



### 1.4. Reporting

- **Useful** (communicate to grantees that reporting is something meaningful for them and can help them to improve their performance/intervention model).
- **Easy** (simple tools and lean processes so that reporting is not a burden for grantees).
- **Collective** (working on creating a greater coordination between funders towards reporting).

01 > 02 > 03 > 04 > 05    Calouste Gulbenkian Foundation

## 02. Resourcing and organizing for impact management

### 2.1. History

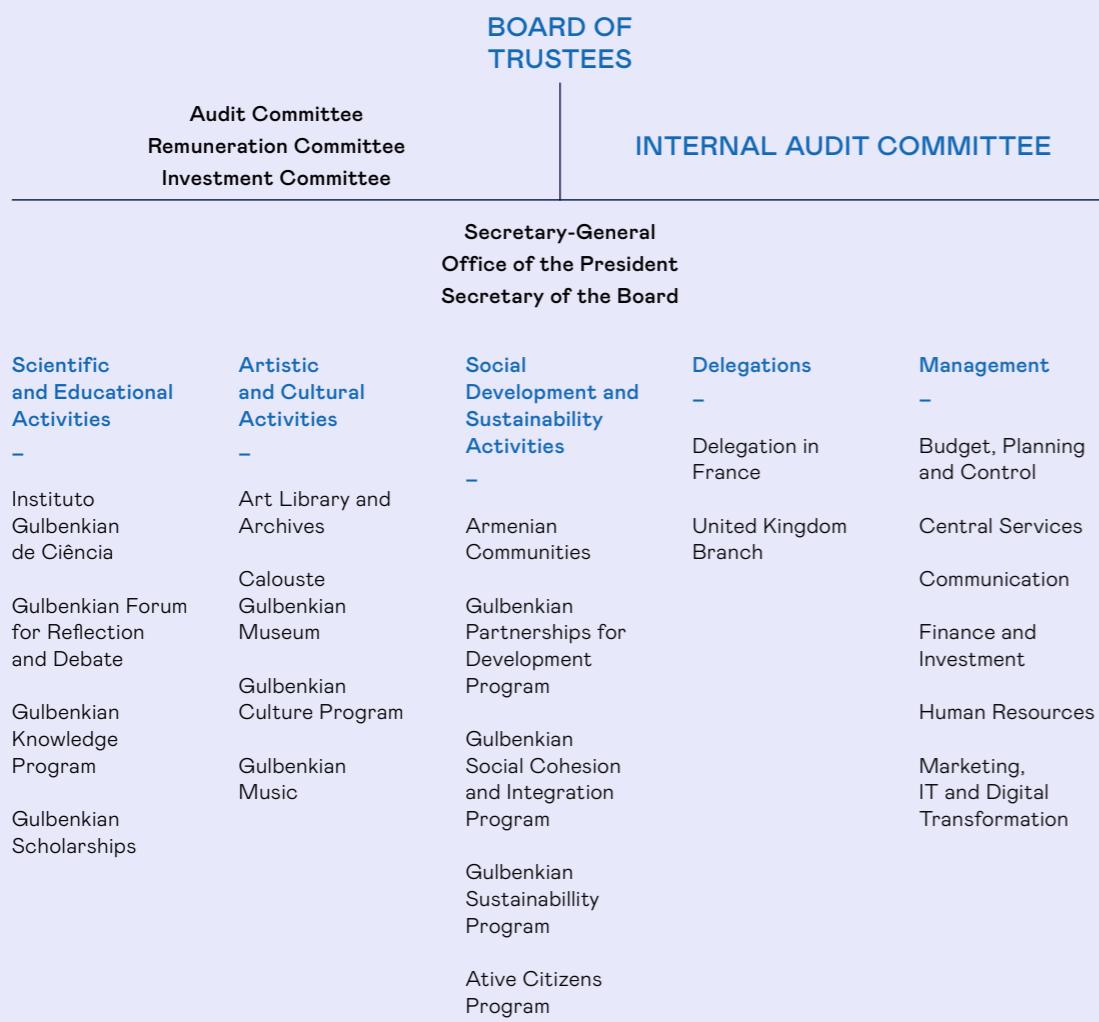
→ Until 2019:

- For the grantmaking activities: each grantmaking program has been measuring/managing the impact of its projects with its own strategy and tools. Program managers are in charge of the relationship with grantees.
- For direct activities (i.e. museums, music events): No impact measurement/management is being done.

→ Currently: The foundation is in the process of building a **Monitoring and Evaluation Unit** with external consultants to **measure/manage impact in a more collaborative and holistic way**.

→ It is a **challenge** to organize around impact for the foundation due to its **broad diversity of areas of intervention**.

### 2.2. Organizational structure



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## 03. Embedding impact management through organizational culture

### 3.1. Change of strategy for 2018-2022

→ The **goals** of the new strategy are (among others):

- **Developing the foundation as a whole** around the same vision, mission, and priorities (**increasing the social impact** of its activities, strengthening the links between them).
- Positioning the foundation as a center for reflection and debate in partnership with other organizations.

### 3.2. Spreading the impact mindset through the organization

#### Staff response to impact management and enablers to make the transition smoother

- Some **skepticism** and **resistance** (mostly from the older staff) due to:
  - Sense of **difficulty** associated with measuring and managing impact.
- Tools have been presented as **supporting tools**.
- Some **cases** have been **shared** to demonstrate that when the foundation manages its impact, it is doing better, and grantees are thankful.

#### Key success factors to embed a culture of impact management

- **Barriers:**
  - Having most of **the top and middle management** running units for 10-20 years made it very difficult to manage the change process.
- **Key success factors:**
  - **The President**, Isabel Mota, is a **key champion**.
  - **The Board** is in the process of **changing the top and middle management**.

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## 04. Building internal and external capacity to manage impact

### 4.1. Building staff capacity

- No specific internal capacity building made

### 4.2. Building grantee capacity



- Capacity-building around impact is **different for each project**
- **Example: The PARTIS Program**
  - Grantees are supported in the process of building their **theories of change** and **social impact measurement** capabilities.
  - **The informal PARTIS network**, which incorporates different cultural organizations, has been created to develop a shared work agenda around the issues of art and community.

### Who builds the capacity of grantees to manage impact?

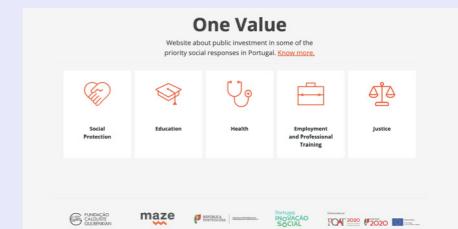
- **Program managers**
- **External organizations**, such as MAZE (for more specific matters)
  - There is a proper budget to cover these external support expenses.

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## 05. Collaboration, transparency, and knowledge sharing to support impact management

### 5.1. Collaborating on impact management issues

- **Example:** Support of the creation of 'One Value', a free access website that gathers and systematizes quantitative data about public expenditure in several priority social response areas in Portugal.



- **Example:** Support of School of Business and Economics at the New University of Lisbon with the aim of **creating a chair dedicated to impact economics**.



- **Example:** Partnership with the Edmond de Rothschild Foundations to **strengthen the impact ecosystem in Europe** focused on supporting entrepreneurs, civil society, universities, investors, and public sector leaders.



**Note:** This case study has been built upon:

- de Melo Jerónimo, L. & Palmares, F. (2019). Personal interview.
- Website of the foundation: <https://gulbenkian.pt/en/>
- Website of MAZE: <https://maze-impact.com/>

## Case Study

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# Esmée Fairbairn Foundation



↳ Overview of the Esmée Fairbairn Foundation

Type of foundation	Founded
Grantmaking	1961
Target geography	Target sector
UK	Arts, children and young people, the environment, food, and social change
Assets	Annual grantmaking
£996mn (2017)	£40.5mn (2017)
Number of grants provided	Social investments spending
271 excluding TASK and Grants Plus grants (2017)	£4.1mn (2017)

## 01. Designing an impact management approach

### 1.1. History and sources of inspiration

The Case of The Progress Reports

Request for long accountability reports from grantees. Nobody was reading them neither learning anything.	The current CEO, Caroline Mason, raised questions about what the foundation was funding and what difference it was making.	Two people on placement (through the 'On Purpose' program) came up with a new impact approach (did a benchmark, talked with the funding and grantmaking teams, did a pilot) and it was a great success.	Currently, the Progress Report is six pages long: grants managers read the reports quickly, they connect with grantees more easily, and they phone the grantees if they need any additional information.
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### 1.2. Impact and learning at the level of the foundation

Theory of change

→ The foundation went through a theory of change process but it is currently using a **responsive model**: it screens projects in terms of very broad funding priorities and guiding principles it wants to achieve. Since funding in very disparate sectors, it has been **hard to understand and aggregate data at the foundation level**.

Effectiveness Data:  
A funding team learning report  
(Decision-making and monitoring tool)

- **What is assessed?** The effectiveness of the foundation's support, the outcomes, and the organization, as well as the learnings that can be extracted.
- **Sections of the report:** Organization name; project title; effectiveness of the **Esmée Fairbairn Foundation** (letter from A to D); effectiveness of outcomes; effectiveness of organization; so what we can learn?; what next?; first key outcome; second key outcome; third key outcome; sector; funding priority; awarded type of support (i.e. project costs, core costs, unrestricted); awarded amount; awarded term; received strategic support?; geographical area served; primary beneficiary; key words; owner name.

↳ Funding team learning report



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## Esmée Fairbairn Foundation

A dashboard on effectiveness judgements  
(Monitoring tool)

- **What is assessed?** The effectiveness of the foundation's support, outcomes, and organization.
- **Sections of the report:** Effectiveness of outcomes; effectiveness of organization; effectiveness of the **Esmée Fairbairn Foundation** (rated from A to D).



Impact performance reports for trustees: sectorial reports  
(Monitoring and decision making tool)

- **What is assessed?** The effectiveness of the foundation's support, the outcomes and the organization, as well as the learnings that can be extracted.
- **Sections of the report:** Current funding; key issues of the sector; future developments; learning and impact (at the level of the beneficiaries [achievement/non-achievement of outcomes]; at the level of the grantee [i.e. organizational performance] and at the level of the foundation).



### 1.3. Impact at the level of grantees

The Progress Reports (Monitoring tool)

#### → Process:

- Grants managers ask grantees to define three key outcomes that they think can be achieved by the end of the grant, and detail how they will monitor their progress towards these outcomes.
- At the end of each funding year, the grants managers are responsible for the correct delivery of the grantees' progress report.

#### → Timing:

Annually

Around six pages

→ **What is assessed?** Grantees' progress towards their outcomes.

→ **Sections of the report:** External context; internal context; 1<sup>st</sup> key outcome; 2<sup>nd</sup> key outcome; 3<sup>rd</sup> key outcome; additional comments/questions; attachments.

### 1.4. Reporting

- **Pragmatic:** The foundation prefers to request little written information from grantees and ensure that the grants managers speak more with grantees (i.e. through learning conversations).
- **Empowering:** The CEO is willing to shift more to an investment model where charities really own their own reporting and thinking about impact, and funders merely read these reports.
- **Collective:** The foundation is working on creating greater coordination between funders towards reporting — For the grantees to use only one way of reporting to all their co-funders. It organized a workshop with funders and grantees to understand what was important on both sides to readapt reporting processes. The foundation is now doing a pilot in which they ask grantees to choose between two options of reporting (report already produced vs the foundation's template).

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## 02. Resourcing and organizing for impact management

### 2.1. History and resources allocated to impact

- The seeds of The Communications and Learning Team emerged in 2014.
  - In 2014: 1 full-time employee.
  - In 2019: 4 full-time employees + 10% of the time of the 10 grants managers.

### 2.2. Skills and learning around impact management

- **Not all grants managers are equally skilled** at impact management. The foundation tried to promote a collaborative way of learning among grants managers but it did not work so well. **More training could have been given.**
- The **knowledge and reflection** around impact is built at the level of the Grants Manager Team as well as at the level of the Communications and Learning Team.

### 2.3. Responsibilities of the Communications and Learning Team

- **Learning system at the foundation level** (i.e. identify areas for improvement, best practices).
- **Communication of data and learnings at the foundation level.**
- **The Grants Plus program** (which provides capacity-building for grantees).

### 2.4. Interaction of the Communications and Learning Team with other departments

- Impact is a matter for many people involved at different departments and levels of the foundation. However, the Communications and Learning Team mainly interacts with **grants managers**.

### 2.5. Responsibilities of the grants managers

- **Assessment of outcomes at the grantee level.** They do this by:
  - Reading the progress reports of grantees.
  - Having one conversation per week with grantees.
  - Meeting with the Communications and Learning Team once a month.

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## Esmée Fairbairn Foundation

### 03. Embedding impact management through organizational culture

#### 3.1. Spreading the impact mindset through the organization

Staff response to impact management and enablers to make the transition smoother

- Some **skepticism and resistance** due to:
  - **Apprehension about rating grants** (the grants managers wondered whether the impact assessment would be used against the grantees).
  - **Grants managers involved in the first pilot** to help them understand the value of the new processes and tools.
- New processes and tools designed to be **enjoyable** for grants managers (i.e. having **learning conversations** with grantees).
- **Additional administration** for these new tasks has been **minimized**.

Staff now understand the **need for evidence** and found the **process inspiring**.

Barriers and key success factors to embed a culture of impact management

- **Barriers:**
  - The **internal memory** about the way the foundation used to give money (i.e. without evaluating impact).
  - **Not enough engagement with trustees**. They have not been sufficiently involved at the level of decision-making and accountability (only engaged at the level of impact reports).
  - **Administratively heavy organization and rigid processes** (i.e. the processes influence grants managers towards not prioritizing learning and reflecting, but rather focusing on performance measurement).
  - **Insufficient staff incentives**
- **Key success factors:**
  - **Sharing results with the rest of staff and giving them a say**.
  - **Involving grantees** in the process.

#### 3.2. Being a learning organization

Creating a learning culture internally

- The foundation is **aiming at being a learning organization** and since 2015 they have set out to focus as much on learning from its funding as they do on allocating it.
- The process has helped the foundation to **make changes** to its way of working and **use what they learn to influence what they fund** to some extent.

Moving towards a shared learning approach, especially with grantees

- **Grantees** are perceived as **learning partners**. The foundation wants to hear from them via their progress report and a learning conversation by phone.
- Even when the foundation focus more and more on listening and learning from their grantees, they **keep making the decisions based on their terms**. They do not always include grantees' feedback in future actions.

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### 04. Building internal and external capacity to manage impact

#### 4.1. Building staff capacity

→ At the start, the foundation expected that grants managers would feel comfortable **sharing knowledge and learning together**. In reality, this process **needs to be well facilitated and followed up**, but the foundation did put that in place. However, **they could all use more training in analyzing data, and picking out useful lessons** - also in giving and receiving feedback.

#### 4.2. Building grantee capacity

What is provided to grantees?



Funding mainly to cover the organization's core running costs.



The 'Grants Plus' Initiative allows grantees to opt for capacity-building and external advice.

How is the capacity of grantees around impact management being built?

→ Capacity-building around managing impact is provided through the '**Grants Plus**' initiative **to the grantees who proactively request it** (i.e. when becoming better at evaluation is a targeted outcome that the grantee has mentioned in the application process).

- The foundation does not push its grantees to engage in impact evaluation.
- Requests for support are considered on a case by case basis.
- **The foundation finances the grantees to collaborate with an external consultant who helps them build their internal approach for impact management.**
- In 2017, around £450,000 were awarded to over 150 organizations.

→ **The support provided varies across sectors:**

- **Arts (very early stage):** Building up an infrastructure of support for the organizations to **understand what funders want**.
- **Children and young people sector:** Supporting organizations to obtain some really **in-depth evaluation assistance** (i.e. from Oxford University) to enable them to do RCTs (Randomized Control Trials) to access scale and further funding.
- The **grants managers** also support the grantees around **setting** (and later revising) **the outcomes and indicators** they report against.

Who builds the capacity of grantees to manage impact?

- **External consultants** (to grantees who opt for the Grants Plus support)
- **The grants managers** (to all grantees)

Grantees' response to impact management

→ Impact management has been **mainly well received** even if **sectors are not equally set up** for it. For example, the education sector is very advanced on the subject whereas for the arts sector it is less common practice

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## Esmée Fairbairn Foundation

## 05. Collaboration, transparency, and knowledge sharing to support impact management

### 5.1. Collaborating on impact management issues

Partnering to deepen impact

- Currently working in partnership with other funders or organizations to target a particular region, community, or sector, or to help tackle a specific issue (increase the reach and make more of a difference).



Creation of a shared database with open source data

- Example: The foundation publishes its grants and social investments via '360 Giving' - an initiative that aims to help UK funders publish their data in an open and standard format online. The initiative is currently in the set-up phase and mainly used for collaboration. The foundation hopes that it could also become a tool for assessment.



### 5.2. Transparency and knowledge sharing

- Culture of sharing learnings from its work through insights reports, publications, and case study.

- It received an amazing response when it published '*Insights on core funding*'

#### ↓ Extracts of Esmée's '*Insights on core funding*'

##### Core grants and project grants are similarly effective

Looking at more than 600 closed grants, we rate the effectiveness of organisations we fund, and the outcomes the grants achieve, similarly for core costs grants and project grants. There are small differences in our ratings - we judge project grants to be 4% more likely to exceed their planned outcomes, and 2% more likely to miss them - but we were surprised not to see a bigger variance. **For Esmée, project funding and core funding is similarly effective when it comes to achieving outcomes.**

##### Core grants lever in more money

Grants for organisations' core costs, and in particular unrestricted grants, are more likely to help lever in other funding for organisations.

14% of organisations which received an unrestricted grant, and 9% of those with a core costs grant, gave unsolicited feedback in end of grant learning conversations that our grant had unlocked further funding, compared to 2% of project-funded organisations.

##### Time matters

The most negative feedback we have received about our funding has not been about the type of grant (project or core), but how long it is for. 1 or 2 year grants can make it hard to recruit and keep staff. Even a 3 year core costs grant only gives organisations an 18 month respite from fundraising; 5 years of support could genuinely free organisations up to concentrate on impact.

##### We could give more unrestricted funding

Despite making a policy decision to do it, we haven't increased the number of unrestricted grants we make. Unrestricted grants are more likely to lever in other money, and are considered by our trustees over time to be more effective. **Esmée Fairbairn has funded London Youth since 2013 with £515,000 for core support.**

##### Our funding is only as good as an organisation's other funding lets it be

Many organisations we fund tell us that Esmée's core funding helped them piece together the complex jigsaw of grants and restrictions from others. We are rarely a charity or social enterprise's only funder. Where a grant achieves its outcomes, or a project is successful, that is because of the work of a whole organisation, and by extension the whole funding model of the organisation, and cannot be attributed to the single grant of a donor. Even an unrestricted grant is only as effective as an organisation's other funding allows it to be.



If you could provide one key piece of advice to grant applicants, what would it be?  
Don't be afraid to assert yourself and be confident to apply for the full cost needed to deliver your service. There's a tendency in the sector to play down support costs, and I think that leads us to an unhelpful place where we're not having open and honest, genuine conversations about what's needed to do our work and to do it well.

"All of a charity's activities should be core - direct delivery as well as back office functions. There shouldn't be a sense that some activities are optional or nice to have."

## What have we learned?

### Case study London Youth

Note: This case study has been built upon:

- Crane, G. (2019). Personal interview.
- Esmée Fairbairn Foundation. (2017). *Learning from our grants: Insight Report 1*.
- Esmée Fairbairn Foundation. (2019). *Insights on Core Funding*.
- Internal documents provided by the foundation
- Website of the foundation: <https://esmeefairbairn.org.uk/>

## Case Study

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# Impetus



↳ Overview of Impetus

Type of foundation	Founded
Grantmaking	2013
Target geography	(from the merger of Impetus Trust and the Private Equity Foundation)
UK	
Target sector	Net assets
Education and employment for young people from disadvantaged backgrounds	£7.7mn (2017)
Annual grantmaking	Number of charities supported
£4.1mn (2017)	19 (2017)

## 01. Designing an impact management approach

### 1.1. History and sources of inspiration

→ **Sources of inspiration:** **Impetus** was influenced by David Hunter and Mario Morino, the founders of the **Leap of Reason** community by putting performance and impact at the heart of its work.

→ **A never ending journey:** **Impetus** is always looking at ways to build its impact. It has worked with a wide range of different types of organizations and has flexed its framework. According to Elisabeth Paulson, Portfolio Director, *"with performance management, the journey never ends. Given our resources each year, we continue to build elements".*

### 1.2. Impact and learning at the level of the foundation

→ **Impetus** is very sophisticated and advanced in this domain.

→ When a merger occurred (5-6 years ago), **Impetus** had a major theory of change session where it went through the same process its charities go through:

- This was a great opportunity to understand what had gone well /not so well historically.
- It decided to **concentrate exclusively on youth and education/employment:** At merger, it decided to focus more on charity impact, which required it to focus on some sectors, build its expertise in them, and rebuild its support model.
- Since this major change, it has been a more ongoing practice development.

→ To manage its impact at an aggregate level, it uses three dashboards:

- **Sector dashboard:** Gives **Impetus**' leaders a high-level view of the education and employment sectors, key barriers to change, and **Impetus** advocacy priorities for addressing those barriers.
- **Impetus dashboard:** Gives executives and Board an effective way to track contributions to progress against sector-wide goals.
- **Portfolio dashboard:** Helps executives and Board track progress of individual grantees in meeting the sector-wide goals.

Impact at the level of the foundation

Managing impact at an aggregate level

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Managing impact at an aggregate level

↓ The Sector Dashboard

Sector Dashboard		
June 2017		
Sector health		Key developments
Gap in achievement between disadvantaged young people and their better off peers		
<b>Education</b>	<b>25ppt</b> +X vs. LY 2021 Target: 13ppt Level 2 English and Maths by 19	<ul style="list-style-type: none"> <li>All parties committed to closing the attainment gap in their election manifestos, short on detail on the how</li> <li>Hung parliament has created uncertainty and instability. This and commencement of Brexit negotiations make a period of legislative impasse likely</li> </ul>
<b>Higher Education</b>	<b>17ppt</b> +X vs. LY 2021 Target: 9ppt Higher education access	<ul style="list-style-type: none"> <li>Universities will invest £834M in widening participation in 2017/18</li> <li>Expenditure on WP not linked to outcomes, little change in access gap expected</li> </ul>
<b>Employment</b>	<b>TBC</b> -X vs. LY 2021 Target: TBC Sustained employment	<ul style="list-style-type: none"> <li>Latest stats show a rise in NEETs among 16-18yr olds</li> <li>PwC shared predictions with us about the potentially negative impact of the apprenticeship levy on access of disadvantaged young people, we are monitoring</li> </ul>
<b>Voice of the charities (annual survey)</b>		
<b>I-PEF priorities</b>		
<p>Influence policy for closing the attainment gap</p> <ul style="list-style-type: none"> <li>Develop relationships with the education teams of all the political parties so that we are seen as go-to stakeholders on this issue.</li> <li>Share our policy recommendations from LAS and YJI and develop briefings on specific issues thrown up by the manifestos – become a source of evidence and ideas for less experienced team in Labour Party as well as Conservative ministerial team</li> </ul>		
<p>Influence policy for closing the university access gap</p> <ul style="list-style-type: none"> <li>Continued unpredictability of funding continues to be a problem for us – even some corporate funders who guaranteed us income last year reduced their funding in year at the last minute. As a result we are having to be even more cautious going forward which affects growth</li> <li>School budget squeezes but notably our regional schools. We couldn't put the price up as much as we wanted to outside of London. Recruiting enough volunteer tutors in harder to reach areas, although some good steady progress is being made here"</li> </ul>		
<p>Organisational challenges facing our charities (survey excerpts)</p>		
<p><b>Funding challenges</b></p> <ul style="list-style-type: none"> <li>Continued unpredictability of funding continues to be a problem for us – even some corporate funders who guaranteed us income last year reduced their funding in year at the last minute. As a result we are having to be even more cautious going forward which affects growth</li> <li>School budget squeezes but notably our regional schools. We couldn't put the price up as much as we wanted to outside of London. Recruiting enough volunteer tutors in harder to reach areas, although some good steady progress is being made here"</li> </ul>		
<p><b>Challenges of growth</b></p> <ul style="list-style-type: none"> <li>Securing sustainable funding to support the growth of the core programme. Adapting our operational model to deal with regional challenges around e.g. volunteer recruitment."</li> <li>"Massively overstretched team - growing pains. Lack of funding to reach schools on our waiting list"</li> </ul>		
<p><b>Build the evidence base for the youth employment gap</b></p> <ul style="list-style-type: none"> <li>Demonstrate the size of the employment 'gap' for disadvantaged young people through new data analysis for our Youth Opportunities Index</li> <li>Build employment benchmarks that can be used across the sector</li> </ul>		

↓ The Portfolio Dashboard

Portfolio Dashboard		Avg.		Focus		Build				Special Track	
		Ed	Em	Ed	HE	Em	Other	Ed	HE		
<b>Charities outcomes (Charities' TP)</b>	# total DYP reached (2016)										
	% year on year growth										
	# DYP completers (2016)										
	% gross success rate										
	# total DYP outcomes (2016)										
	% attributable success rate										
	# est. attributable DYP outcomes (2016)*										
<b>Investment (outputs)</b>	Progress RAG										
	# 'areas of concern'										
	Org. capacity score (Overall)										
	Leadership										
	Programme										
	Performance										
	Sustainability										
	Δ org. capacity score (L12M)										
	Δ org. capacity (since investment)										
<b>Investment (inputs)</b>	# years with I-PEF (since merger)										
	£k grant funding paid out (YTD)										
	£k grant funding since investment										
	# investment team days/wk (TQ)										
	£k value pro bono since investment										
<b>Leverage</b>	£k via I-PEF since investment										
	£k direct to charities since investment										

↓ The Impetus Dashboard

Impetus-PEF Dashboard			2014	2015	2016	2017	EXAMPLE COMMENTARY
			YTD	% YTD Target	YTD % LY	FY Forecast	
<b>Sector Goals (I-PEF outcomes)</b>	# total disadvantaged young people (DYP) reached						
	# DYP completers						
	Education (GCSE E&M pass)						
	HE admission						
	Sustained employment						
	# estimated attributable DYP						
	Education (GCSE E&M pass)						
	HE admission						
	Sustained employment						
<b>Investment (outputs)</b>	# charities (# new additions)						
	# charities progressed to Build						
	% charities rated 'concern'						
	Avg. change in org. capacity score						
	£M grant funding paid out						
<b>Investment (inputs)</b>	# investment team days spent						
	£M value pro bono support						
	Charity Net Promoter Score**						
	# quality citations of I-PEF						
	# influencer endorsements of I-PEF						
	# decision-maker mtgs.						
	# unsolicited speaking engagements (I-PEF team)						
<b>Policy</b>	£M via I-PEF grants						
	£M direct to I-PEF charities						
	£M funds raised						
	% of which are multi-year commitments						
	% raised of next year's committed funding						
	£M 3 year reserves balance***						
	£M operating costs						
	Donor Net Promoter Score						
	% donor retention						
	Staff Net Promoter Score						
	% stakeholders who believe I-PEF makes an impact						

Note: DYP = Disadvantaged Young People; (\*) # DYP reaching outcome less the counterfactual (i.e. the # of DYP who would have reached a positive outcome even without charity's efforts);

(\*\*) Based on the overall programme success rate net of the counterfactual rate; P12M = previous 12 months; L12M = last 12 months; Δ = change

**Impetus**  
Private Equity Foundation

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### 1.3. Impact at the level of social ventures

'Driving Impact'

- **Approach:** 'Impact first, then scale' → **Impetus** supports the charity's growth in scale, but only where there is clear evidence that the charity is producing transformative outcomes for the vast majority of young people it serves.
- **Program delivered to its charity partners:** 'Driving Impact'

#### What Impetus-PEF does during each phase

Screen	Focus	Build	Scale
<ul style="list-style-type: none"> <li>→ Explore suitable candidates through a mixture of referrals and market scans, looking for:           <ul style="list-style-type: none"> <li>- Ambition for impact</li> <li>- Prospect of sustainability</li> <li>- Commitment to developing measurement and evaluation systems</li> </ul> </li> <li>→ Assess charities in detail           <ul style="list-style-type: none"> <li>- Site visits</li> <li>- Discussions with leadership and Board</li> <li>- Rigorous due diligence</li> </ul> </li> <li>→ Prepare partnership proposition for the Impetus-PEF investment committee</li> </ul>	<ul style="list-style-type: none"> <li>→ Facilitate <i>Driving Impact</i> workshop</li> <li>→ Document new operating model</li> <li>→ Ensure Board is aligned with new direction</li> <li>→ Help organization develop plan</li> <li>→ Engage CEO on personal leadership style</li> <li>→ Take stock and decide whether to continue partnership</li> </ul>	<ul style="list-style-type: none"> <li>→ Help organization put new impact-driven model in place, with focus on quality and reliability           <ul style="list-style-type: none"> <li>- Training, hiring specialized staff (e.g. Head of Impact, Systems Manager)</li> <li>- Changes to activities on the ground (enrolment of young people, actual program of work)</li> <li>- Implementation processes and systems to collect and review outcomes data</li> </ul> </li> <li>→ Support on other areas required for growth and sustainability, e.g. financial controls, HR, leadership development</li> <li>→ After a few years, support with external evaluation (formative and summative)</li> </ul>	<ul style="list-style-type: none"> <li>→ Support significant scale-up of delivery           <ul style="list-style-type: none"> <li>- Growth planning</li> <li>- Funding model</li> <li>- Additional senior hires</li> <li>- Support with go-to-market strategy</li> </ul> </li> <li>→ Continue to support refinements to model and performance management</li> </ul>
What the charity gains from each phase			
<ul style="list-style-type: none"> <li>The right fit An aligned partnership</li> </ul>	<ul style="list-style-type: none"> <li>Clarity of purpose Clear mission and implementation plan</li> </ul>	<ul style="list-style-type: none"> <li>Impact management Systems and data to deliver outcomes reliably and sustainably</li> </ul>	<ul style="list-style-type: none"> <li>Expansion Ability to produce better outcomes for many more young people</li> </ul>

- **Identifying what the charity needs** can only come after putting the building blocks of its impact strategy, and thus of its performance management, in place.

Building blocks in its impact strategy and performance management

Mission	Target population	Outcomes	Program design	Performance management
Why the charity exists and what social inequalities it aims to reduce	The young people it serves expressed as a set of enrolment criteria	Long-term: the enduring benefits for a young person. Intermediate/Short-term: indicators of progress during a program or at its end	Who does what, when, how often, for how long, to achieve these outcomes	How performance is managed to ensure every young person progresses towards these outcomes

- During first stage of partnership with a charity – called the 'Focus' phase – **Impetus** coaches its charity partners through defining and refining these building blocks. This is the first crucial step to high performance.

### 1.4. Reporting

- As the charities develop, with their support, a better understanding of their target population, program design and outcomes, **Impetus** asks them to report the same data, along with key financials, that they use to manage impact for **Impetus**' reporting.

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### 02. Resourcing and organizing for impact management

#### 2.1. Resources allocated to impact

- **Impetus** manages impact through the **investment directors**.

#### 2.2. Organizational structure



#### 2.3. Responsibilities of the Investment Directors around impact management

- Investment Directors work on front line with charity partners and are responsible for:
  - Building **trust-based relationships** and providing **deep support over many years**.
  - Driving **the delivery of Impetus' model** including facilitating key decisions and delivering hands-on support.
  - **Tracking progress of the charities.**

- **Each Investment Director** is responsible for **2 to 4 charities**.

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### 03. Embedding impact management through organizational culture

#### 3.1. Spreading the impact mindset through the organization

Staff response to impact management and enablers to make transition smoother

- **Impetus** was born with impact management at the core of its strategy.

#### 3.2. Being a learning organization

Creating a learning culture internally

- **Impetus** considers itself to be a learning organization because it is continuously looking to improve and is open to change.

Moving towards a shared learning approach, especially with grantees

- **Impetus** tries to have open and honest conversations with grantees. However, it takes some time to engender this openness.

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## 04. Building internal and external capacity to manage impact

### 4.1. Building staff capacity

Type of charities supported	<ul style="list-style-type: none"> <li>Charities that Impetus can be successful with:           <ul style="list-style-type: none"> <li>Support young people from disadvantaged backgrounds in the UK to succeed at school and work.</li> <li>Are the <b>right size</b> (no start-ups) and have some <b>track record</b> that suggests a program could produce impact.</li> <li>Have the <b>potential to scale outcomes</b>.</li> <li>Have a CEO or Chair worried about the fact that they are not good enough and <b>willing to go down the road of impact management</b></li> </ul> </li> </ul>
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Purpose of the capacity-building	<ul style="list-style-type: none"> <li>Creating <b>organizations that have the ability to be sector leaders</b>. The idea is to support them until they can get others to come on board. According to Elisabeth Paulson, Portfolio Director "<b>impact is a leadership decision</b>".</li> <li>Building capabilities on three pillars (impact, sustainability, and leadership) <b>to manage, improve, and then scale up impact</b></li> </ul>
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What is provided to grantees?	<ul style="list-style-type: none"> <li>Long-term support (4 to 10 years)</li> </ul> <p> +  + </p> <p>Core funding (i.e. to fund the systems to manage impact)    Access to their pro-bono network    The expertise of the Internal Investment Team, which provides them with capacity-building and NFS (Non-Financial Support)</p>
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How is the capacity of grantees around impact management being built?	<ul style="list-style-type: none"> <li>Working shoulder-to-shoulder with organizations (and specifically with the leaders) <b>in the long-term</b>, having a rigorous performance management, and a focus on impact.</li> </ul>
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How is the capacity of grantees around impact management being built?	<p>Year 1</p> <p>Following years (tendency to fund in three-year buckets)</p> <ul style="list-style-type: none"> <li>The <b>charity is not expected to make any changes</b>.</li> <li><b>Impetus</b> helps the charity <b>to define its target population, outcomes, program design, monitoring, and improvement of performance, and to develop an impact strategy</b>.</li> <li>Sometimes either <b>Impetus</b>, or the charity, decide not to progress after that point.</li> <li>Persuading the charity to <b>develop an impact plan</b> that everyone supports <b>and implement it</b> (it has metrics to check whether organizations are delivering against the plan).</li> <li><b>Building a great leadership team and sustainable organization</b>. It does a lot of core and leadership work to improve the capabilities for grantees' performance impact management and long-term sustainability.</li> </ul>
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Who builds the capacity of grantees to manage impact?
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- Internal Investment Team: Their role is to develop, implement, and scale up the impact plans.
- Pro-bono partners: Their role is to supplement the work of the investment team.



- 'The Impact for Growth Program' is **part of the 'Impact Management Program'**. It has been designed and delivered by **Impetus**, in partnership with NPC and Social Investment Business, and funded by the Access Foundation for Social Investment.

- It aims at **building the capacity of charities to manage impact**.

#### Process:

- The **150 applicants** were required to attend a **one-day training session** covering the **main building blocks of what Impetus does**. It was organized with an accompanying worksheet, **diagnosing the organization through the workshop, and developing a theory of change**. According to Sherine Mahmoud, Investment Director, "**what we tried to do with the curriculum was to distil the fundamental principles. What does good look like? How could you operationalize it?**".
- 40 charities** were chosen to receive **£1.8mn of funding** in total **for a one-year impact management project**. The funding was given to grantees for them to **work with approved providers to focus on areas of impact management where they need the most help**.

**This is done by using 'The Charity Outcomes Framework'**  
(see next slide for more details)

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Impetus

## 4.1. Building grantee capacity

↓ The Charity Outcomes framework

Pillar	Criteria	Definition	1	2	3
Leadership	Strength of CEO leadership	Composite of score (average score across three scales below):	1. Strategic orientation	Reacts to short term opportunities and threats.	Articulates medium term organizational priorities.
			2. Results orientation	Demonstrates performance curiosity informed by data.	Dissatisfaction with quality of data and reflective on cost structure.
			3. Team leadership	Explains what to do and why.	Allows input from the team.
	Strength of senior management team (SMT)	Main functions = finance / human resources, income generation / communications, program delivery and impact. Effectively resourced = sufficient capability and capacity.	Some main functional competencies in place.	Adequate resource and capabilities in place for finance; gaps identified for other important roles.	Effective finance capability in place; 2 of 4 main functions effectively resourced.
	Strength of Board	A stable, effective Board providing oversight of strategic and organizational effectiveness, holding CEO to account and providing fiduciary oversight	Basic oversight of financial, strategic and operational effectiveness, reactive risk management.	Gaps in Board structure, skills and processes identified; plan in place to develop Board gaps to support needs of the charity.	Well balanced Board in place with clear allocation of roles and responsibilities; Board showing shared purpose, commitment to accountability for financial, strategic and organizational outcomes and emerging proactive risk management.
	Program model	Having a clear model for impact.	Partial definition of target population, intended outcomes and intervention. Some gaps and inconsistencies.	Theory of change has been defined at high level.	Theory of change has been defined in operational terms (e.g. detailed activities, assessment scales). Elements of the model have been tested.
	Impact management	Managing to impact.	Performance curiosity and emerging practices on data collection.	Awareness of gaps around impact management, supporting processes and systems. Plans in place to address gaps.	Completed pilot of newly designed impact management practices. Plan to roll out full impact management model.
	Evidence of impact	Having impact.	Self assessed data surveys and / or output data indicates examples of success.	There is a plausible link between program design and intended outcomes.	Internally collected data provides evidence of year-on-year improvement in outcome metric that had been defined in theory of change work.
	Financial health	Mid-term financial viability. Calculation (unrestricted reserves + confirmed income over next 12 months) / monthly costs.	Run way <3 months	Run way ≥3 months <6 months	Run way ≥6 months <9 months
Organizational sustainability	Financial management	Strength of financial systems and processes.	Good bookkeeping, producing financial statements.	Has an annual budgeting process. Reliably produces monthly management accounts, with strong understanding of cash position.	Produces 3 year forecast of profit and loss and 12 month cash / balance sheet forecasts. Monthly management accounts monitor actual vs. budget, and include cash forecasts.
	Scalability	Composite of score (average score across two scales below):	1	2	3
		Assessment of financial readiness to scale.	Financial planning reflects focus on generating annual surplus, in context of incremental growth.	Financial planning shifting to a focus on scale up, including assessment of market demand, projected revenue streams, cost structure, risks and mitigants.	New sources of funding found for scale up with financial plans stress-tested against assessment of future market demand and external factors (e.g. government policy).
		Assessment of operational readiness to scale.	Operations focused on steady state or incremental growth, but ambition present in leadership for scale up in the longer term.	Emerging awareness of constraints of current business model and core systems and processes, given desire for growth and intended route to scale.	Route to scale established, with implementation plans including plans for upgrading current business model / systems and processes for scale up.
	Strength of partnership	Composite of: openness and trust, benefit from Impetus-PEF's value-add, commitment to meaningful social impact.	Interest in social impact but little action. Does not engage Impetus-PEF with areas of concern.	Actively engaged in developing plans, discusses difficult issues with team, interest in impact management approach.	Maintains good level of direct communications, co-owns process and begins to ask questions for clarification and support.

4	5	6
Adapts strategy based on arising opportunities and threats.	Anticipates upcoming changes to external environment and adapts strategy accordingly.	Creates long term strategic opportunities for scale.
Embeds culture of management to outcomes and awareness of cost base.	Holds staff to account for data driven learning culture and cost control.	Embeds relentless drive for optimization of cost per outcome, in context of scale up.
Empowers teams to perform independently.	Motivates and inspires high-performance teams.	Builds and sustains a high performance team culture.
Effective finance capability in place; 3 of 4 main functions effectively resourced.	All 4 main functions effectively resourced and sufficient for delivery at scale, with clear SMT role, aligned priorities and strong processes.	All main functions effectively resourced for scale up and working well together with proactive collaboration.
Well functioning Board in place; clear understanding of roles and responsibilities; Board working with appropriate operating practices, delegation and information flows; holding CEO to account; emerging proactive risk management.	Effective Board providing active support and challenge to CEO. Evidence of enhanced finance, strategic and risk oversight, including management of leadership succession planning; understanding of role of evaluation.	Stable, effectively run Board providing support and challenge to CEO on strategy, finance, evaluation and risk management; good understanding of what is required to deliver at scale.
Detailed model has been rolled out. Performance standards have been defined.	Program design is stable, following several full cycles of refinement and as informed by a formative evaluation. Refinements to delivery model underway for replication at scale.	Delivery model has been optimized in order to enable replication of the model during scale up.
Impact management model has been fully rolled out, a culture of managing to outcomes is emerging.	Impact management practices refined and now tied to HR practices. Effectiveness of impact management model reflected in fidelity of delivery.	Impact management practices, systems and standards have been replicated across multiple geographies.
Internally collected data shows higher effectiveness relative to external benchmarks.	External evaluation demonstrates outcomes are caused by the intervention.	Replication evaluation shows that intervention continues to show positive impact in multiple geographies.
Run way ≥9 months <12 months	Run way ≥12 months <15 months	Run way ≥15 months
Finance function is led by qualified personnel. Budgeting is bottom-up, supported by risk-assessed fundraising plans, with good accuracy vs. actual.	Financial function embedded in organizational strategy, with financial performance widely understood throughout organization. Budgets and management accounts reflect robust understanding of delivery center / program costs.	Financial plans provide an ongoing and fully risk-assessed articulation of business plan at all levels of organization, with quality assurance provided by internal audit and ongoing adjustment to operating environment.
4	5	6
Piloting of scale up model enables testing of financial plans for scale up, including cost structure, market demand and funding streams / fundraising approaches.	Financial model for scale up refined, with market demand established, momentum built with funders and cost optimization plans in place.	Significant growth underway, with reliable financial delivery against plans supported by well-developed finance function.
Scale up model piloted in new sites, with changes to systems, organization structure and business model underway.	Feasibility of route to scale tested and refined based on pilots, with new systems, organization structure and business model deemed fit for purpose.	Significant growth underway with new sites successfully opened and business model / systems and processes proving sustainable at scale. Additional rounds of growth planned.
Good level of direct communications, proactively seeks support and leverages Impetus-PEF; owns plan.	Seeks and responds well to coaching and feedback, engages all aspect of Impetus-PEF support and committed to meaningful social impact.	Pro-actively engages Impetus-PEF support to drive impact and scale up. Fully owns process and plan commitments.

→ The Outcomes Framework is the roadmap for Impetus, and the charities it supports, towards high performance.

→ Through learning, it identified the building blocks for managing impact at scale and it grouped these into three pillars:

- Leadership
- Impact
- Organizational sustainability

→ It created –and refined– scales for each indicator.

→ Its ambition is to support organizations to move from 'left to right'.

→ The Outcomes Framework helps Impetus manage non-financial support (NFS) consistently. It uses this at charity level to:

- Diagnose a charity's capabilities (with the charity team).
- Plan non-financial support program to build capabilities (embedded in annual planning).
- Set milestones, track, and manage charity progress (jointly).
- 'Course correct' if its support is insufficient or incorrect.

→ The Outcomes Framework also anchors how it manages its portfolio and support:

- It scores each charity once a quarter.
- It meets as a team to calibrate scoring and review NFS inputs (both from the investment team and pro-bono).
- It assesses what it is doing well, and what it could do differently or better.

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## 05. Collaboration, transparency, and knowledge sharing to support impact management

### 5.1. Collaborating on impact management issues

#### Partnering to deepen impact

→ Impetus collaborates with other funders to support its charities, **deepen their impacts**, and expand their work.



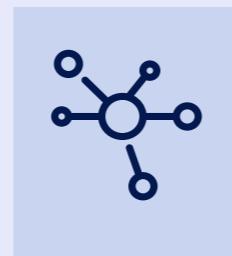
#### Collaborations to improve grantee capacity around impact management

→ Example: The delivery of 'Impact Management Program' in partnership with NPC and Social Investment Business.



#### Fostering collaboration among grantees

→ Impetus encourages **peer network** and **peer learning** by **bringing the grantees from the charity portfolio together quarterly**:  
According to Elisabeth Paulson, Portfolio Director, "this is about building a community, testing if it helps charity development. Does it unearth patterns or opportunities that we might not see on a one-to-one? And can it accelerate capacity building?".

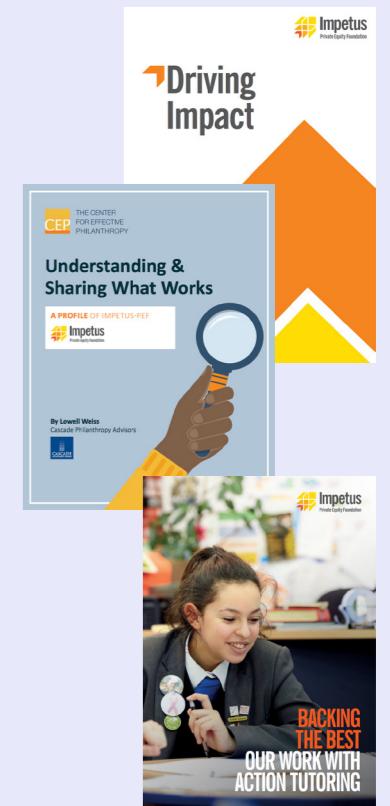


### 5.2. Transparency and knowledge sharing

→ Impetus is one of the most **advanced players** in the field:

- The organization finds what works by **combining the lessons from its charities with its own research**. It tries to **influence policy and decision-makers** by **sharing data and learnings**.
- **Example:** It worked with Big Society Capital to influence government policy on youth employment. This led to the creation of the **Life Chances Strategy**, and an £80 mn fund to help young people who face significant barriers.
- It **reports on impact management**. Its **policy briefings** and **impact stories** are well regarded in the sector.
- Impetus is also focusing on **writing down the development of its practice** (i.e. codifying the high-level building blocks and the main stages of investment management).

↓ Examples of Impetus' publications



Note: This case study has been built upon:

- Paulson, E. & Mahmoud, S. (2019). Personal interview
- Impetus. (2016). *Driving Impact: Helping Charities Transform the Lives of Disadvantaged Young People*.
- Leap of Reason. (2017). *Invested in Empathetic Challenge: A Profile of Impetus-PEF*.
- Internal documents provided by the foundation
- Website of the foundation: <https://impetus.org.uk/>

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