

**NAVIGATING IMPACT
MEASUREMENT
AND MANAGEMENT -
PRACTICAL CASES**



RETHINK IRELAND

ABOUT THE SERIES

EVPA is a community of true pioneers on impact measurement and management (IMM). This research project aims to showcase practical cases that may inspire the work of other investors *for* impact and beyond. Rethink Ireland has been selected among a group of investors *for* impact due to their outstanding IMM practices to upscale impact across all Ireland through their grant-making activities. This series of case studies is part of the “*Navigating Impact Measurement and Management*” research, which includes a practical report, a mapping of initiatives and a series on burning topics*.

This series of case studies explores how investors *for* impact :

- set up, refine and apply their IMM strategies, taking as reference the EVPA IMM 5-step framework**;
- deal with main IMM burning topics; and
- apply external methodologies along their investment strategy.



INVESTMENT JOURNEY

1. How does the investment strategy relate to impact objectives?

STEP 1

2. How are impact objectives embedded into selection criteria?

STEP 1

3. How are key stakeholders identified?

4. How are key impact indicators selected?

STEP 2

STEP 3

5. How are stakeholders involved to verify and value impact achieved?

6. How are results measured and monitored?

7. How is impact measurement leveraged to ensure learning and improvement?

8. How is impact reported?

STEP 2

STEP 3

STEP 4

STEP 5

9. How is impact valued and reported after exit?

10. How is impact preserved after exit?

STEP 4

STEP 5

LEGEND

STEP EVPA steps covered in the chapter



* For more information: <https://evpa.eu.com/knowledge-centre/publications/navigating-impact-measurement-and-management>

** For more information: <https://evpa.eu.com/knowledge-centre/publications/measuring-and-managing-impact-a-practical-guide>



Our Impact Management Framework is our guiding north star. It is not a linear path to get there - you need to be open to constantly review and innovate based on data and best practice development.

Martina von Richter
Impact & Operations Director

RETHINK IRELAND

Our Social Innovation Fund

Vision

An Ireland which is more just, equal and sustainable because of social innovation

Mission

Support the best social innovations so that they can grow and maximise their impact across Ireland

€ 72M

Cumulative amount of the social innovation fund over five years, 2016-2020

324

Number of innovations funded since 2016

Investing for impact practices



TAILORED FINANCIAL SUPPORT

- Grants



NON-FINANCIAL SUPPORT

- Support with IMM
- Support with financial sustainability
- Support with organisational resilience
- Strategic and Operational support



LONG TERM AND HIGH ENGAGEMENT

- Average investment duration: **1-3 years**
- Focus on preservation of impact in the long-term since the deal screening



RISK

- High risk appetite as it goes hand in hand with innovation
- Risk mitigation actions throughout the investment process

Investment focus



TYPE OF INVESTEES

- SPOs with unproven business models
- SPOs striving for sustainable business models
- SPOs with proven business models



SECTORS

- Education
- Health
- Environment



BENEFICIARIES

- Children and youth
- Women
- People with disabilities
- People with diseases
- Migrants
- Unemployed people
- Minority ethnic communities

IMM Governance

- The IMM activities are **self-funded**
- Fund managers systematically monitor and manage the ongoing impact performance, both at portfolio level and for each awardee (i.e. Rethink Ireland's grantee)
- Organisational impact goals and development goals are built into the contracts with grantees

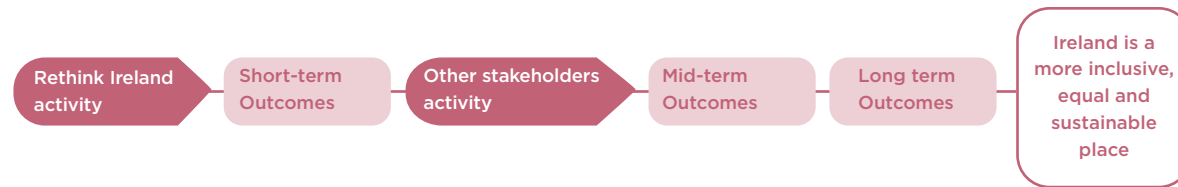


HOW DOES THE INVESTMENT STRATEGY RELATE TO IMPACT OBJECTIVES?

In 2020, Rethink Ireland developed a new, updated **strategic plan** for the period 2021–2023 to respond to current societal challenges, including Covid-19.

As setting the strategic objectives is not a linear process, the strategic plan needs to be reviewed with a **circular approach**. This allows Rethink Ireland to quickly adapt and effectively support their investees to develop innovative solutions.

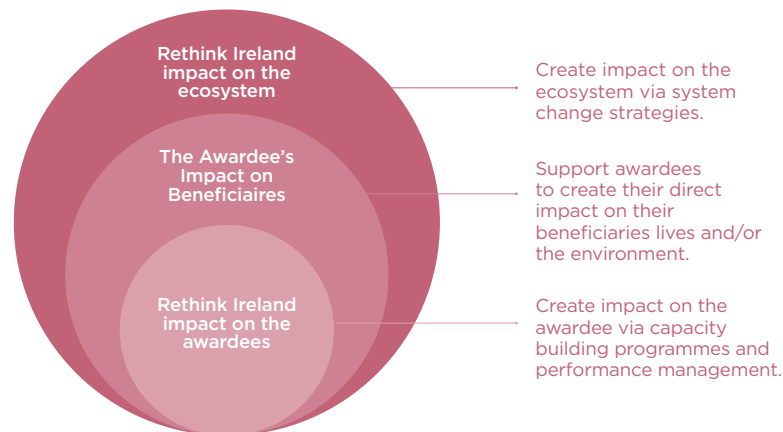
The impact strategic objectives of the overall organisation are described in the Theory of Change (ToC) as follows:



The different funds – 32 as of today – have specific impact goals and focus on **five strategic investment areas**:

- Education
- Health
- Social enterprises
- Equality
- Green transition

The ToC and consequently the impact goals aim at achieving impact on **three levels**:



The principles of social value

The 8 Principles of Social Value provide the basic building blocks for anyone who wants to make decisions that take a wider definition of value into account, in order to increase equality, improve well-being and increase environmental sustainability.

The investment strategy framework of Rethink Ireland is based on the international standards of Social Value and is underpinned by an evidence-based approach and methodology.



HOW ARE IMPACT OBJECTIVES EMBEDDED INTO SELECTION CRITERIA?

Rethink Ireland's selection criteria is linked to the specific **strategic objectives** of each fund, which must be aligned with the investment areas presented in the previous page. These strategic objectives are set at the ecosystem level – specific to the investment area – and at final beneficiary's level.

Rethink Ireland assesses the **overall “organisational health”** of the social purpose organisation (SPO) across different factors, such as governance, current IMM process, impact depth and scale, financial sustainability, leadership, reputation, and operational capacity. At the end of the assessment, the grantee's performance is expressed in a scale from 1 to 4 and presented to the grant-making committee.

The result is **aggregated in the overall portfolio's rating system**, assuring diversification.

Example of impact objectives - investment area: education

- Alternative education is resourced and valued within the mainstream education system.
- Ireland has a modern educated workforce including workers from marginalised backgrounds.
- Ireland becomes a learning society.
- People are lifted out of poverty, often bringing their families with them.





HOW ARE KEY STAKEHOLDERS IDENTIFIED?

Rethink Ireland asks the awardees to identify their own key stakeholders during the first meeting.

A central part of the development of the grantees' ToC and value map is done by **consulting with stakeholders**, to identify the most important outcomes.



HOW ARE KEY IMPACT INDICATORS SELECTED?

Indicators (i) can be selected from the **organisational goals** already set up by Rethink Ireland, they (ii) could emerge from the **organisational health assessment** performed during deal screening and/or (iii) from the **fund specific goals**.

Rethink Ireland relies a lot on **customised indicators**, since they consider standardised indicators to be often developed for for-profit organisations and consequently not very much applicable to its grantees.

Rethink Ireland uses a **bottom-up approach** where awardees need to design their own impact goals, embracing the **complexity** and the **granularity** needed in some cases.

Targets and **thresholds** of indicators depend on different factors, such as for how long the SPO takes part in the programme, the budget available and the stage of development of the SPO.

Balance IMM-related requests and investees' limited capacity

Rethink Ireland classifies SPOs according to their **level of capacity and competences** to **balance the IMM expectations** and to **tailor the non-financial support**.

For the level of capacity and competences Rethink Ireland looks at factors such as the SPO's stage of development and the skills of its team.

Rethink Ireland has in place impact risk mitigation actions, such as availability to offer consultancy services on IMM, Theory of Change, strategy planning or technology. Those services are delivered through workshops and consultancy, relying also on external expertise when needed.

Rethink Ireland's fund managers adopt a flexible performance management approach to build **trust-based relationships** with the investees.



HOW ARE STAKEHOLDERS INVOLVED TO VERIFY AND VALUE IMPACT ACHIEVED?

Rethink Ireland runs **workshops** and gives consultancy support for SPOs on Impact Management and Measurement.

Rethink Ireland collaborates with **key specialised players** to allow for a holistic discussion on specific sectors. Academics and independent consultants are usually involved in specific programs, when there is a lack of in-house expertise.

It supports and encourages SPOs to organise workshops and focus groups, where all main stakeholders are involved. The **multiple points of view** help refine the value maps of the investees.



HOW ARE RESULTS MEASURED AND MONITORED?

Rethink Ireland uses Salesforce as it is a **customised software** to store input, output and outcome data

They **yearly** collect output and outcome data from the investees via surveys as they internally came to the conclusion that this is a satisfactory timeframe to collect the necessary information while minimising requests to the investees not to burden them.

Once per quarter, investees meet their fund manager to record progress on impact and capacity development goals as per their contracts.

Monetisation

Rethink Ireland has been the first player in Ireland to adopt an impact management framework based on the **principles of Social Return On Investment (SROI)**.

SROI is a methodology that enables investees to **capture the long-term value created** for beneficiaries and other stakeholders.

SROI goes **beyond a simple cost/benefit analysis**, as it is a thorough process that equips with robust arguments the system change agenda.

Final scores are disclosed at fund level and not at SPO level. The value of running a SROI analysis lies in the **process rather than showcasing the final score**.



HOW IS IMPACT MEASUREMENT LEVERAGED TO ENSURE LEARNING AND IMPROVEMENT?

The evidence-based approach enables to learn both about **the positive and negative outcomes** at the investee and at the investor level.

Data collected for evaluations bring to high **learning opportunities for the investees** themselves.

Investees are involved in focus groups where they have the opportunity to **learn from a multi-functional group**.



Attribution

Rethink Ireland recognises **two levels of investor attribution** i.e. attribution on direct impact on the awardees and the attribution on the indirect impact on beneficiaries.

According to the initial assessment of the SPO's overall health, Rethink Ireland provides the **type of non-financial support** needed to maximise the SPO's impact and financial performances.

To measure investor's contribution, investees evaluate via surveys the value of the non-financial support received through outputs and outcomes indicators. For Rethink Ireland it is a learning journey in order to try to be as ambitious as possible in providing the most needed non-financial support.

In the programs where Rethink Ireland uses monetisation, it is possible to measure its **contribution** to the value created.

Through academic evaluations, such as the one carried out with UNESCO Child and Family Research Centre at NUI Galway, the mixed methods approach used has ensured that all participants voices were heard, putting the beneficiaries at the centre of the decision-making process.



HOW IS IMPACT REPORTED?

Rethink Ireland team reports to the **investors** – both private and public - **and board of directors**, but for specific programs they also organise meetings with **ministry and policy stakeholders**.

One of the reasons impact is reported is for **fundraising purposes** and **advocacy** to Ireland’s government departments and Irish philanthropists. It is also important to increase accountability for its actions in the wider impact ecosystem.

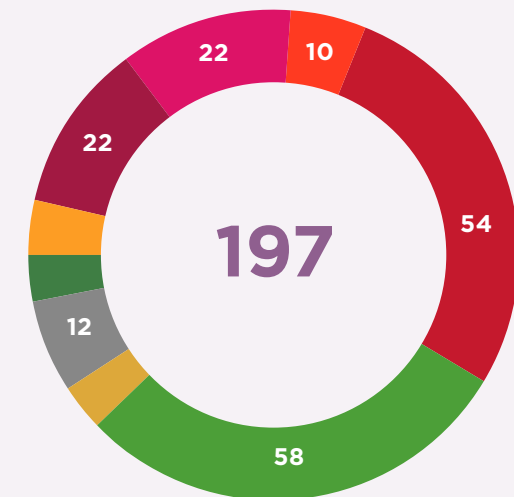
Some indicators – mainly quantitative – are **aggregated at organisational level**. However, understanding to what extent to aggregate data is fundamental, considering that aggregation could lead to the **loss of meaning** of the data collected.

UN SDGs

Rethink Ireland monitors the impact against the relevant UN SDGs.

One of the purposes of tracking activities against the SDGs is to report on the contribution of Rethink Ireland in the national contribution to meet these global goals.

Record count



SDG

- 2: Zero Hunger
- 3: Good Health & Well-being
- 4: Quality Education
- 5: Gender Equality
- 8: Decent Work & Economic Growth
- 10: Reduced Inequality
- 11: Sustainable Cities & Communities
- 13: Climate Action
- Other



HOW IS IMPACT VALUED AND REPORTED AFTER EXIT?

When SROI is applied or investees receive support from academic studies to run impact evaluations, it is possible to clearly communicate the value achieved.

Transparency is key to highlight divestments and learn from failures, for example when financial sustainability has not been achieved and consequently impact is difficult to maintain.

A clear communication about the value achieved during the investment period allows not only to generate learnings for future investments but also to reach potential follow-on investors to scale the SPO.



HOW IS IMPACT PRESERVED AFTER EXIT?

For Rethink Ireland exit is a synonym of **financial sustainability**. They start planning the sustainability of the (potential) investees at the start of the capacity building programme.

The aim is to gain organisational and financial sustainability of the investee after exit in order to **maximise impact**.

In view of exiting, many SPOs who are grant-dependent are supported through **non-financial support** to strengthen their **fundraising strategy**.



EVPA MEANS IMPACT

More information on EVPA research materials on IMM can be consulted at: <https://evpa.eu.com/knowledge-centre/publications/navigating-impact-measurement-and-management>.

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The information contained in this publication does not necessarily reflect the official position of the European Commission.



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