Impact Measurement and Management a Design Thinking Perspective

Impact investing in Africa has grown significantly with the almost $400 billion being channeled into Southern, East and West Africa. With an increase in impact investing, there has come the need to measure and manage the impact created. Despite there being a recognition that impact measurement and management (IMM) is crucial, Africa is still in the early stages of developing and implementing IMM strategies that are fit for purpose. On the 25th July 2019 Entrepreneurship to the Point hosted a workshop on a ‘Design Thinking Perspective on Impact Measurement and Management’ at the ANDE West Africa Regional Conference in Lagos Nigeria. Property Point a Growthpoint Properties initiative and Entrepreneurship to the Point have been key players in the South African entrepreneurial ecosystem supporting small and growing businesses over the past ten years. Established in 2008 these two platforms have embedded their IMM strategy within a human centered design principle in order to solve for the problem of small and growing business. In its eleven years of existence they are lot of lessons we have learnt along the way which we aim to equip and inspire other ecosystem players to apply innovative approaches in solving for the problems of the small and growing business.

The key objectives of the workshop included:

- Understanding how different organisations define impact
- Understanding the key challenges faced by different organisations to account for impact
- Understanding the various IMM approaches/tools utilised to account for impact by various organisations
- How to utilize design thinking principles to design and implement IMM strategy that is fit-for-purpose through a reiterative process

Figure 1: Shawn Theunissen; Founder of Property Point and Entrepreneurship to the Point facilitating IMM Design Thinking Workshop
**Impact means different things to different organisations and stakeholders.** Intermediaries in the room supporting small and growing businesses (SGBs) indicated that impact was about ensuring measurable change. From a donor perspective, they highlighted that sometimes donors were interested in going the last mile to ensure that through their investment they have achieved their intended effect. However, it was noted that if impact is not contextualized and we do not understand who we are creating the impact for then it becomes a hollow term.

One of the key enablers to cultivating an entrepreneurial ecosystem for SGBs is IMM. Genesis Analytics defines IMM can be defined as practice and methods used to generate and use data on impact to advance the intended social and environmental impact. It includes identifying and considering the positive and negative effects one’s business actions have on people and the planet and then determining ways to mitigate the negative and maximize the positive in alignment with one’s goals.

Because IMM practice is still in its early stages in West Africa, participants highlighted that they faced several challenges which included:

- Difficulty in defining what success means;
- Limited financial and human resources;
- Dealing with unexpected findings;
- Change takes time and does one ensure the data collected reflects long term change;
- Conflicting impact requirements from various stakeholders;
- Measuring impact is sometimes an afterthought;
- How to use the data to inform decisions;
- Data collection, verification and storage;
- Lack of documentation and pain of documentation;
- Lack of implementation by beneficiaries;
- How to measure the qualitative aspects of impact;
- How to incentivise beneficiaries to provide data.

*Figure 2: Participants put together IMM Design Thinking Puzzel*
There is a need to look at pain points holistically and **design thinking** provides us with an alternative perspective to view societal challenges through an empathetic lens. Design thinking is about co-creating and co-imagining a roadmap to the future through a continues process of testing, validating and refining. Critical to design thinking is utilising data and insight gathered throughout the process to refine programme design through an iterative process. Embedded within the design thinking is a lean start-up mindset which ensures a continuous process of learning through experimentation until one discovers the right solutions and agile execution which ensures that that the solution is introduced incremental and that there is an ongoing reassessment of the solution through a reiterative process.

![Figure 3: David Noor (2019)](image)

Design thinking is about a system of overlaps ensuring the creation of solutions that are fit for purpose and takes into consideration the following:

- **Desirability**: Human centric approach to the innovation of new products.
- **Feasibility**: Technology centric to determine if technology is feasible for betterment of services.
- **Viability**: Business centric to determine if there is a real market demand.

Often there is a disconnect between what the beneficiary might need and what the donor may require from intermediaries. Often this disconnect arises due to not engaging with the beneficiaries from the onset of programme design to programme implementation. Design thinking encourages organizations to focus on the people they’re creating impact for, which leads to better products, services, and internal processes.

**Figure 4: Participants viewing impact story Olga Ncube from Khusile Hygiene a Property Point programme alumni**

**Address**
Workshop 17, 138 West Street, Sandton, Johannesburg
Throughout the workshop three organisations were profiled and they highlighted some of their key IMM learnings which included:

- Programme Co-creation and building solid partnerships is essential for maximising impact;
- Ensure that your strategy is reiterative and agile to what is happening in the market and responsive to the needs of your beneficiaries;
- IMM strategy has allowed us to have a birds-eye view of programme implementation and has allowed us to respond to changes in real-time without compromising the programme quality and delivery.

- Programs should be designed with a clear impact pathway to make it easier to measure the impact at the end.
- It is critical to discuss with clients about unexpected findings and how to communicate and document them
- Further an organisation should ensure that they there is budgetary allocation to implement an IMM strategy and invest in capacity building of your team.

- The will to measure impact is crucial to the success of impact measurement and management strategy, it should not be an afterthought. This should be matched with resourcing monitoring and evaluation units with staff that have technical competence as well as the tools for data collection and analysis.

Beyond measuring and managing your impact, sharing your organisations impact story was highlighted as crucial component of IMM because by telling your story you can inspire others to change. Although there have been strides made to in understanding the importance of measuring and managing impact in Africa there is still a long way to go and utilising design thinking provides an innovative approach to thinking through IMM. Design thinking ensures that as an organisation you are:

- Developing solutions that are fit for purpose and gets to the root of the problem.
- Ensure beneficiaries and key stakeholders have ownership of the problem and the solution developed.
- Allows your strategy to be agile and responsive to the changing needs of your beneficiaries based on the insights gained through the design thinking principles.
AIFIB (2017), The African Investing for Impact Barometer, retrieved from
ANDE (2018), Landscape Mapping for Impact Measurement and Management in South Africa, retrieved from
in_south.pdf
David Noor (2019), The Future of Work will be Told in Pictures, retrieved from
https://www.forbes.com/sites/davidnour/2019/05/10/the-future-of-work-will-be-told-in-pictures/#68eeb44d1ce3