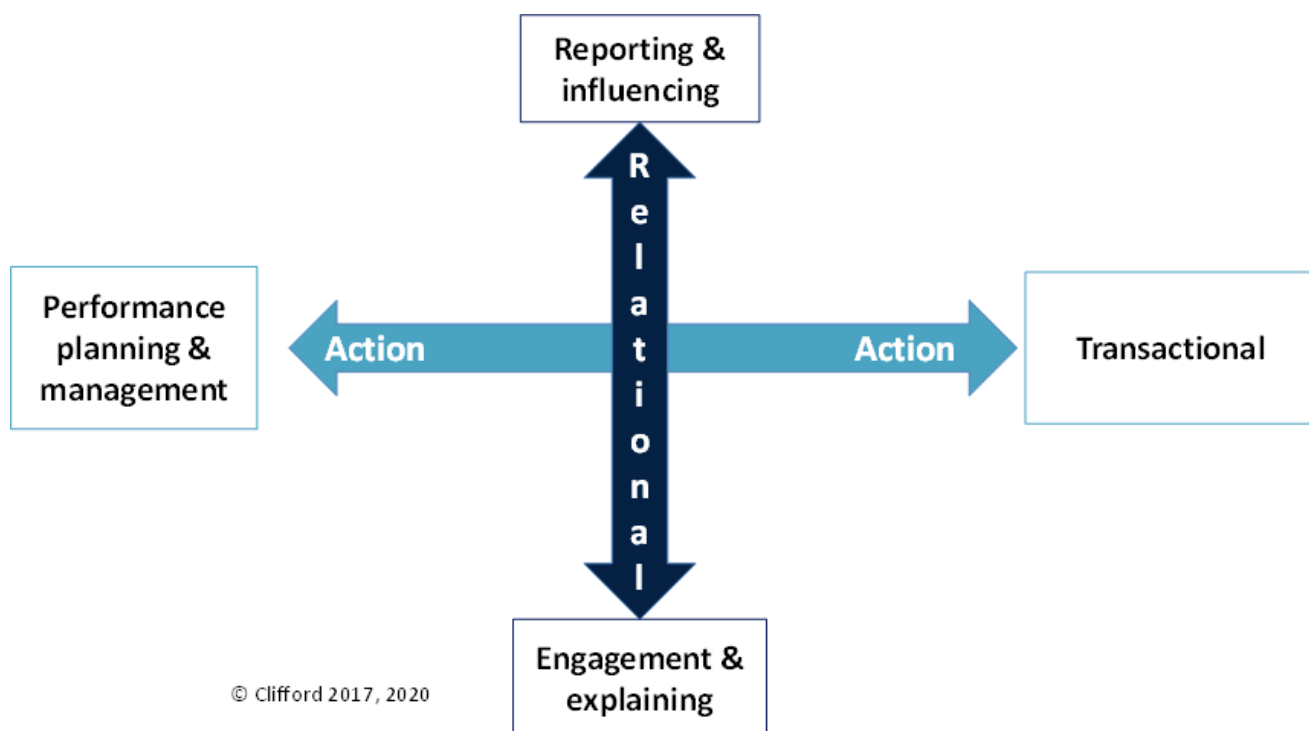


Tools for success: impact assessment

What is impact?: Internal and external uses for impact measurement

Measuring and reporting impact can be used for a range of purposes, and it is always important to consider the audience and purpose when planning any impact analysis. The diagram below shows four ways in which impact and its measurement can be used to support an organisation's activities, and these are explained in more detail below:



Impact can be used **relationally** (to support the development of stakeholder relationships) or to support **action** (managing performance and implementing change).

Reporting and influencing: this might include annual impact reporting (whether part of statutory accounts or as a separate document) aimed at explaining to supporters, funders and other stakeholders what was achieved as a result of their contributions, encouraging others to begin supporting an organisation, or highlighting areas of need or solutions as an encouragement to others to act.

Engagement and explaining: typically providing more detailed analysis to support a specific argument or reporting requirement. This might include a specific requirement from a stakeholder or making a case for funding for a particular activity, or even simply explaining to the people with whom you work how what you are doing is intended to make a difference.

Performance planning and management: planning for delivery and ongoing measurement and then regularly reporting on and using impact to make decisions to guide and manage delivery, understanding internally what is working and exploring options for improvement.

Transactional: thinking about external opportunities which may enhance your impact. This might involve raising external finance in order to accelerate the launch of new, high impact, activity. It could also include building a strategic growth plan to grow particular activities by merger or acquisition, to sell some that are no longer a core focus, or to partner with other organisations.

Think about the needs of the audience

The common factor in these four areas is that the understanding and measurement of impact is needed: something will happen as a result of the relevant parties having that information. With these purposes in mind, it is then helpful to think about the needs of the audience: a report intended for a specific service commissioner is likely to have a much narrower focus than a report to a funder who has a broader set of objectives. Internal reporting is likely to cover an even broader scope, as you will want to understand how your work delivers change across a full spectrum of stakeholders and needs.

Why do you want to know?

Before considering **what** you want to know (and measure), think about **why** you want to know it. Think about which of the reasons in the diagram above resonate with you, and who is going to be the audience for the impact information.

What do you expect (or need) them to do as a result – perhaps to help you, resource you, continue a contract, cooperate, or stay on track? This will inform how you explain what you are doing, and how you measure it.