

Measuring impact ... and results.

A Discussion of Metrics & Tools



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Measuring Impact

- ▶ Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.
- ▶ Components of impact measurement best practices include:
 - **Establishing and stating** social and environmental objectives to relevant stakeholders
 - **Setting performance metrics/targets** related to these objectives using standardized metrics wherever possible
 - **Monitoring and managing** the performance of investees against these targets
 - **Reporting** on social and environmental performance to relevant stakeholders

--GIIN (Global Impact Investing Network)

Establish Metrics in the Diligence Process

- ▶ Third party analysis – Sorenson, Foundations, Government grants
- ▶ Defining quantitative vs. qualitative metrics
- ▶ Setting common, measurable expectations and reporting mechanisms



Example: Stony Creek Colors



STONY CREEK
COLORS

SCC Impact Metrics: Sorenson DD

1) Displace Hazardous Materials

Company projects to offset 472 “railcars” (used as measurement tool) of hazardous chemicals traditionally used in synthetic Indigo production by 2020

2) Soil Health Improvement

No chemical pest control needed to grow natural indigo + increased nitrogen production will aid in land restoration with planting of up to 17k acres by 2020.

3) Local Economic Impact

Offers a sustainable, fair priced crop to a region significantly affected by decreased tobacco demand

Baseline: UN Impact Goals



How do you currently make use of impact measurement data?

- ▶ Do you use quantifiable impact data when making investment decisions?
- ▶ How much detail do you expect in a company application versus what is needed for a deal memo?
- ▶ Do you require companies to agree to report on impact metrics along with other business results (e.g., financials) after they are funded?
- ▶ Do you use a particular measurement tool?

A Very Simple Tool

How much impact are you creating per individual?

Useful

Helpful

Relieving

Life
Changing

How many people will you directly impact?

Tens

Hundreds

Thousands

Millions

Everyone

How long does the impact last?

Days

Weeks

Months

Years

Lifetime

How long before your impact takes effect?

Days

Weeks

Months

Years

Some Measurement Tools

SOCIAL VALUE

INTERNATIONAL

A Starting Place.
10 questions



Widely used.
Covers both Impact and ESG



T100 Report, and
T100 Powered Ascent Report



Guided, on-line
questionnaire

Theory of Change Alignment

Intent

- Mission
- Impact goals

Activity

- Concrete actions. e.g., development

Output

- Number of interactions with beneficiaries

Outcome/Social Impact

- Changes, benefits, learnings, effects resulting from outputs
- Difference in situation between what would have happened without the intervention of your company
- Both positive and negative changes

Case Study – Flow Below

Adding aerodynamic fairing around drive wheels of long-haul tractor trailer cabs to improve fuel efficiency and decrease CO2 footprint



- ▶ What impact measures would you want to see measured and reported?
- ▶ How could the company collect that data?
- ▶ Should the company measure and report on the health or agriculture benefits of their contribution toward slowing global warming?

Case Study–OneSeventeen Media

Mobile app focused on improving social-emotional well-being of students in a classroom, especially those who are upset or disruptive



- ▶ What impact metrics would you want to see measured and reported?
- ▶ How could the company collect that data?
- ▶ Should the company measure and report on the change of the mental health of youth who have used their product?

Monthly ACA Impact Investment Syndication Call

- ▶ Open to all ACA members
- ▶ Via Zoom
 - On-line: <https://zoom.us/j/699103898>
 - Phone: (408) 638-0968, PW 699103898#
- ▶ Day
 - First Tuesday of every month
- ▶ Time
 - Noon eastern, 11 AM central, 10 AM Mountain, 9 AM Pacific