

# THE COMMON FOUNDATIONS OF IMPACT MEASUREMENT



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### The Common Foundations

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### Where did the Common Foundations come from?

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### Get credit for using the Common Foundations

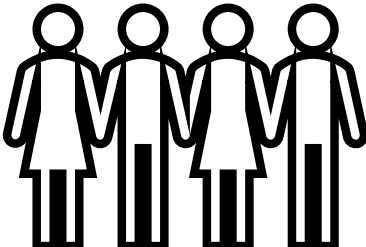
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At their foundation, all the many tools and approaches to measuring impact share the same five essential practices. The Common Foundations of Impact Measurement highlight those shared essential practices.

**What are the Common Foundations?**

The Common Foundations are the five essential practices that describe *how* to do impact measurement.

|   |                            |
|---|----------------------------|
|    | Plan your change           |
|    | Use performance measures   |
|    | Collect useful information |
|    | Gauge your impact          |
|  | Communicate results        |

|  |  |
|--|--|
| <p>Involving Stakeholders is a crucial element of each of those practices. Involving these stakeholders can help you identify what is important about your work and therefore what you must measure. Involving stakeholders will also enable better data collection, help you make sense of the evidence you gather, and increase the credibility and acceptance of your findings. So, plan from the beginning who should be involved, when and how you will involve them, and what resources you will need.</p> |  |
|--|--|

### **How can I showcase that my organization practices the Common Foundations?**

If your organization does the five essential practices of the Common Foundations, you can use the Common Approach logo on your communications and reporting materials. Learn more on the back page of this document.

### **Why the Common Foundations**

By identifying these Common Foundations, we hope to help social purpose organizations have an easier time navigating their impact measurement options. They should feel confident choosing any tool or approach that includes these five essential practices. Or even improvise their own methods. As long as all five essential practices are in place, the impact measurement process is good enough!

The Common Foundations are a minimum standard for *how* to do impact measurement without prescribing a particular tool or approach. This can help to overcome a widespread challenge of grantmakers, donors, lenders and investors imposing impact measurement approaches on the social purpose organizations that they give money to. They do this for assurances that the impact measurement is of a sufficient quality and comparability. The Common Foundations solve part of this problem. Funders can require social purpose organizations to demonstrate that they are doing all five essential practices while leaving the social purpose organization to choose which tools and approaches to use.

Before embarking on these essential practices for impact measurement, it is crucial that you first ask yourself if your organization will benefit from impact measurement. Impact measurement is useful for learning, innovation, demonstrating impact and accountability. However, there are other ways to learn, innovate, demonstrate and be accountable. While we are advocates of impact measurement, we recognize that impact measurement is not the solution to all problems and not appropriate in all situations. These essential practices are for organizations that have decided that impact measurement is appropriate for their organization.

### **The Common Foundations is part of many impact measurement methods**

It's quite possible that you are already doing the Common Foundations. Any organization using one of the following is already doing the Common Foundations! If you are not, these tools and approaches will help you start doing the five essential practices that are the Common Foundations:

- ✓ Theory of change
- ✓ Sustainable Livelihoods Approach
- ✓ Logical Framework Approach
- ✓ Results Based Approach
- ✓ Social Return on Investment
- ✓ Demonstrating Value
- ✓ Others....

### **The Common Foundations fit with other standards**

The Common Foundations are compatible with other popular standards. This is not either-or; it is *and*. A social purpose organization can use the Common Foundations to enhance their work with:

- ✓ Impact Management Project
- ✓ IRIS
- ✓ B Corp

- ✓ GRI
- ✓ Global Compact
- ✓ Imagine Canada Standards
- ✓ Others....

**The Common Foundations are consistent with The Montreal Declaration**

The [Montreal Declaration on evaluation and social impact measurement](#) is a set of principles that help to ensure that evaluation and social impact measurement respond to the needs of communities based on values and principles. The essential practices are consistent with evaluation that is useful, focused on learning, participatory, giving preference to the voices of those whose lives are most affected, and embracing a range of tools and approaches. The Common Approach is proud to be a signatory of the Declaration and shares the commitments outlined in it.



## What do we mean by impact and impact measurement?

**Impact** is “the intended and unintended (positive or otherwise) changes (outputs, outcomes) that occur across the organization (within and/or across its programs) and with its stakeholders (including users, clients, partners, etc.) over a period of time (short term, long term) as a result of the organization’s activities.” (Innoweave – <https://innoweave.ca/streams/impact-measurement/>)

There is a school of thought that sees impact as longer lasting or more transformational than outcomes: impact comes after outputs and outcomes. At the Common Approach, impact does not come after outputs and outcomes. It *is* the outputs and outcomes. Specifically, it is the portion of changes in outputs and outcomes that is the result the organization’s activities. This view is consistent with global consensus builders, like the Impact Management Project and leading Canadian initiatives like Innoweave and TIESS, and work from the Rockefeller Foundation.

**Impact measurement** is the qualitative or quantitative assessment of impact based on measured observations (using survey data or other instruments) with a control group or theory-informed estimation.

Our definition of Impact Measurement is informed by academic work on theory-driven evaluation. There is a school of thought that believes random control trials (RCTs) as the only true way to measure impact. Theory-driven evaluation, by contrast, views outputs and outcomes as early or visible indications of long-term outcomes, such that well-selected indicators with a good theory of change can be used to reasonably estimate impact. The Common Foundations outlined in this guide of essential practices of impact measurement define a minimum standard. The standard can be met by running a random control trial, and also by the measurement of outputs and outcomes with a theory of change. We adopt this expanded view because it is not feasible nor reasonable for all organizations to be running RCTs for all programs.

Impact measurement is a form of program evaluation focused on assessing the contribution of a program on its intended population. Impact evaluations employ a systematic approach for collecting data to assess the consequences attributable to an intervention. Impact evaluations can be situated within a broader set of evaluations that help us understand how an organization’s intervention can improve the lives of its participants.

## PLAN YOUR INTENDED CHANGE

An essential practice of all impact measurement approaches is a *plan* for creating the intended change. This plan specifies how, and why, your work will bring about change. A diagram—such as a *theory of change*, *outcomes map*, or *logic model*—is often used to illustrate the relationships between actions, performance, and results. The purpose is to focus your measurement efforts; to describe the scope of these efforts; and to clarify who should be involved in the process.



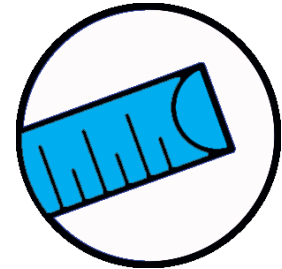
Be aware of the changes that matter most to your stakeholders. Include differing perspectives when defining how and why your work will bring about change, and get feedback on any potential unintended results (both positive and negative). By involving stakeholders in planning your intended change you will uncover differing assumptions, expectations and ideas that give the strongest possible basis for measuring impact.

| Essential Practice   | Explanation   |
|--|---|
| <b>Describe the impact you want to achieve.</b>                    | Identify the broad, long-term change that fulfills your mission—the change that matters most to your stakeholders.  |
| <b>Identify the positive outcomes most central to that change.</b> | Describe which results will most directly contribute to achieving the impact.   |
| <b>State the main activities you will undertake.</b>               | Specify the actions that will achieve your desired outcomes.  |
| <b>Describe the process of change.</b>                             | Specify how, and why, your work achieves results by illustrating the relationships between activities, outcomes, and impact. This can be done by using a <i>theory of change</i> , an <i>outcomes map</i> , or a <i>logic model</i> . |



## USE PERFORMANCE MEASURES

Performance measures, known as *indicators*, are another essential practice of many impact measurement approaches. They help you to assess how well your work is carried out, and what effects it has. A good set of performance measures will inform *how* to create impact, and *what* changes have occurred.



Where possible, involve stakeholders in the selection of your performance measures. Involve them in defining what success will look like from their perspective, what criteria or standards they have for judging your performance, and what the priority should be between different indicators. By involving stakeholders, you can ensure the performance indicators you choose closely reflect the results you hope to achieve, and that the basis for measuring your impact is widely accepted.

| Essential practice   | Explanation  |
|--|--|
| <b>Identify the information you need to show progress and impact</b> | Think of what your stakeholders need to know and what you want to show. Draw on the learning from your <i>theory of change</i> , <i>outcomes map</i> , or <i>logic model</i> if you have one.                                |
| <b>Explore existing indicators that might be relevant</b>            | Consider using existing indicators. Several initiatives have created “indicator banks” for particular fields of work. If these meet your needs, use them—aligning them where you can.  |
| <b>Link indicators to your planned outputs and outcomes.</b>         | Use one or more indicators for each outcome, to show the difference you have brought about (outcome indicators). Activities should also have indicators, to show the amount or type of work carried out (output indicators). |
| <b>Ensure that your indicators are S.M.A.R.T.</b>                    | Employ Specific, Measurable, Accurate, Relevant, and Time-Bound indicators. They show progress over a reasonable length of time and focus on changes that can be observed and measured.                                      |
| <b>Source financial proxies from credible authorities.</b>           | If you choose to quantify outcomes in monetary terms, ensure proxy indicators are taken from credible sources.   |

## COLLECT USEFUL INFORMATION

Gathering and analyzing data can be a resource-intensive task. An essential practice of impact measurement is that the information collected should be *useful* enough to you to make it worth the effort. This utility derives both from *what* information you collect, and from *how* it is collected, and *how often*. The right combination of those factors helps you to improve your work, and to demonstrate that you are making progress.



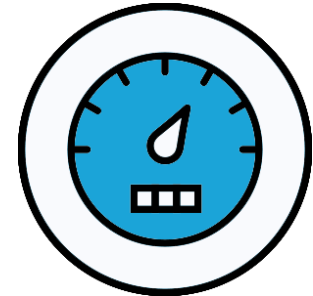
Where possible, share your data collection plans and ask people for their thoughts. Ideally, give your stakeholders options about how they will contribute and choose methods that will enable everyone to fully participate regardless of background, confidence or experience. By involving your stakeholders you will ensure the data you collect is as full and accurate as possible.

| Essential practice  | Explanation  |
|---|--|
| <b>Decide what data you need to collect</b>                 | Decide what quantitative data (numbers) and qualitative data (for example, case studies) you need to help you understand how change happens, and what has changed—as well as the data you need to track output and outcome indicators. |
| <b>Use methods that will give you the evidence you need</b> | Select the data-collection methods and tools that are most relevant to you; most practical to use; and most simple to implement with your available resources.   |
| <b>Plan your data collection</b>                            | Plan how you will collect data, when you will collect it, and who will collect it. Ensure your plan has support within the organization and builds on existing systems and processes.  |
| <b>Collect data in a routine and consistent way</b>         | Gather information at regular intervals, and from the right sources. The task should be part of your day-to-day work, with the staff responsible given the tools they need to do it accurately and consistently.                       |
| <b>Act ethically in collecting data.</b>                    | Collect only the data you require and do it in ways that respect those whom you serve. If it is not possible to collect data from everyone, use an appropriate sample.   |



## GAUGE PERFORMANCE AND IMPACT

Whether quantitative or qualitative, no data set makes sense until it is presented in a reasonable and credible context. Implicit in all impact-measurement approaches is the need to *assemble* and *analyze* data. Only through this analysis can you gain insights about what works, and about how well you are doing.



Involve your stakeholders in helping you to make sense of the information you collect. Where possible, bring people together to discuss your findings, review results and explore the reasons behind these. Give them the opportunity to check whether your results are consistent with those you set out to achieve, and to identify lessons or make recommendations. By involving your stakeholders you can ensure that the information you collect is widely understood and becomes actionable.

| Essential practice   | Explanation  |
|--|--|
| <b>Put a system in place for storing, managing and analyzing data.</b> | Set up an appropriate system for securely storing and managing the information you collect, ensuring it will give you reliable data when you need it. Staff should understand the system and use it consistently.  |
| <b>Assemble and analyze information regularly.</b>                     | Examine the information collected, simplify the results, and rigorously assess them—paying special attention to patterns that reveal important differences in the effects of your work.  |
| <b>Compare results to assess success.</b>                              | Undertake regular comparisons of results, in order to judge progress. When possible, compare results from your baseline situation (before your changes) to your targets (the things you hope to achieve). You may also use benchmarks as helpful points of reference.                                      |
| <b>Review differences regularly.</b>                                   | Conduct regular reviews of the evidence you gather, examining what changes have taken place, and how, and why. When possible, involve your stakeholders to help check your findings.   |
| <b>Base conclusions about impact on reasonable assumptions.</b>        | Assign equal weight to positive findings, and those that are less positive—including negative outcomes. You should also consider any changes that may have happened even without your work. The causes of these may include factors that are outside of your control, such as the input of other services. |

## COMMUNICATE RESULTS

The information you collect should be used to produce a balanced account of your work, and the difference it makes. This not only helps you to make better decisions about what to do next; it also allows you to communicate your achievements clearly and persuasively to others. Accordingly, your method for reporting this evidence is important for showing that your organization is trustworthy and accountable.



Communicate openly and in ways that are appropriate to your stakeholders. Take time to consult with your different audiences in advance to ensure that your reporting methods reflect their needs and preferences. Get feedback to ensure the information you present is clear, user friendly, and useful. Make efforts to ensure that communication becomes a two-way process, using appropriate channels. By communicating on your results regularly and publicly you will establish trust, transparency, and accountability among your stakeholders.

| Essential practice  | Explanation  |
|---|--|
| <b>Report on performance and impact every year.</b>   | Release regular public updates on the main things your organization has achieved and changed. This transparent account helps others to understand the impact you have made.  |
| <b>Choose reporting methods and communication styles targeted to your audience's needs.</b> | Ensure that your reports are interesting, and relevant to your audience. Dense reports may be less effective than, for example, blogs, newsletters, bulletins, or postcards. These should reflect the scale and complexity of your work.                   |
| <b>Present results in a visually engaging way.</b>  | Illustrate your information, when possible and appropriate—such as by using graphs, charts, infographics, and images. This helps you to communicate your findings in a way that is easy for others to grasp.   |
| <b>Show the human stories behind your achievements.</b>                                     | Tell stories, to help you make an emotional connection with your audience and show them the difference your work makes to people's lives. These stories may be in the form of written case studies, video content, or audio clips.                         |
| <b>Base your account on credible evidence.</b>  | Communicate as fully and honestly as possible on your impact, emphasizing your checks for accuracy and your balanced approach. The information you report on should be based on relevant and unbiased findings, and on reasonable interpretations of them. |

**Other expressions of the essential practices: Same enough? We think so.**

The Common Foundations are *so* similar to other articulations by previous working groups, commissions and task forces. They are listed in the table on the next page.

We think they are basically *the same*. The small differences do not amount to a substantive difference.

- Engaging with stakeholders is an essential practice identified by all six working groups, commissions and task forces. The Common Foundations chose to emphasize that engaging with stakeholders should be part of all essential practices. We felt that listing it as a discrete step looked as though engaging stakeholders is something that an organization can do once and be done with. We recognize that not listing “engage stakeholders” as a discrete step may look like stakeholders are not part of our essential practices. This is a trade off that the others faced. The substance of the practices is the same across all six.
- The Common Foundations does not prescribe an order. The Common Foundations is a set of practices that can occur in any order.
- Some of these practices combine impact *measurement* and impact *management*. Impact management focuses on learning, improving and responding to needs that measurement identified. The Common Foundations focus only on *measurement*, but – yes, please! – when you are done measuring respond, learn and improve! The whole point of measuring impact is to better manage impact!

Other expressions of the essential practices:

| European Commission Expert Group on Social Economy and Social Enterprises (2014)  | Comité sectoriel de main-d'oeuvre de l'économie sociale et de l'action communautaire (CSMO-ÉSAC) (2007)  | G8 Social Impact Investment Task Force (2014)  | Ontario Impact Measurement for Social Enterprise Task Force (2017)   | TIESS Translated from <a href="http://www.ties.ca/definition-et-grandes-etapes/">http://www.ties.ca/definition-et-grandes-etapes/</a> (2018)   | Common Approach's Common Foundations (2018)   |
|---|--|--|--|--|---|
| <ol style="list-style-type: none"> <li>1. Identify objectives</li> <li>2. Identify stakeholders</li> <li>3. Set relevant measurements</li> <li>4. Measure validate and value</li> <li>5. Report, learn and improve</li> </ol> | <ol style="list-style-type: none"> <li>1. Objectives, dimensions</li> <li>2. Indicators</li> <li>3. Measure</li> <li>4. Results</li> <li>5. Interpret results</li> </ol> | <ol style="list-style-type: none"> <li>1. Get goals</li> <li>2. Develop frameworks and select measures</li> <li>3. Collect &amp; store data</li> <li>4. Validate data</li> <li>5. Analyze data</li> <li>6. Report data</li> <li>7. Make data-driven investment management decisions</li> </ol> | <ol style="list-style-type: none"> <li>1. Engage stakeholders</li> <li>2. Set objectives</li> <li>3. Measure results</li> <li>4. Assess and value impact</li> <li>5. Report</li> </ol> | <ol style="list-style-type: none"> <li>1. Define objectives</li> <li>2. Choose a method and approach</li> <li>3. Identify stakeholders</li> <li>4. Identify outcomes and indicators</li> <li>5. Collect and analyze data</li> <li>6. Use findings to respond to needs</li> </ol> | <ol style="list-style-type: none"> <li>1. Plan your change</li> <li>2. Use performance measures</li> <li>3. Collect useful measurement</li> <li>4. Gauge performance and impact</li> <li>5. Communicate on results</li> </ol> |

TIESS has a good [summary of the above categorizations](#) of the essential practices (French only).

If you are partial to any of these other categorizations, that is fine! They include the same essential practices.

### How were the Common Foundations developed?

We reviewed over 500 tools and resources to identify the Common Foundations. We also looked at how those before us described the essential practices (see the table on the previous page).

### Use the Common Approach logo!

1. Does your organization do all the essential practices?
2. If yes, email [info@commonapproach.org](mailto:info@commonapproach.org) a copy of a report that your organization prepared.
3. We will send you a logo!

Do you have a resource for measuring social impact that you want to promote? You can use the Common Foundations icons to show that your training or text includes all five essential practices. Email [info@commonapproach.org](mailto:info@commonapproach.org) and we will send you a kit for integrating the Common Foundations icons.

Do you need help accomplishing these five essential practices? You can find tools and resources at [www.socialimpact.tools](http://www.socialimpact.tools), [demonstrating value](#) and <https://tiess.ca/evaluation-et-mesure-dimpact-en-economie-sociale/>

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