



IMPACT MEASUREMENT AND MANAGEMENT WITH THE IMPACT LAB

- Most UN Agencies describe impact as positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended¹.
- Impact Measurement is quantifying effects directly or indirectly attributable to your actions, and Impact Management is using impact data to make business decisions, maximize positive contributions and minimize risks
- Historically, government programmes and non-profits have used impact evaluation but increasingly businesses and investors are also striving to measure and manage their impact.
- Impact management allows companies to assess market opportunities and risks, gather insights from clients, deepen engagement with stakeholders, design effective products and services, enhance and scale up operations, and build reputation and brand.

WHY IMPACT MANAGEMENT

FOR COMPANIES

- Align business models to a common framework and with the global agenda.
- Respond to increasing demand from key stakeholders.

FOR INVESTORS AND BUSINESS ACCELERATORS

- Identify and recognize responsible, inclusive business practices.



UNDERSTAND COMPANY CONTRIBUTIONS TO THE SDGs







- Ideally an impact measurement framework should be created before starting operations, but this does not mean that it cannot be done once activities are up and

¹ Impact Evaluations and Development - Network of Networks for Impact Evaluation comprised of the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD/ DAC) Evaluation Network, the United Nations Evaluation Group (UNEG), the Evaluation Cooperation Group (ECG), and the International Organization for Cooperation in Evaluation (IOCE) <https://www.oecd.org/development/evaluation/dcdndep/47466906.pdf>

running. In general, impact measurement and management helps companies both improve operations and drive strategy

- Business Call to Action’s online Impact Lab is a tool that helps users undertake the full impact management process over four modules.

Key Features of the Impact Lab

-  Guides companies in a step by step process to create **an impact management framework connecting business operations with the SDGs**
-  Integrates **globally accepted metrics** such as IRIS+ and SDG Indicators
-  Provides a **dashboard** for impact investors, impact accelerators and fund managers looking to monitor performance of enterprises in their portfolio
-  Aligned with the impact management norms put forth by the **Impact Management Project** structured network
-  Guides companies on **how to collect data** from stakeholders
-  Global **public good**, hosted in a user-friendly digital platform

- Businesses, both large and small, at any stage of growth can use the Impact Lab. The Impact Lab can also be used by impact investors, and impact accelerators or incubators to manage performance of several businesses in their portfolio



Module 1: Create your Impact Value Chain by mapping your business operations against the Sustainable Development Goals and Targets

Module 2: Identify relevant indicators to measure and monitor your impact. Select from globally accepted metrics such as IRIS+ or add custom ones.

Module 3: Standardize your impact framework using the shared logic set forth by the Impact Management Project.

Module 4: Start a monitoring plan by identifying gaps in existing evidence and reviewing different approaches to data collection.

- In the first module you will create an Impact Value Chain by defining your impact goals and linking them with the relevant Sustainable Development Goals (SDGs) and SDG targets. You will be then guided on how to develop an Impact Value Chain by defining a) the problems and opportunities that are material to your business, b) business inputs and activities to address these problems and opportunities, c) immediate results or



outputs that you expect to arise caused by your activities, and d) the outcomes that your business directly or indirectly contributes to in the mid to long term.

- In the second module you can identify indicators that help you measure your outputs and outcomes. You can select indicators from globally accepted taxonomies such as IRIS+² or add your own customized indicators. You can then specify sources of existing data within your organization and mark where new or additional data needs to be collected. You can also add baseline data and targets against each indicator. This will become your SDG impact management framework.
- In the third module you will align your impact framework to guidelines put forth by the Impact Management Project or IMP³. This module will assist you in evaluating your impact goals according to the 5 dimensions of impact and the 15 data categories. You will also be able to classify the impact of your organization as A (Acting to Avoid Harm), B (Benefiting Stakeholders) or C (Contributing to Solutions).
- In the fourth and last module of the Impact Lab, you will create a Data Collection Plan and begin monitoring your impact. The Lab will remind you about indicators for which you need to gather more evidence and suggest different methods for collecting this data
- You are now ready to start collecting data. The internal dashboard is a complete summary of your work and can be downloaded in both Excel and PDF formats
- If you are a fund manager, impact investor or any other organization managing several projects or brands you will be able to monitor the impact of your full portfolio through the Shared Dashboard.
- Start managing your impact today at <https://impactlab.businesscalltoaction.org/>
- Business Call to Action (BCtA) is a unique multi-stakeholder alliance hosted by UNDP and the largest global inclusive business platform supporting core business solutions for development and providing public recognition for the private sector's contribution to the Sustainable Development Goals. This video is part of BCtA's learning series on tools designed to support inclusive businesses. If you have an exciting, innovative, scalable inclusive business model reaching low-income communities and advancing the SDGs, join the BCtA membership platform by visiting www.businesscalltoaction.org and starting an application!

² <https://iris.thegiin.org/metrics/>

³ IMP gathered a Practitioner Community of over 2,000 enterprises and investors to build global consensus on how we talk about, measure and manage our ESG risks and positive impacts. This consensus (or "norms") provide a common logic to help enterprises and investors understand their impacts on people and the planet