



Roadmap to *Results*

A corporate funder's guide to impact

by **Michelle DiSabato**, Community Impact Consultants, Inc.



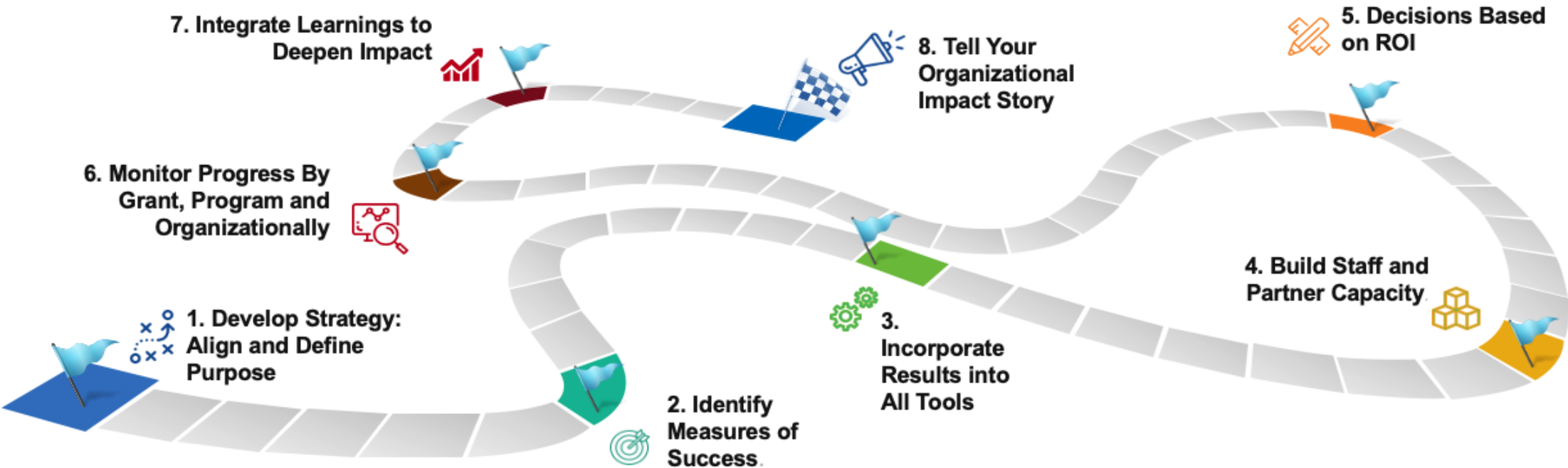
Developing your organization's social impact strategy

As the Corporate Social Responsibility (CSR) role continues to change, we're at a crucial stage of its evolution. Not only are we being asked to show the impact of our community investments (time, talent and treasure), but also how those investments are contributing to our overall business strategies and goals. The overarching question CSR professionals ask me is: how do we measure the impact of our programs?

So, how do we become more results focused and get to impact? It's a significant change, which doesn't happen for companies overnight. CSR programs need to alter how they conduct their business, so that their focus is on achievement and social change, and not on programs and activities. This might sound daunting, but with the right guidance, it's not as hard as you might think.

The next few pages will guide you along the road to measurable results. On the journey, you'll learn how to track those results through their impact in the community and on your business. Whether you're at the beginning of your impact-reporting journey or looking to revise your current approach, this guide is for you.

Roadmap to Results



Step 1

Align & define purpose: developing your social impact strategy

As CSR professionals, you're in the "business" of achieving social change. You're also responsible for ensuring your company's social license to operate and grow, and for making sure employees feel connected to their communities and the company. Without a defined strategy and way to measure against that strategy, how do you know if you're achieving those goals? Effecting real social or systemic change takes time — but you can put your organization and your partners on the best path by setting a solid, results-focused strategy to guide you along the way.

When thinking about the impact you want to achieve with your investments — whether in dollars, volunteers, donations, etc. — it's important to understand your organization's mission and vision. In other words, you must understand who you are and why you exist, and what it will look like if you achieve your goals. As renowned business speaker Stephen R. Covey would say, "think with the end in mind." You need to clearly identify the desired end state you seek for your organization, for your programs, and most importantly, for those the program serves.

Your company's community investment strategy should be aligned with social issues that are directly associated with or affected by business operations. For instance, food companies will likely gravitate toward the hunger and/or healthy lifestyle focus areas, while banking institutions may choose to focus on community and economic development. These become our priority areas.

That said, identifying priority areas is just the beginning. For each of those priority areas, you also need to think about who or what you are trying to change or impact (your stakeholders), what impact you intend to have on them (your results) and how you will invest in achieving that change (time, treasure and/or talent).

Key Definitions



Input

How you invest or contribute,
e.g, programmatic grants,
capacity-building grants, employee
volunteerism and/or matching gifts, etc.



Output

A summary of a program's activities,
often expressed in terms of units
(e.g., number of meals served, pounds of
food collected, hours volunteered, etc.).



Measures / Indicators

**A continuum of
behavioral/conditional changes**
that demonstrates progress towards
desired results and impact.



Results

**A desired change in status, condition or
behavior** in response to a particular set of
programs or activities.



Impact

**A powerful or major influence or effect on
individual participants, communities or sector**
through the concentration and focus
of multiple results.

Step 2

Measures of success: key behavioral indicators (KBIs)

Once you know what you want to achieve, you need to identify the measures, or key behavioral (conditional) indicators (KBIs), you must monitor to determine if you are succeeding. I call this the Continuum of Change and it focuses on the behavioral or conditional changes that a participant or community will achieve as a result of program activities. Setting and using a Continuum of Change for each program area and target audience you are trying to impact will enable you to track like data (i.e., apples to apples) across your program to roll up, assess and finally celebrate your impact.

You may now be wondering why you the “investor” (aka funder) defines the measures, rather than the grantee or partner. Because the focus is on behavioral change, not on the activities themselves or on how the partner will engage with the participants or community to create said change, you are able to set the measures and ask your partners how their programs align with those indicators.

For example, if your company’s community investments focus on domestic violence, your partners are most likely shelters,

social workers/counselors and legal advocacy groups, among others. How can you apply the same indicators to such different groups?

First, let’s think about what has to happen for someone to move from being in a violent situation to being socially and economically able to support and sustain life on their own (our desired end state). In this case, the first action or activity may be performed by the person experiencing abuse, who calls a shelter and explains that she needs to get herself and her kids out of their current situation. Or, she may call a legal advocacy group to seek help getting an order of protection against her former partner, or even just to ask what she can do legally to protect herself.

That action or activity leads to a measure or behavioral change — a participant ENGAGING in needed services or supports (you can track this by making your baseline measure the number of participants served).

From there, the shelter picks her up or the advocacy group files a temporary order of protection. This leads to the next measure

or behavioral change, where her IMMEDIATE needs are being addressed (be they social, emotional or physical).

Perhaps she is then moved into long-term housing or a final order of protection is filed, leading to her immediate needs being STABILIZED. From there, she may seek financial counseling, job training or permanent housing. All of these activities will ultimately lead to behavioral changes that produce the desired end state or result.

It’s important to remember that not every program will align with every measure. And more importantly, although we may organize the measures in a linear fashion, not every participant will have the same journey, and unfortunately not everyone will reach our desired end state.

Finally, always remember the 80/20 rule: 80% of what you do should be aligned with your strategy and be measurable. Given the realities of the work we do and the larger goals of our organizations, the other 20% can address other business needs such as an executive or associate request, or the need to explore new areas and determine if they have potential future value.

Continuum of Change

For each focus area and stakeholder group, key behavioral indicators (KBIs) will track progress toward results, enabling the company to roll up data across projects and partnerships.

Connect

Focus on creating awareness or initial connection

Improve

Focus on active participation and initial improvement

Change

Focus on transformation or lasting change

Impact

The desired end state or result you seek to achieve

Step 3

Incorporate strategy into results-focused tools

Once your strategy is set, the next step is to make sure you have the right tools to help engage with your partners. This is critical to ensuring that you identify partners who will help achieve your goals and desired impact. Starting at the beginning, during the application or planning process, you will need to ask potential partners how their program aligns with your intended results and impact, so you can find partners that will help you achieve your desired end state.

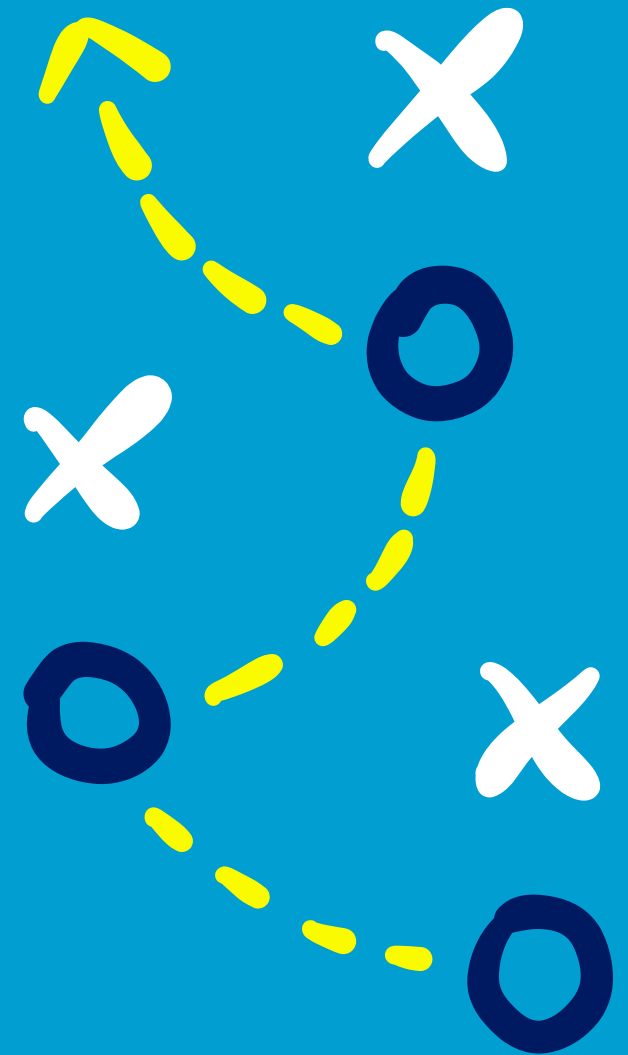
It's important to be clear in all partner communications, and always include your indicators of success and intended goals. Like setting a strategy, the focus on results should start at the beginning of the process, not at the end of the grant or project. It's critical for funders to define measures — or KBIs — that you want to track within each of your program areas to determine if you are on track to reach your desired impact.

Embed your desired results and KBIs in your guidelines and applications or project development, so that decisions can be made based on results (read more on this in Step 5: Decisions based on ROI). This will also help potential partners determine whether or not they're a fit for your priorities, saving them the time and money they'd use developing applications or projects that aren't aligned.

That said, data alone cannot tell you if a project or grant is a good investment. Including results-focused questions in your application and planning tools ensures the partner can clearly articulate the results they aim to achieve. I call it the **who, what, how and when** of social impact.

- **Who** they intend to impact (the participant or problem): What issue are you trying to address, and for whom?
- **What** impact they intend to have (results statement): What will be different for participants or the community because of your program? How many or how deep will the change be?
- **How** they will get there (project elements): How does the program work? What are the critical components to ensure success?
- **When** will they know they have succeeded (verification), and most importantly, how will they know they achieved said success?

Just as importantly, make sure to ask partners how they will sustain their program results and further your learning with an open-ended results question. E.g., "Beyond the indicators we seek to monitor, are there other results you anticipate achieving with your program/project that you'd like to share?" After all, measurement is a learning journey to determine what works and what does not.



Step 4

Build staff and partner capacity

One of the most-often forgotten components, but probably the most critical is to provide training on this new way of doing business for both your team and potential grant partners. Whether through one-on-ones with partners, training webinars or in-person focus groups, it's important that they understand the journey you are embarking on, where they fit in and how they will benefit. By building both team and partner capacity, you will ultimately deepen your organization's overall impact, while helping your partners grow their programs.

Step 5

Decisions based on the return on investment (ROI)

Have you ever thought about how ours is one of the only sectors that bases decisions primarily on narratives and/or stories? Imagine what could happen if we used data to support those stories and decisions. Part of training your team will be to ensure they understand how to make decisions based on the ROI.

One of the primary reasons for including KBIs upfront along with the who, what, how and when of social impact is to aid in decision-making. This is where the concepts of grant risk and return and balancing your grant portfolio come into play.

Simply put, when looking at opportunities within your program areas and for your organization overall, using anticipated results based on those consistent indicators will allow you to weigh each grant in order to balance your portfolio, assess grant risk and return, and ensure maximum impact and learning.

Think like an investor...

Decisions based on anticipated results

- Do the results outlined align with your strategic priorities, including target audience(s)?
- Is there a clear path to getting to the results outlined?
- How will the partner know when they succeed?
- Is this the best use of our funds, time and organization, given all the opportunities before us?

Assessing investment risk & return

- Risk: What are the chances the partner will deliver the stated results?
- Return: How strong are the stated results and how do they align with your priorities?
- Balancing your portfolio: Leverage the risk & return analysis to ensure deepest impact (low-risk/high-return investments), while continuing to aim at innovative approaches by adding investments that are newer and a bit riskier.

Step 6

Monitor progress — at all levels

Remember that your grantees' success is your success too, so tracking and measuring progress throughout the term of the program or project will let you know if you are collectively on target for achieving your goals. Create a dialogue with your

partners to help them achieve success and learn along the way. This approach should also allow you to flag issues early enough so that you can support the grantee and adjust tactics to ensure maximum impact. By having like data, and by checking in with your partners throughout the project, you can monitor overall organizational progress toward achievement.

This will allow you to:

- Share with board and key stakeholders
- Determine ROI on overall program
- Determine if grantees are achieving the success envisioned
- Determine if measures are on target
- Tell your organization's impact story
- Apply against other data such as community data, SDGs, philanthropic sector data or other data sets in your program area or community, to determine if your contribution is having a lasting impact.

Step 7

Integrate learnings

By tracking consistent data and monitoring performance with an investment-like mindset and tools, the CSR group can operate like any other part of your organization. It can evolve and integrate learnings into future strategies to maximize impact and truly effect change. This can happen on a grant-by-grant basis by increasing an investment or providing additional types of support to a grantee that exceeded expectations. Or, your learnings may lead to divesting a grantee whose results were less than stellar or whose programs are not truly aligned with your desired end state. Of course, by using year-over-year data, you can begin to adjust your organization's strategy, including measures, how you invest and perhaps even your areas of focus.

Step 8

Tell your impact story

Now comes the part of the journey that most of us think of as the pinnacle or the holy grail — sharing our impact! While it’s exciting to share the organization’s progress toward impact, because it is a vehicle to talk about the great work we are supporting, there are additional benefits as well. By communicating impact, we can share best practices to help the broader CSR field go deeper, identify new partners who can help us achieve success and perhaps even find other organizations who want to collaborate to achieve deeper results for the field.

Linking to your social impact and business purpose

The process shouldn’t stop with knowing and sharing your social impact. We also need to show how these programs and their impact are integrated and aligned with our companies’ purpose and strategy. This starts with the first step on the roadmap,

when companies identify programs or pillars that support their businesses; however, we should be going further. Whether that means ensuring your internal policies and practices align with the company’s social platform, monitoring consumer attitudes towards your business or working with your investor relations team to integrate social messaging into all shareholder materials, the opportunities are plenty.

For example, a food company whose area of focus is healthy lifestyles should be looking at their product portfolio to see if it marries with their healthy choices CSR messages, or maybe making sure their employees have opportunities to learn or engage in active lifestyle options in or out of the office. In fact, according to a 2019 Cone/Porter Novelli report, 76% of Americans say supporting companies who address social and environmental issues helps them feel they are doing their part.

The bottom line is that like any other part of your business, setting strategy and measuring progress toward the goals set by the strategy are critical to success. Now more than ever, it’s imperative that we demonstrate the value of our work in the communities where we live and work, and also for our business. To do so, measurement should not be a nice-to-have, it should be a CSR business imperative. And remember, the first step to achieving that imperative is getting started.



Review

Key best practices for getting to impact

- 1 Set your CSR strategy and make sure focus areas are aligned with your desired end state, as well as your business priorities.
- 2 Ask for **consistent metrics** within a priority area. Requiring apples-to-apples measurements is key to being able to compare programs/grants, roll up data and determine your overall impact.
- 3 Add some **results-focused questions** to your planning process with partners:
 - i. Who they intend to impact (participant or problem overview).
 - ii. What impact they intend to have on them (results statement).
 - iii. How they will get there (project elements).
 - iv. When they will know they have succeeded (verification).
- 4 **Monitor outcome progress throughout the grant term.** Don't wait until the end of the grant term to determine if your grantee is succeeding. Make the relationship a partnership and have check-ins throughout the program/project term.

Most importantly, remember that measurement is a learning journey to not only determine impact, but also to determine what is working and what is not. Adjustments will need to be made as you continue to learn and deepen your organization's impact.



Michelle DiSabato, founder and president of Community Impact Consultants, Inc. (CIC), is a philanthropic impact subject matter expert with more than 20 years of experience developing, designing and implementing multi-million-dollar philanthropic initiatives and programmatic social impact analyses. Michelle has worked with a wide array of clients in industries ranging from health care and finance to consumer products and entertainment providers, helping them align their giving strategies to meet their business and social responsibility goals, while leveraging and optimizing technology to maximize efficiency. Prior to founding CIC, Michelle was a CSR manager at a Fortune 10 global organization, where she managed one of the largest installed grants management systems (200+ users in more than 15 locations) and led their measurement initiative to determine the impact of their community engagement.



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benevity.com
goodness@benevity.com