



# IMPACT MEASUREMENT & MANAGEMENT WORKING SESSION NOTES

**September 20, 2017**

The Good Capital Project (GCP) Design Lab hosted the working group of the Impact Measurement and Management Grand Challenge on September 20th at our offices in New York City. We were pleased to welcome a diverse cross-section of partners from organizations including foundations, academia, investment and intelligence platforms, impact funds, and asset managers.

## Discussion Topics

- How do we broaden the discussion of impact measurement to include microfinance scores, development organizations, CSR metrics, SDGs, Big Data, and reputational measurement with metrics available through the Impact Management Project, GIIN, Bloomberg, Thomson Reuters, etc.? How do we better integrate SDGs into impact assessment measures to aid storytelling?
- Do we need to create a matrix of investor, advisor, business owner demand for measurement and the availability of metrics?
- How to better collaborate with institutions like World Bank, IMF, and multilaterals with data and research capabilities to align impact metrics to better capture and convey macro-level impact?
- What are the requirements of future decision-making tools for impact measurement?

## DISCUSSION NOTES

**John Morris** of **SOCAP Group** moderated the discussion and began with an overview of this particular Grand Challenge by explaining there are already significant projects underway with impact measurement and management and we are not aiming to create anything new. Rather, we aspire to better understand what is happening and look at how SOCAP and Good Capital Project can add value to these efforts. Members of the Impact Measurement and Management working group were asked to explain some of the significant impact measurement projects that they are currently involved in.

**Brian Trelstad** from **Bridges Fund Management** gave a brief overview of

## Participants

**Bose, Satyajit**  
Columbia University

**Cohen, David**  
USAID

**Cordoba, Luisa**  
InterAction

**Davis, Susan**  
Improve International

**Emerson, Jed**  
Blended Value

**Farrow, Christopher**  
B Lab

**Ferrero, Barnaby**  
Flat World Partners

**Hagerman, Lisa**  
DBL Partners

**Johnson, Todd**  
iPar

**Kizer, Amanda**  
B Lab

**Lee, Austin**  
Bettercorp NYC

**Martin, Sandy**  
Connecticut Center for  
Social Innovation

**McGonnigal,  
Anne-Marie**

**Olazabal, Veronica**  
Rockefeller Foundation

**Sancho, Adrian**  
Inverness Counsel



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**The Impact Management Project** which has been developed in conjunction with professionals with experience in investment, grantmaking, business, non-profits, social science, evaluation, wealth management, policy, and standards bodies to reach unanimity on how we talk about, measure, and manage impact to convey our performance. One of the focus areas of the Impact Management Project is to clarify, and define “Understanding of Impact” hinged on the five dimensions of What, How Much, Who, Contribution, and Risk. The Project has been asking questions, and thinking through issues surrounding measurement, and management like – who bears the burden of reporting impact data, how to report complete assessment of impact that takes into account both the positive, and the negative ecosystem impact, and how to verify and confirm the impact assessment through independent evaluation.

**The Impact Project Management’s** latest report developed in conjunction with UBS can be found at: [www.impactmanagementproject.com](http://www.impactmanagementproject.com)

**Veronica Olazabal** of **Rockefeller Foundation** also highlighted the need for building collaboration in the fragmented sector of metrics and measurement and using SOCAP as a platform to find out about what is going on in this space by convening targeted conversations. They are also thinking through how the SDGs and international development sector fit especially because they are often the deliverers of the impact services. Veronica wondered if we are too early in our growth stage to be insisting on uniform standards and frameworks of reporting. She reflected that SOCAP can be optimally leveraged to be the bridge between the ongoing micro and the macro conversations in impact networks.

**Amanda Kizer** from **B Lab** explained their holistic approach to impact using ESGs to drive a company’s impact using B Analytics, a platform tool for investors to see their portfolio performance and impact. Again, the theme of standardization and collaboration among measurement platforms was stressed and the need to evolve how we measure impact.

**Jed Emerson**, founder of **Blended Value** and mentor to the impact space, acknowledged the acceleration of conversations in the metrics space although many of these seem repetitive. He expressed the need to address the recording capacity, and data collection at the enterprise level to improve street level impact. He suggested there needs to be a market pull not a market push to move beyond just conceptual discussions.

Another theme discussed was the importance of reporting ALL data and measurement, regardless of whether it is negative or indirectly harmful. We can take a few leads from the development sector on

## Participants

**Scholz, Astrid**  
Sphaera

**Thornton, Michael**  
Carbon Analytics

**Trelstad, Brian**  
Bridges Fund  
Management

## GCP Design Lab

**Danner, Chris**

**Dasgupta, Sharadiya**

**Haynie, Robert**

**Morris, John**

**Schade, Holly**



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this front. It is worth noting that emerging markets are complex marketplace and don't play out the same as traditional markets.

Many participants emphasized the importance of having translators to broker conversations about impact especially now since there are new partners demanding these conversations.

**Todd Johnson**, founder and CEO of **iPar**, commented that we constantly talk about enterprise impact when we have the impact management discussion, but that fails to account for the fact that nearly half of all impact funds are asset funds. Impact at the asset level is just as important. Also, there seems to be little emphasis on the one thing that most LPs seem to be seeking — the ability to view impact at the asset and enterprise level, the metric level and the portfolio level. He emphasized that the ability to scale the sector seems most dependent on our ability to provide analytics around the impact data that is being collected.

**Dr. Satyajit Bose** from **Columbia University** appreciated the goal of formalizing the impact measuring process and suggested outsourcing validation to external, independent actors with data collection, and research capabilities. We should look at how to use existing frameworks to evaluate projects on the ground in developing countries. People want the process to be democratized so new processes and data metrics can be used by all.

**Louisa Cordoba** from **InterAction Business Council** commented on the measurement needs of the humanitarian programs. She highlighted the recent research conducted by InterAction aimed at exploring the state of IF4D (Innovative financing for international development and humanitarian programs) inside of InterAction's membership. The research provides baseline information on INGOs' motivations, internal challenges, and constraints to the adoption of innovative finance mechanisms, among others.

**Anne-Marie McGonagal** would like to see discussions with SASB and their efforts as well as task force on climate related issues keeping in mind that every investment has impact. Brian Trelstad commented on environmental issues that affect supply change and how data is important to this especially concerning sustainability.

**Adrian Sancho** from **Inverness Counsel** noted that in recent times clients have become increasingly curious about impact investment options. But he encounters incomplete data points on traditional information platforms and terminals, that limits his and other advisors' ability to fully comprehend, and in turn recommend impact products.

**Susan Davis** of **Improve International**, reinforced the critical need for impact verification and she suggested roping in interested graduate students with access to statistical tools to help conduct these verification studies. **Amanda Kizer (B Labs)** suggested we need all companies to report data. Sitting on the sideline doesn't do any good. Veronica commented that the bar is not where it should be - "good enough" is not the right principle.

**Barnaby Ferrero** of **Flatworld Partners**, added that we should use existing public data - like SASB materiality framework - for reporting, which shifts the onus on companies to accept or challenge.

## OTHER CURRENT INITIATIVES IN THE IMM SPACE

- **Pacific Community** ventures are currently working on a Due Diligence tool seeded by the IMP among other innovative projects
- **Toniic** is engaged in developing shared data about their 100% impact investors and the financial, social, and environmental aspects of their investments.

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The last hour of the conversation focused on how Good Capital Project could further these conversations and move towards real outcomes. Participants wanted GCP to use its convening and networking to shed light on some of the most pressing need gaps of the ecosystem. In some cases, team members had a wish list of initiatives that they want GCP to support through building partnerships and driving collaboration.

## KEY RECOMMENDATIONS

- Use Good Capital Project and SOCAP as platforms to shine a spotlight on the work that is happening on-field.
- Help forge partnerships and alliances to create a coherent platform that brings together all the fragmented, often sub-scale information matrices.
- Provide incentive by celebrating success of players in the market. Launch awards and recognitions like the “B-Corp of the year”, “Best NGO basis impact performance”.
- Provide relevant reports, and timely research.
- Showcase important work such as Impact Management Project.
- Use SOCAP to crowdsource ideas.
- Use SOCAP to curate, and provide customer interface.
- Develop in partnership with existing initiatives, a glossary of impact terminology.
- Use SOCAP to cut across the silos with meaningful discussions.



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## NEXT STEPS

Many interesting ideas and likely solutions emerged from the working session's robust conversation. The GCP Design Lab is thrilled to take these ideas forward to SOCAP in October and continue gathering input from the community. At SOCAP, the working group will reconvene to further discuss these proposed ideas and narrow down priorities that the GCP Design Lab will then, in partnership with other stakeholders, advance to the prototype and testing stages. We will be hosting working sessions of the other Grand Challenges soon. Once we identify key outcomes of each Grand Challenge, we will explore the shared synergies and whenever needed, we will leverage cross-functional expertise to develop, and promote initiatives.

Please send your thoughts and suggestions on how we can create partnerships around ongoing initiatives. In addition, if you have research papers, discussion papers, reports, or initiatives that you would like highlighted on our website, please write to the Good Capital Project team at **[gcp@socap.group](mailto:gcp@socap.group)**. If you believe there are other stakeholders who should be involved in the Good Capital Project conversations, please let us know.



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## THANK YOU

Thank you to our attendees and project participants for your knowledge, insight, and time. These meetings are a testament to this community's shared goals and ideals. Thank you also, as always, to our sponsors who enable us to continue this work. **If your organization is interested in discussing sponsorship or partnership opportunities**, please contact Sharadiya Dasgupta at [sdasgupta@socap.group](mailto:sdasgupta@socap.group).

