

VENTURES AT THE HELM

How Ventures & Investors
Navigate the Impact
Measurement & Management
(IMM) Journey, Together



WELCOME

Webinar is being recorded

Submit questions via Q&A

Participate using Zoom polls





AGENDA

Who Is The Guide For?

Reframing IMM

Four Phases of the Impact Creation Journey

Venture Worksheets

How Investors Can Support Venture IMM

Investor Worksheets

“We were still in prototyping phase and iterating, but the research required things to stay stagnant so that we could measure the change over time. Our model stalled for two years **because we couldn't change anything.**”

At times, it might be more important to **prioritize iteration and innovation** than it is to prioritize research. Where we are right now, we are absolutely needing some type of rigorous independent impact measurement, but **we were not at that place seven years ago.**”

- **Sabrina Habib, Kidogo**

As conditions change, sailors adjust their sails and direction, increase or decrease their speed, drop anchor, or change their route altogether.

A technique that is right for one phase of the journey will be wrong – or possibly even harmful – at a different phase.

The autonomy to act and adapt is critical.



WHO THIS GUIDE IS FOR

VENTURES

Find out how other ventures have navigated through phases of their impact journeys, addressed high-priority questions, and made choices.

+

INVESTORS

Identify concrete ways to support ventures, and how you can align your expectations and contributions to get the most value from IMM.

+

PRACTITIONERS

Understand the questions, context, and choices that both ventures and investors face in market-based settings, to promote better practice.

POLL 1: DOES IMM PROVIDE VALUE?

In your experience, how much do current approaches to impact measurement and management (IMM) provide value to ventures?

1. Provides a lot of value
2. Provides some value
3. Is distracting or not valuable
4. Depends on the situation
5. Unsure how to respond



ORIGIN STORY

Growing interest and activity in IMM, but still not easy or straightforward

From our work with ventures... desire for more value, flexibility, proportionality

From our work with investors... seeking more utility, clarity, integrity

From our work as practitioners... what is the IMM toolkit?

Started by asking ventures we knew were doing and evolving their IMM

And investors and practitioners on what they were seeing or doing on IMM

THANK YOU!



Laudes ———
—— Foundation

VENTURE INTERVIEWEES

Antoine Heuty, Ulula
Astrid Chang, Provenance
Carl Jensen, Good Nature Agro
Emil Damholt, BLUETOWN
Emily Cunningham, True Moringa
Jackie Stenson, Essmart
Phil Freeman, OpenSC
Raman Talwar, Simulanis
Rebecca Hui, Roots Studio
Sabrina Habib, Kidogo
Sandra Granath, Quizrr
Scott Stiles, Honest Jobs Holdings
Vera Belazelkoska, Ulula

ECOSYSTEM INTERVIEWEES

Cathy Clark, Duke University
Dan Viederman, Working Capital Innovation Fund
Haley Beer, University of Warwick
Heather Grady, Rockefeller Philanthropy Advisors
Julia Mensink, Acumen
Matt Ripley, The Good Economy
Sandy Tesch Wilkins, Humanity United
Saurabh Lall, University of Oregon
Tom Adams, 60 Decibels

REVIEWERS

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Mike McCreless, Impact Frontiers
Olga Cruz, Good & Well
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Rabayl Mirza, UN DESA
Rachel Bass, Global Impact Investing Network
Sachi Shenoy, Upaya Social Ventures
Sarah Gelfand, BlueMark
Zazie Tolmer, Colntent

REFRAMING IMM

01

TECHNICAL: Measuring 'impact' (contrasted with outputs or outcomes) should always be the destination of a venture's IMM journey to suit upward accountability.

STRATEGIC: What can and should be measured depends on a venture's visibility and control over impacts and how its business model and mission evolve.

02

STATIC: What is measured is static: assumes that ventures can hold conditions constant and that all ventures can use the same metrics consistently.

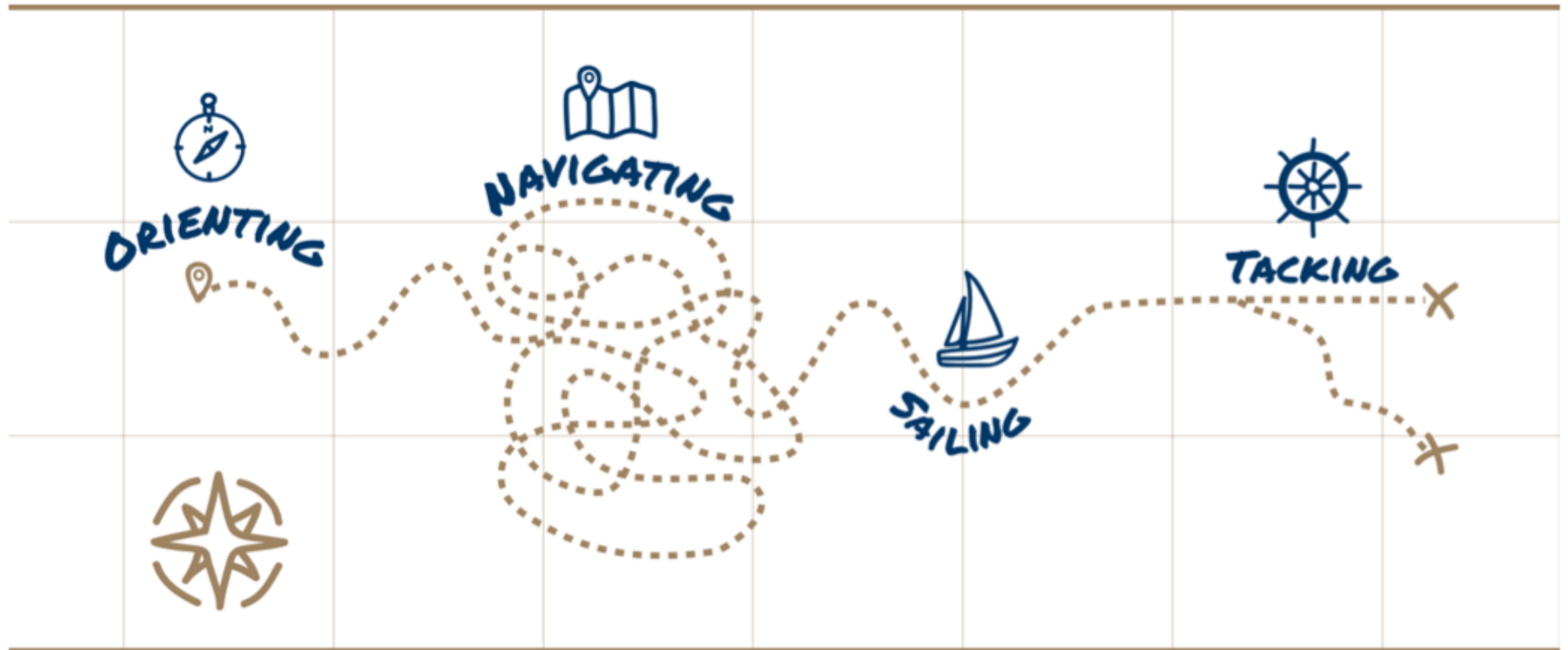
ADAPTIVE: Ventures cannot hold conditions constant or use the same metrics consistently because their context, resources, and mission & strategy changes.

03

LINEAR: Ventures' IMM journeys will follow a predetermined trajectory from simple to increasingly complex and rigorous measures and systems as they scale.

ITERATIVE: Along the IMM journey, there are ebbs and flows between sophisticated, multi-dimensional approaches, to simple and direct measures, and then back again.

PHASES OF THE IMPACT CREATION JOURNEY



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ORIENTING

is an intentional, defined moment of framing and goal setting. It often happens in a venture's early stage, or during a time of intentional pause and reflection.



NAVIGATING

is a continuous period of exploring new opportunities and testing questions. It often takes place in the early stage as a venture is seeking proof of concept and product-market fit.



SAILING

is a continuous period of moving and managing towards a streamlined and optimized set of goals, often during a time of greater demand and momentum.



TACKING

is an intentional, time-limited pivot or adaptation to a new opportunity, need or question, often in parallel to the core business.

EXAMPLE: KIDOGO

Key Question

Factors & Influences



Navigating

How do parents experience Kidogo's childcare services?

- Developing core offering
- Learning about customers
- Finding product-market fit



Sailing

How much can we shorten Kidogo's teacher training program while preserving the same level of quality?

- Stable business model
- Streamlined operations
- Seeking expansion

POLL 2: SITUATING YOUR PHASE

Which phase resonates most with you?

- If you're a venture, what phase do you find yourself in today?
- If you're an investor or practitioner, think about the average venture that you work with. What phase are they in right now?



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FOR EACH PHASE...

What does it look or feel like?

Critical IMM questions

Factors, influences, inflection points

Example tools, approaches, methods

Common pitfalls

How to do it well

Spotlight cases

How investors can help

GETTING IN SYNC

When ventures **ALIGN** their IMM approach with the phase they are in and with the questions at hand, IMM **DRIVES** impact creation.

When there is **misalignment**, IMM **HINDERS** impact creation.



VENTURE WORKSHEET

FINDING YOUR PHASE

WHAT PHASE IS YOUR BUSINESS IN TODAY?

QUESTIONS

Which of the following do you feel are the most critical questions to answer right now?

Check all that resonate with you.

ORIENTING

- What is our impact goal?
- Who is our target beneficiary?
- How will we know we're making progress? What are the most important outcomes to track along the way?
- What assumptions are we making about how our product/service will reach our goal?
- What risks does our venture pose to people and the planet?

NAVIGATING

- How effective is our product/service?
- What do our customers think?
- What kinds of effects is our product/service having on people? What outcomes are we observing?
- Which of our original hypotheses and assumptions hold? Which ones were wrong?

SAILING

- Are our impact KPIs staying steady, improving or declining?
- Are we getting the most impact "bang for the buck"?
- Can we lower costs and still preserve impact?
- How is X [product/employee/branch] performing with respect to impact?

TACKLING

- Can we have the same or greater impact in a new market as we do in the market where we currently operate?
- What are the outcomes of our new model or offering, and how do they compare to our core offering?
- Can we preserve - or deepen - our impact under these new conditions?

HOW INVESTORS CAN HELP

01

Plan to chart a course, together

"I think that being very clear at the outset, what our mutual expectations are while embracing the flexibility...of exactly how you're going to enact that impact vision is really important." - Dan Viederman, Working Capital Innovation Fund

02

Equip ventures with gear & guides

"There is an opportunity for investors structuring into the deals to say we'll pay for measurement in the first year, or pay a reduced subsidy over time." - Tom Adams, 60 Decibels

03

Defer to the ship's captain

"... it is their [investor's] job to support the enterprise, not to judge them but to understand what the hypotheses are, that the venture is testing, and to support overseeing the management of those hypotheses." - Cathy Clark, Duke University

04

Act as a lighthouse for others

"There should be more focus on the analysis and insights and the actions that come from impact measurement. So people should measure a lot less, but do more with it, rather than focus on measuring more." - Julia Mensink, Acumen

INVESTOR WORKSHEET

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?

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

Circle all that apply.

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.

EXAMPLE: SAILING PHASE

What do ventures typically need in this phase?

- Tech-enabled tracking and rapid feedback loops
- Assumptions backed by evidence and relevant to context
- Integrated IMM in all aspects of the business

How investors can best support ventures in this phase?

- Fund technological infrastructure for integrated data system.
- Encourage ventures to understand assumptions underpinning proxy measures
- Challenge ventures to keep impact at the centre

HOW PRACTITIONERS CAN HELP

There's often tension between investors accountability requirements and ventures info needs.

IMM practitioners can support and facilitate considerations for optimising IMM choices using the following questions:

- What are the key **questions and information needs/uses**?
- What is the current venture **phase**?
- What are feasible IMM **options**?

There are strategies that can be helpful at each stage:

- A Theory of Change can be helpful to focus a strategic approach to IMM choices at an early (orienting) stage
- Reviewing and further developing IMM along the journey, following changes or new insights (iterative and adaptive approach)

LEARNING FROM IMM EXPERIENCE

Common pitfalls

- Committing to a fixed set of metrics that add minimal value and are hard to change
- Too many or misaligned metrics drive a venture in the wrong direction resulting in impact risk

How to do it well

- Test initial measurement methods and usefulness of the resulting information
- Remember there is no one right way to do IMM, and no “one size fits all”
- Focus only on what’s most relevant and useful – proportionate to available capacity/resources

IMM Diagnostic Worksheet – “How Investors can Support Ventures IMM Development”

IMM practitioners can use their expertise to help with alignment of information needs and calibrating realistic IMM expectations as well as providing hands-on support to develop impact measurement design and implementation plans.

INVESTOR WORKSHEET

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

WHAT'S NEXT?

Download the full guide and worksheets at IMMJourney.com

Stay tuned for upcoming articles and webinars

Please share your feedback with us at venturesatthehelm@gmail.com

- Do the perspectives and framework resonate? What is unclear or missing?
- Are you able to use the worksheets? What else do you need?
- Who is already doing this that we should highlight/feature?
- Who else needs to see and/or use the guide and worksheets?

Q+A



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THANK YOU!

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to download the
guide and worksheets