

VENTURES at the HELM



Investor Worksheets

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WORKSHEETS: HOW INVESTORS CAN SUPPORT VENTURES IN IMM

Investors have an important role to play in supporting ventures in designing, implementing, and evolving their IMM in response to the phase(s) they find themselves in. Many investors are also learning about IMM themselves, not only keeping up with the emerging standards and methods, but also in terms of managing data and reporting.

We encourage you to use the worksheets below to reflect on your preferences and needs for IMM, and to proactively initiate conversations with ventures around how you can both derive the most value from IMM. These worksheets can also be used with your board members or investment committees to facilitate awareness, engagement, and alignment.

WORKSHEET 1

Defining IMM Expectations and Needs will help you identify and articulate your expectations and needs around IMM, based on your experiences and preferences.

WORKSHEET 2

Supporting Venture IMM will help support your investee based on the phase they are in, ensuring that IMM offers real value.

WORKSHEET 3

Selecting and Using Impact Metrics will delve into how you select and use impact metrics, and what this may mean for ventures.

DEFINING IMM EXPECTATIONS + NEEDS

The statements below are examples of expectations/beliefs to reflect on yourself, with your team, and your decision-makers (e.g. LPs, ICs).

Read each statement, and check the ones that resonate the most. For each statement you circled, consider what explains, drives or justifies it. Use these reflections to communicate your expectations and needs when you interact with ventures, and to reflect on the potential implications of these expectations on venture IMM and how you can support them.

<input type="checkbox"/> IMM should strive to prove impact	<input type="checkbox"/> We spend the right amount of time on collecting vs analyzing data	<input type="checkbox"/> Measurement is the start, not the end	<input type="checkbox"/> It is impossible for something to be innovative, measurable, and proven at the same time
<input type="checkbox"/> IMM should strive for standardization	<input type="checkbox"/> Impact is best described by those experiencing it	<input type="checkbox"/> IMM should only produce decision-useful information	<input type="checkbox"/> Benchmarking our impact is how we will improve
<input type="checkbox"/> IMM should strive for more precise data	<input type="checkbox"/> Impact is defined by what happens over time	<input type="checkbox"/> There is such a thing as 'good enough' measurement	<input type="checkbox"/> Reporting externally is important for impact integrity
<input type="checkbox"/> Bad data is worse than no data at all	<input type="checkbox"/> We should be able to define impact at a point in time	<input type="checkbox"/> IMM can help a venture's growth or impact creation	<input type="checkbox"/> Reporting should meet the expectations of our board
<input type="checkbox"/> We need to measure less and do more with it	<input type="checkbox"/> Measurement is context-dependent	<input type="checkbox"/> IMM can hinder a venture's growth or impact creation	<input type="checkbox"/> Reporting is important for our mission accountability

Reflections:

Review and answer the following questions as you consider your views towards IMM, and how these perspectives may align (or not) with how ventures can address these questions.

Review and answer the following questions from your perspective and from the venture perspective, as you consider your views towards IMM. For the venture perspective, consider asking ventures in your portfolio to respond to the questions. Compare the two sets of responses and reflect on any differences, and how you may resolve or reconcile them.

INVESTOR PERSPECTIVE

What information is reasonable to expect in impact due diligence?

What data/KPIs are reasonable to expect in quarterly or annual reporting?

What are my expectations for “good” data or evidence? What is behind this?

In what forms and frequency do I expect impact data to be shared? How does this align with my decision timelines?

How do I expect to use impact data to look back, and look ahead?

VENTURE PERSPECTIVE

What information can I reasonably provide to investors for impact due diligence?

What data/KPIs can I reasonably provide in quarterly or annual reporting to investors?

What do we count as good data or evidence? What is behind this?

In what forms and frequency can I share impact data with investors? How does this align with my capabilities and resources?

How do I expect to use impact data to look back, and look ahead?

SUPPORTING VENTURE IMM

WHAT PHASE ARE THE VENTURES IN YOUR PORTFOLIO IN TODAY?

Consider the average venture in your portfolio, or choose one venture in particular to consider. Overall, which of the following best describes the state of that venture today?

Circle the phase that resonates the most.
(For more detail on each phase, see p. 25)

 **ORIENTING**

- an early-stage venture
- a more mature venture beginning to think about impact creation
- a venture at a critical reflection point

 **NAVIGATING**

- entering the market
- testing out their core offering
- learning more about their customer
- finding product-market fit

 **SAILING**

- “locked in” to a stable business model for a period of time
- in a period of rapid growth or scaling
- fundraising more traditional capital
- building out tech-enabled operations

 **TACKING**

- testing out a new model or offering separate from the core business
- entering a new market
- embarking on a new partnership
- adapting to an exogenous shock

HOW ALIGNED IS YOUR IMM ENGAGEMENT?

 **ORIENTING**

- Build in flexibility and adaptability on IMM.
- Provide a facilitator.
- Keep the conversation open as goals evolve.

 **NAVIGATING**

- Suggest IMM tools and methods, but don't prescribe them.
- Encourage one-off experiments.
- Provide resources for measurement.
- Connect ventures to peers.

 **SAILING**

- Support technological infrastructure for IMM.
- Understand the back end behind impact calculations.
- Continue to prioritize impact alongside financial return.

 **TACKING**

- Help identify opportunities for periodic deep dive inquiries.
- Provide guides or resources for deep dives.
- Encourage reflection on the theory of change during and after the pilot or pivot.

Which of the following describe how you engage with and support your ventures' IMM?

Circle all that apply.

How in sync is your IMM support with the phase the venture is in today? How might it become more in sync?

WHAT CONCRETE IMM SUPPORT COULD YOU OFFER IN THE FUTURE? WHAT COULD THIS LOOK LIKE?

Feel free to use the following categories to brainstorm.

Plan to chart a course together: Align on IMM expectations

Equip ventures with gear and guides: Offer technical IMM expertise

Defer to the ship's captain: Center the venture's IMM needs

Act as a lighthouse for others: Champion venture-centric IMM

SELECTING + USING IMPACT METRICS

CONSIDER WHAT TYPES OF METRICS YOU REQUIRE (OR SEEK) FROM YOUR VENTURES. IN WHAT WAYS ARE THESE METRICS PROVIDING VALUE AND INSIGHTS?

1. Which of the following best describes how you approach setting metrics for your portfolio companies?³²

Prix fixe: All companies report on the same set of standard metrics.

A la carte: Companies choose from a menu of standard metrics.

Made-to-order: Investor and company work together to set metrics.

Bring your own: Companies come with their own metrics.

A combination of the above (check all that apply)

What is the rationale behind using that approach? What are some of the advantages and disadvantages?

2. List up to 5 metrics that you are currently requesting from your portfolio companies, and reflect on the value of each of those metrics.

Metric/ indicator/ KPI	Is the primary purpose of this metric for reporting, decision making, or learning?*	What is the value of this metric to us, the investor? What do we use it for?	What is the value of this metric to the venture? What might they use it for?

***Reporting-focused** – based on initial focus / activities and outputs

Decision-focused – implications for customers, pricing, growth, etc.

Learning-focused – based on systemic issues, context, etc.

Reflect on your responses above.

- > Where have you gotten the most value from using impact metrics?
What conditions enabled this? How can you do more of this? What decisions did you make?
- > Where have you gotten the least value from using impact metrics?
What conditions enabled this? How can you do more of this? What decisions did you make?
- > In what ways might you shift the way you are approaching impact metrics?
Consider how you think about setting targets, thresholds, reporting, and aggregation.
- > In what ways can you strengthen the capacity of the investees you work with to more efficiently set, report, and harness IMM metrics to improve their strategy and outcomes?



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