



A guide for social finance intermediaries who need new software

Overview

Social finance intermediaries (SFIs) participating in the Social Finance Fund are required to collect specific impact data and share it in a way that is aligned with the Common Impact Data Standard.

To meet the requirements outlined by the Social Finance Fund, you can:

1. Encourage the software you are currently using to align with the Data Standard.
2. Encourage a software you are interested in using to align with the Data Standard.
- 3. Start using software that is already aligned with the Data Standard.**
- 4. Use a data utility that is aligned with the Data Standard.**

Common Approach will work with each SFI to assist with determining which option is best.

If you are proceeding with option **3** or **4**, this document will help you navigate the considerations of acquiring software or data utility to meet this requirement.

If you are proceeding with option **1** or **2**, please refer to "[How to ensure your software meets the Social Finance Fund requirements](#)," which outlines how to ask your software to align with the Data Standard.

Context:

Common Approach has partnered with Realize Capital Partners to support the co-creation of the impact measurement approach of the Government of Canada's Social Finance Fund (SFF) alongside Fonds de Finance Sociale – Cap Finance and Boann Social Impact.

Over the next ten years, Common Approach will support SFF participants in implementing the Common Impact Data Standard so it is easier to measure and share the impact of their work in this program. Common Approach's Data Standard is one of several SFF initiatives to support impact measurement and management practices within the social finance market.

Is software required?

The Social Finance Fund (SFF) requires that specific information be shared through software or a data utility aligned with the Common Impact Data Standard to avoid duplication of reporting and facilitate impact data sharing between stakeholders (including social purpose organizations, social finance intermediaries, and wholesalers). More information about the SFF's impact data requirements [can be found here](#).

Common Approach strongly recommends the use of software.

Using a software aligned with the Data Standard offers benefits to you and your investees. Impact measurement software can help your organization manage, track, and record your impact data more effectively and has additional benefits, such as:

- Better impact through connected and aggregated data.
- Improved data access and visibility for more sophisticated and nuanced analysis.
- Easier data sharing between stakeholders without requiring uniform metrics.
- Greater autonomy with less reporting and paperwork!

Data utilities are available for organizations not yet ready to use software (more on that below).

With the Common Impact Data Standard, each social finance intermediary (SFI) and each social purpose organization (SPO) can use their own preferred software. This ensures that each organization uses software that works best for them.

For some organizations, the SFF requirement will mean they choose to acquire a new software to support their impact measurement practices. Common Approach will provide guidance and support throughout the following four-step process.

Four steps to choosing a new software

1. [Current state analysis](#)
 - a. Assess your organization's current impact measurement and management practices and data maturity.
2. [Software requirements](#)
 - a. What do you need? Start your wish list for a new impact measurement software. We'll help you get this started!
3. [Software selection](#)
4. [Getting started with your new software](#)

1. Current state analysis

The first step is to understand your organization's current needs, budget, and expertise to enable you to define your software requirements. By ensuring your organization clearly understands its existing needs related to impact measurement, you will be better equipped to select the right software for you.

Participants in the Social Finance Fund (SFF) will need to consider the SFF's data collection requirements in their software decisions.

We've identified several key factors to assess your organization's digital landscape:

- **Impact data: what are you measuring?**
 - Do you currently collect [the data required for the SFF](#) (demographic data, SDGs, outcomes and indicators)? If not, how do you plan to fulfill this requirement?
 - In addition to the SFF required data, what other impact data do you currently or plan to collect and report on?
- **Data access and reporting: who needs to be in the loop?**
 - Evaluate how impact data currently moves through your organization (such as surveys or, emails).
 - How many employees and external stakeholders need access to the data? How much external reporting do you do?
 - This will help define the software's number of users, their respective access rights for editing, reviewing, and commenting, and its features (e.g., survey integration).
- **Team capacity and resources: is your team prepared?**
 - Take stock of the available time, impact measurement expertise, and technical knowledge (data analysis, software development) of your team.
 - This will help match the software to your organization's capacity. Some software comes with extensive consulting support, some use AI to support you, and some require more expertise. Understanding your team's capacity will increase your ability to assess options effectively.
- **Software use value-adds: how can you improve?**
 - Do you see opportunities for improvement in how you currently handle your impact data?



- This will help you understand how software might increase the usefulness of your impact measurement practices.
- **Supporting strategic objectives: what is crucial to getting your core work done?**
 - Consider how your current workflows (impact data collection, analysis) align with your organization's mission and strategic priorities. Are there gaps in your workflows? For example, how are you able to generate reports or tell stories to your key stakeholders?
 - Understanding this will help you identify which workflows your new software needs to support.

These suggestions are not exhaustive. Your current state analysis should give you a clear picture of your organization's current processes. This will be a helpful reference as you define the required features and capabilities of your new software. Common Approach is happy to work with you through this process.

2. Software requirements - what do you need?

The benefits of impact measurement software suited to an organization's specific needs and budget outweigh the time and effort required to implement that software. There is a solution out there for each organization—even small ones! We've put together a list of requirements to consider to get you started.

Social Finance Fund data requirements	● Is this software aligned with the Data Standard*? ● Can the software import and export JSON-LD files?¹ ● Is the software willing to develop the necessary elements to accommodate the rest of the SFF's data collection requirements? (More details about these requirements will be announced in July 2024.)
Data	● What types of data (quantitative/qualitative) need to be managed in your software? How interconnected is this data? How many fields? How often does it change? ● What level of data granularity will you require (project level, SPO level, portfolio level, fund level, etc.)? ● What external standards should the software incorporate (e.g. SDGs, IRIS+, etc.)?

¹ For the Social Finance Fund reporting purposes, SFI will need to import and export impact data with JSON-LD files. SPOs will only need to export impact data using JSON-LD files.

Visualizations, Analysis & Reporting	• What types of reporting and analysis do you need the software to support? • What are your funder and stakeholder reporting requirements? Does your wholesaler have specific requirements? • Do you have reporting requirements outside the SFF?
Users	• How many users will you have? How many people on your team will need to enter or retrieve data? This is an important factor in cost and functionality.
Storage	• Does your organization have particular data security and privacy requirements for impact data? For example, must all data be stored in Canada? Do you require Indigenous ownership?
Resources	• What is your budget for the implementation of the new software, and what are the ongoing licence fees? • Given your team's existing data analysis and software expertise, how much onboarding support will you need?
Integration	• What other internal tools or systems would you like the software to interoperate with? (For example, CRM, financial software, project management software, etc.)

No one knows your organization as well as you do—there will likely be other requirements you identify from completing the first step, your current state analysis.

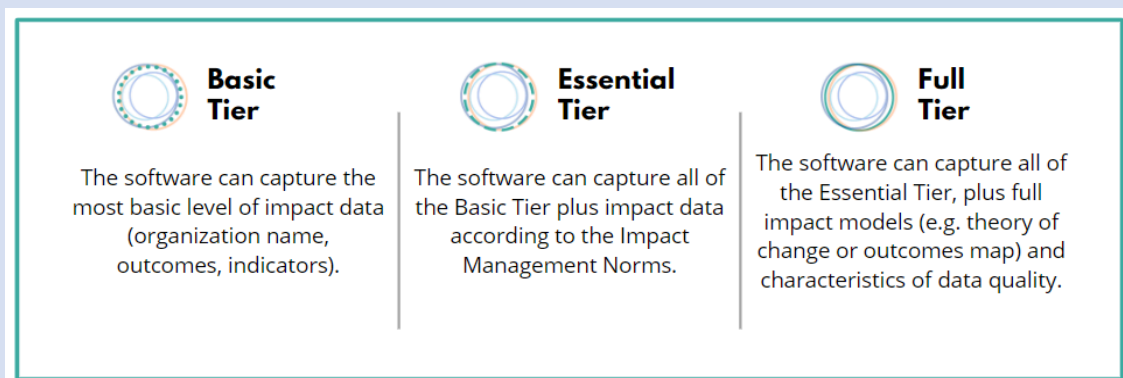
* What is an aligned software?

An aligned software has the Common Impact Data Standard embedded into its database structure. This allows impact-focused organizations like you to use the standard without needing to become data scientists!

In order for a software to be considered aligned, it must:

- ...be aligned to a specific tier of the Data Standard, meaning it is able to capture, record, and report on the fields identified within that tier.
 - Which specific data fields and relationships are required depends on the tier of alignment. These data fields include indicators, outcomes, etc. and the complex relationships between them.
 - The three tiers of alignment for software vary in the complexity of impact data they can record.

- It's important to ensure the software you pick can record impact data at the level of complexity your organization requires.



Learn more about the alignment tiers [on the Common Approach website](#).

- ...be able to **export** your impact measurement data in JSON-LD format and, for software used by investors, be working towards being able to **import** other organizations' impact measurement data by 2025.
 - Why does exporting come first? Social purpose organizations only need to **export** data. Until they do so, there will be no data for investors, funders, and other stakeholders to **import**.
 - What is JSON-LD? JSON-LD is a standardized, platform-independent way of representing the data. A JSON-LD file contains all the metadata and relationships between the impact data objects. It helps combine, compare and aggregate complex, multidimensional and interconnected data.

The purpose of the Common Impact Data Standard is to make impact data **interoperable**, meaning it can be shared with another system or software. When impact data and the relationships between the data are structured consistently, different impact measurement softwares and tools can understand each other. This allows an investee to send impact data that has metrics associated with the outcomes, another investee to send similar but different metrics related to a similar outcome, and the investor's software to have a place to store all of that information in an analytically useful way.

3. Software selection

The requirements you created will help you find software that meets your organization's needs. We encourage you to schedule demos with many software vendors. Common Approach can help arrange demos, and if you'd like, we'll even attend them with you.

The Social Finance Fund requirements mean that the software you use needs to be aligned with the Common Impact Data Standard. Common Approach will work with you through software selection, either with aligning a software you're already using or choosing something new.



A. Choosing an aligned software

The list of software aligned with the Common Impact Data Standard is growing! To see which software are aligned at which level, [visit the Common Approach website](#). Here, you can also see which software are in the process of aligning. Looking for more information about these software options? Review our [aligned software overview](#).

The best way to stay informed about upcoming aligned software vendors is to subscribe to the [Common Approach Bulletin newsletter](#). In addition to updates about newly aligned and upcoming software, you'll receive invitations to software demos and other news and resources related to impact measurement.

B. Choosing a software that is not yet aligned

If you have found software that is perfect for your organization but isn't aligned with the Data Standard, we are eager to help!

All we need from you is an introduction—connecting us to your point of contact via email or even simply letting us know the name of the software is all we need to get started. Before you sign on with a new software, we encourage you to incorporate Common Impact Data Standard alignment into contractual agreements.

Common Approach provides support to any relevant software (for impact measurement or any other activities such as project management, customer relationship management,

financial performance management, etc.) interested in aligning with the Common Impact Data Standard.

How does the software alignment process work once you have connected Common Approach with the software you'd like to see aligned?

- The Common Approach team will meet with the software team and provide them with details about how to align with the Common Impact Data Standard.
- Common Approach will share alignment resources and support materials with the software.
- Common Approach will provide the software with up to six paid hours of development time, which is typically three to six months.

It's worth noting that your timeline to adopt the Data Standard may be extended if you choose this option, as the software alignment process takes time. The timeline will depend on how close your preferred software already is to alignment. [You can learn more here.](#)

C. Not quite ready for software yet?

Depending on how your current state analysis and requirements processes went, you may feel like you are not quite ready to choose a new software yet.

We know many organizations currently use spreadsheet-type tools to manage their impact data. We have and are continuing to develop integrations for these tools to make this transition from spreadsheets to software easier.

Our Airtable and Excel tools are in development and will soon be available. They are aligned at the basic tier of the Common Impact Data Standard but may require some coding to fulfill SFF requirements. If you are interested in learning more or testing out our Airtable template, [please get in touch](#)! We would be happy to provide more information.

If you know of other impact measurement integrations that may be a good fit, let us know!

4. Getting started with your new software

So, you've selected a new software! Now, it's time to get your impact data onto your new platform.

At this stage, your organization will largely be working with your software directly and internally to integrate your new software into your organization's processes. Most software platforms will provide support, training, and user guides to assist with onboarding. However, we are still here to help and can answer any questions you may have regarding the use of the Common Impact Data Standard with your software. We will also provide additional support to help you test and verify your new software's import and export functionality!

So, where do I begin?

The very first thing you'll want to do to begin the process of choosing software is to meet with Common Approach. As part of your participation in the Social Finance Fund, your wholesaler's team will connect you with our team.

In our first meeting, we will review your impact data collection practices, assist you in determining the best option for adopting the Data Standard, and walk you through the steps outlined here.



At Common Approach, we are big fans of software! We will work with you and your software vendor to ensure that your impact data is being accurately tracked in the platform. We'll also make sure you can import and export as needed so that collecting data and reporting to your wholesaler go smoothly.

We want your organization to have the ability to track, manage, and aggregate your impact data for years to come! There are numerous benefits to implementing a strong framework and technology into your impact measurement practices.