

**NESST**

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## Where is the social impact?



July 16, 2013 Berlin

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NESST

Where is the **SOCIAL IMPACT????**

s	r	x	o	p	i	u
z	o	z	c	v	b	r
m		c	e	w	m	t
g	h	j	i	o	c	q
t	n	b	v	a	k	l
r	e	r	p	u	l	p
e	j	m	a	o	v	z
t	i	d	s	g	h	q
g	a	f	t	u	n	m

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Where is the **SOCIAL IMPACT????**

<b>s</b>	r	x	o	p	i	u
z	<b>o</b>	z	c	v	b	r
m		<b>c</b>	e	w	m	<b>t</b>
g	h	j	<b>i</b>	o	<b>c</b>	q
t	n	b	v	<b>a</b>	k	l
r	e	r	<b>p</b>	u	<b>l</b>	p
e	j	<b>m</b>	a	o	v	z
t	<b>i</b>	d	s	g	h	q
g	a	f	t	u	n	m

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## Measuring and managing social impact: benefits

- transparency
- we can see what works and what doesn't work
  - helps in management decision of SE
  - helps in financial resource allocation
  - input for policy development



## Managing social impact: challenges

- What is meant by social impact?
- Project based or anecdotal evidence
- Lack of systematic approach and methodology
- Lack of impact mentality – remain at needs assessment stage; focus on indicators only
- Lack of measurement culture
- Funders don't demand impact data; they focus on inputs and processes, perhaps outputs
- Short term view
- Organizations lack resources to collect impact data
- No aggregate impact data by sector
- Communication of impact is often forgotten



# NESsT Performance Management Tool (PMT)



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## NESsT PMT

NESsT PMT: aims to capture impact, but at least outcome

Portfolio level: aggregating flagships – generic outcome indicators from all fields of activity measured by all portfolio SEs

New direction: focus on impact areas  
labour inclusion,  
sustainable income and  
grassroot technology



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# Izlelo Restaurant, Kek Madar Foundation

NESsT Enterprise since 2007

- Business performance and social impact are intricately linked: there is no social impact without sales revenue
- Uses NESsT PMT to track performance and social impact; quantitative.
- Key indicators:
  - Number of people trained
  - Number of people employed
  - Beneficiary satisfaction
  - Wage level compared to regional average
  - Personal development of beneficiaries employed: types of tasks, overtime, other activities
  - Gov't income in taxes per beneficiary compared to gov't subsidy per beneficiary



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## Izlelo Restaurant, Kek Madar Foundation

NESsT Enterprise since 2007

“Real” results/impact in 2012:

- Enables 10 disabled people to live independent lives
- One formerly inactive colleague obtained driver’s licence
- Salaries are 108% of the regional average
- In local lingo “Wheelchair Marika” is replaced by “Marika from Izlelo”
- Minimum level of sickleave; no staff turnover
- Disabled staff able to perform majority of business and operational tasks



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## Policy initiatives/instruments

- **Social Reporting Standards (Germany)**
  - Initiated by the Research of Technische Universität München (University of Technology, Munich) and the University of Hamburg
  - Adopted by Federal Ministry of Family Affairs, Senior Citizens, Women and Youth
- **EU Social Business Initiative – Social Impact Subgroup**
  - Guidance for EuSEF
  - Focus on impact measurement culture and process
  - Recognizes need for training
- **Social Impact Bonds (UK)**
  - Payment by results

# 3 The Impact Measurement Process

## The five steps of social impact measurement



Source: EVPA

EVPA and its Knowledge Centre are supported by:

## Standardization



**IRIS** is the catalog of generally accepted performance metrics that leading impact investors use to measure social, environmental, and financial success, evaluate deals, and grow the credibility of the impact investing industry.