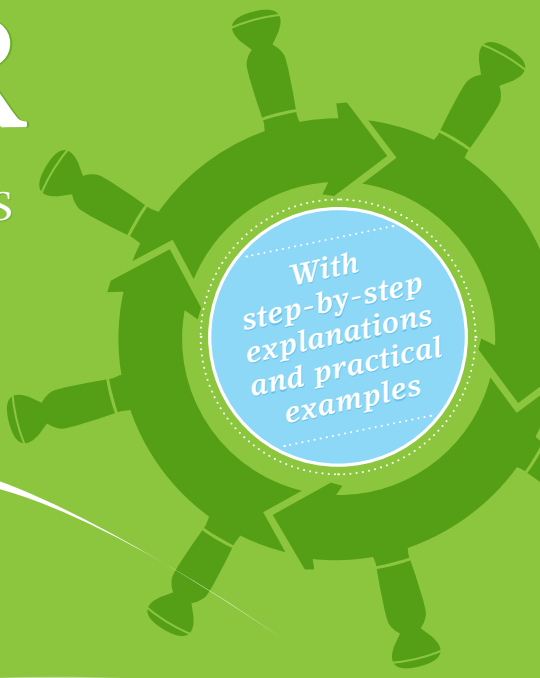
SOCIAL IMPACT NAVIGATOR

THE PRACTICAL GUIDE FOR ORGANIZATIONS TARGETING BETTER RESULTS



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Social impact is the ultimate goal! Every NPO, public sector institution and many private sector companies aim to achieve social benefits. Impact orientation should therefore be a part of all their activities. Yet experience shows this is often hard to achieve. Many actors associate complex and expensive labor with impact orientation, and some worry that impact analysis for social purposes is inappropriate and potentially triggers poor decision-making.

Our Social Impact Navigator provides answers to these concerns. It looks beyond the use of tools and demonstrates the need for an impact-focused mindset that fosters the holistic application of appropriate-to-context methods. It also shows the fun that can be had in proving and improving impact. As usual at PHINEO, we have collaborated with many partners to make this guidebook available to the international community. We hope it helps you and your organization on your way to achieving impact.

Dr. Andreas Rickert

Andreas Rickert serves as CEO of PHINEO, which he initiated in 2010. Andreas has worked for the Bertelsmann Stiftung, World Bank, McKinsey and several academic institutions such as Stanford University and the Max-Planck Institute.

PREFACE

The outcomes and impacts of projects are the subject of much discussion in the non-profit sector. Organizations want to achieve the best possible results for their target groups and, at the same time, funders are calling for more evidence about the benefits yielded by the projects they have supported.

In the course of our work, we have seen many non-profit organizations and projects achieve wonderful things. The experience, dedication and resources committed by individuals in these organizations and projects have helped improve people's lives, promote nature conservation, and strengthen social cohesion. The work of these organizations and projects make essential contributions to society every day.

Each organization aims to achieve the best possible results through its work. This involves monitoring each phase of a project in order to ensure progress toward intended objectives. However, many organizations have neither the expertise nor the instruments needed to systematically integrate impact orientation into their work. In a context of limited resources, impact orientation is regarded by many organizations as a desirable but difficult or "unrealistic" task.

In our workshops, we show how impact orientation can be implemented in non-profit organizations of all sizes and at all stages of development, even in cases of limited means. Through our work we've noted a growing need for practical assistance with impact orientation in the non-profit sector. The guidelines presented here are a response to this need. We have developed the Social Impact Navigator to introduce relevant concepts while providing useful instruments, tips and practical examples that help you and your organization make impact orientation an essential element of your daily operations.

In Germany, the publication, now in its third edition, has been welcomed and is widely utilized by non-profit organizations, foundations and public sector institutions.

In partnership with the Bertelsmann Stiftung and the World Bank's Global Partnership for Social Accountability (GPSA), we are pleased to present the English edition to an international audience.

We hope these guidelines help you successfully adopt impact orientation in your work and we look forward to your feedback.

Bettina Kurz

Doreen Kubek

Bettina Kurz

Doreen Kubek

... have been members of the PHINEO team since its founding in 2010 and are responsible for the content of the Social Impact Navigator.

With a background in political science, Bettina Kurz has been involved in numerous civil society projects at Germany's Bertelsmann Stiftung. She specializes in impact analysis and impact-oriented organizational and program development.

Doreen Kubek holds a degree in International Relations and Social Sciences and has been working in various projects in the field of International Politics and Social Work. At PHINEO she focuses on monitoring and evaluation in the non-profit sector.

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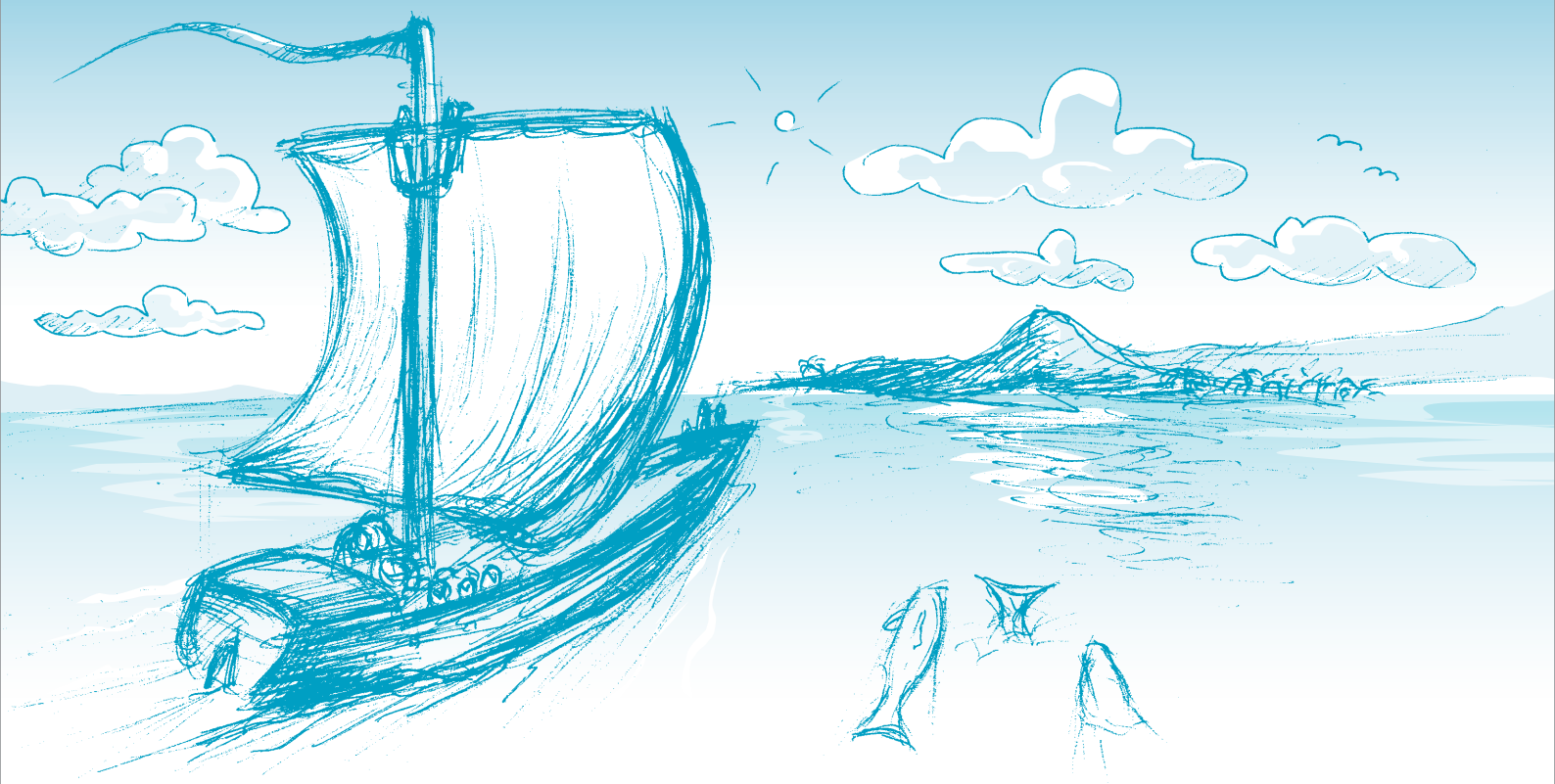
Start by doing what is necessary, then what is possible, and suddenly you are doing the impossible.

Francis of Assisi (* ca. 1181/1182 – † 1226)

INTRODUCTION



Imagine you want to take a sea voyage. How do you plan your trip? First, you probably think about where you should go, who you want to take, and how you can bring your passengers safely to their destination. You'll have to decide what ship and what crew you'll need to accomplish this. You'll plan your course, and think about the supplies you'll have to take along. Once you've organized all these necessities, and passengers have booked their trip, you can set off. While under way, you and your crew continuously monitor whether you're still on the right course, or whether adjustments need to be made. You take care of the passengers, and respond to their requests. It turns into a lovely trip, and the passengers praise the service and the amenities on your ship. At the end of the voyage, everyone arrives safely and disembarks satisfied. You, too, are generally satisfied with the way the trip has turned out. In retrospect, you might do a few things differently. Maybe one of the passengers was seasick, and there were no appropriate medicines on board, or another was badly sunburned. For the next trip, you'd make sure to have travel medicine and sufficient sunscreen along, in order to be able to respond to different weather conditions and the needs of your passengers. Then the journey will certainly be even more successful. But what does any of this have to do with this guide or the issue of impact orientation?

1. INTRODUCTION TO THE TOPIC

Just as you're anxious that everything goes perfectly with your journey, you try in your non-profit organization's work to achieve the broadest possible impact with your projects. You work to improve disadvantaged peoples' living conditions, to support education, to protect the natural environment or to strengthen community cohesion. The idea of "impact orientation" in this

The results staircase

kind of environment entails a keen focus on results. But to understand this more fully, we have to see what is meant by the term "results" in this context.

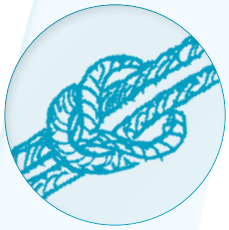
What are results?

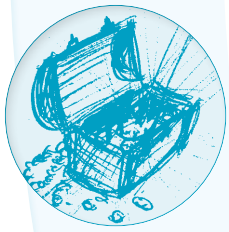
In terms of impact orientation, "results" can have different meanings. For impact-oriented project management, it is important to be aware of these differences and to ensure that you and your partners are on the same page when talking about results.

Results refer to the services and products created by an intervention as well as the (intended or unintended, positive and/or negative) effects achieved by an intervention within target groups, their immediate environment or broader society. Results at the level of services and products are called outputs, results at the level of the target groups are termed outcomes, and those at the societal level are referred to as impacts. Various levels can be distinguished for outcomes, as illustrated in the figure above ("The results staircase"). These include the development of new attitudes and/or skills among members of the target groups, changes in their behavior and changes in their living conditions.

In → Chapter 3 the different levels of results and their role within the logic model are discussed in detail. The effects of a project are a consequence of the services and products provided by a project. These outputs therefore are a requirement for achieving outcomes and impact but are not effects themselves.

As an example: If a project aims to help small business owners acquire the skills necessary to build their business and increase their income, then the output could take the form of coaching and entrepreneurial training. However, the number of training courses completed or the number of participants alone would not indicate how successful the project will be. Taking part in the project does not automati-





cally mean that the small business owners will have learned skills that will help them make a sustainable living through their business. But the outputs are a prerequisite for achieving the outcomes.

The reason for this is simple: If nobody attended the courses, then they would not lead to any change in the target groups. By contrast, if taking part in the entrepreneurial training gives the small business owners useful knowledge and skills, they'll be able to increase their profit margins; in this case, these results ("outcomes") will contribute to their ability to secure a sustainable way of life. If the project is successful in helping participants grow their business, and in this way contributes to a general decline in poverty and unemployment in the region it is operating in, then it has had an "impact" at the societal level. (For more details on the various levels of results, → Chapter 3).

What is impact orientation?

Impact orientation means that a project is being planned and implemented with the specific goal of achieving certain results at the outcome and impact levels. The desired results are expressed as concrete objectives, toward which the entire work of the project is subsequently oriented. There are three core stages of impact-oriented projects, each with sub-stages, the totality of which produces the project cycle.

An impact orientation means that a project must be planned from the start with the desired results in mind. This is the topic addressed in Part 1 of this guidebook. While the project is underway, it's important to check periodically that everything is proceeding toward the previously set objectives, thus determining that the project is on the right course. This is the task of the social impact analysis (outlined in Part 2), which uses monitoring and evaluation as its primary instruments. Reviewing the results using monitoring and evaluation measures plays a key role in impact-oriented project management. The results of the social impact analysis provide a basis for drawing lessons relating to the project work and for implementing improvements where necessary. Accordingly, "improving results" is the theme of the third core stage of the impact-oriented management cycle (addressed in Part 3). Using the results of the impact analysis, the lessons learned and the improvements derived from this process, a new planning stage can be carried out, and a new project cycle can begin.

The social impact analysis, the lessons learned, and the conclusions drawn also offer a solid foundation when organizers want to scale the project or help others implement similar work. This is the subject matter of → Chapter 10.

Why is an impact orientation important?

Why should you adopt an impact orientation and analyze your project's results? With your work you want to improve the situation for your target groups, while offering high-quality products and services to those participating in the project. This means you must consider very carefully what you want

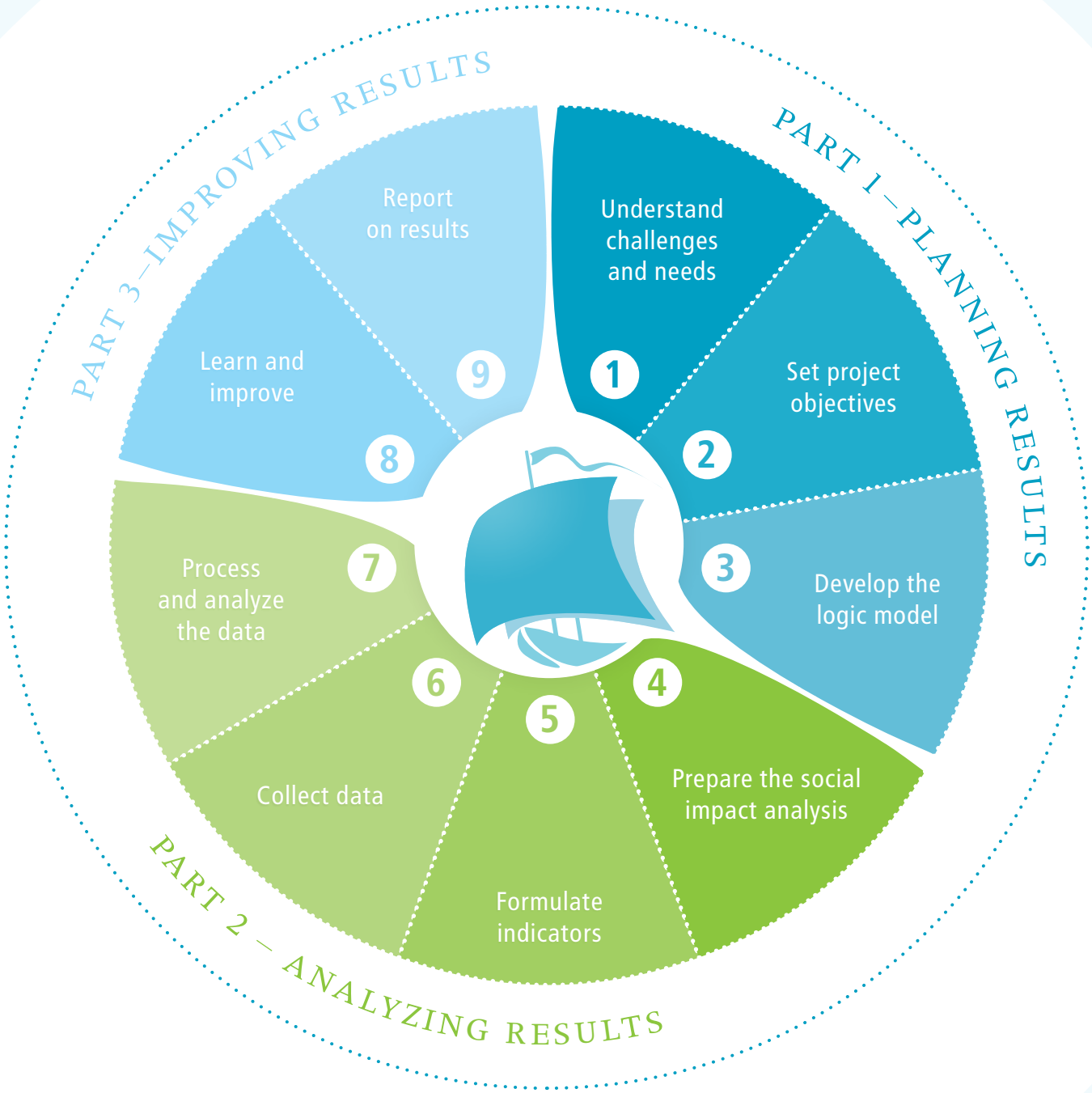
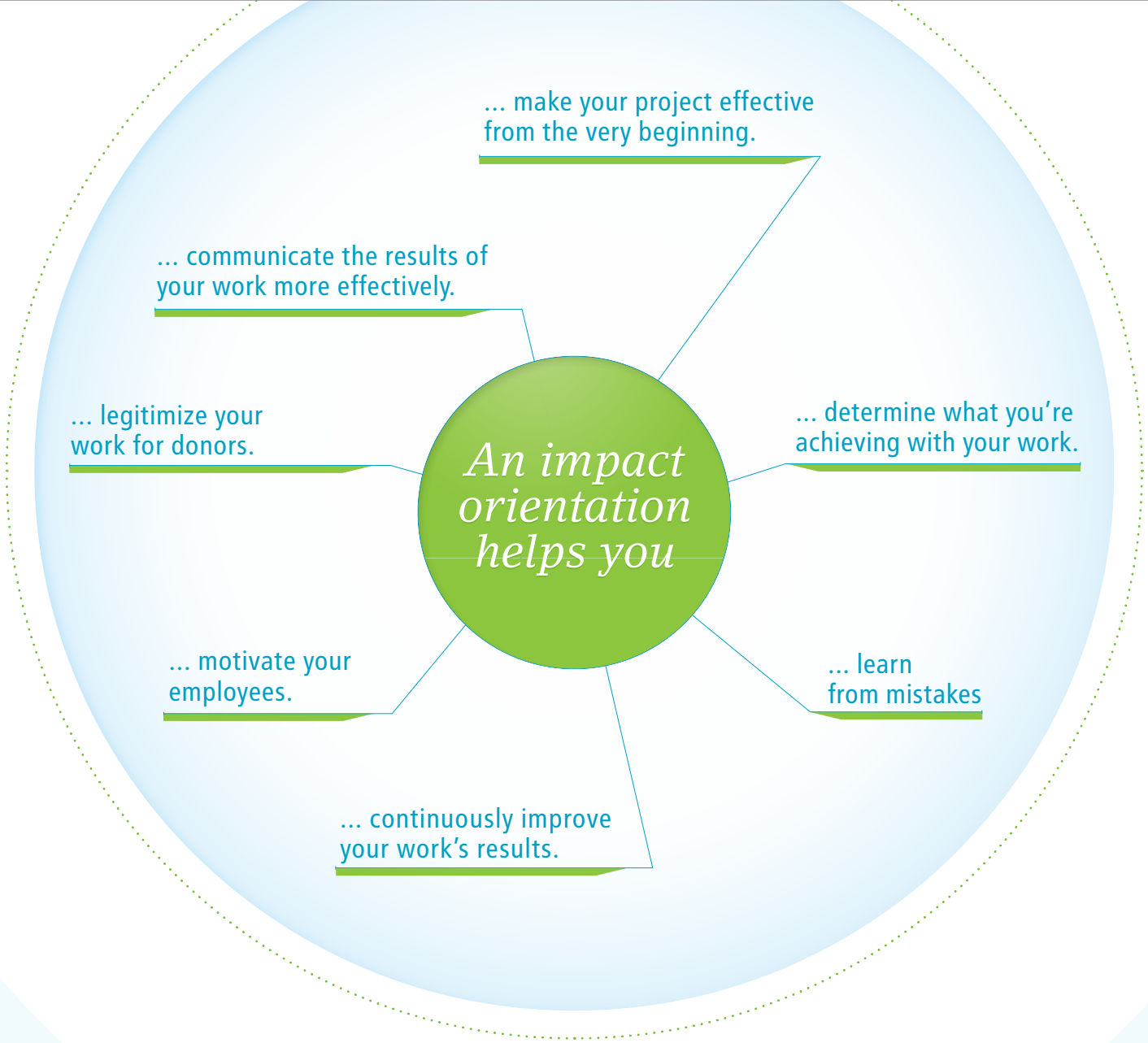


Fig. Impact orientation throughout the project cycle: The steps of impact-oriented project management.

to achieve within your target groups and then periodically check that this is what you're actually doing.

More and more non-profit organizations are seeking to analyze and document the effects produced by their projects. However, this is not yet a fully established practice and is often regarded as a major challenge. Frequently, engagement with the issue of impact is viewed rather one-dimensionally in the sense of external presentation and legitimation. However, the essential meaning of impact orientation lies in the process of learning and particularly in the continuous improvement of your own work. Only those who are intimately familiar with the results of their work, including both its strengths and weaknesses, can use this knowledge to grow further and come systematically closer to reaching their goals.



To come back to the original example of the sea journey, you might not have noticed, but you took these various steps during the course of your trip, too.

You've considered where you want to go, and why. You planned the sea voyage, carried it out, and continuously made sure you were headed in the right direction. You took note of the passengers' praise, but also saw there were things that you would do differently in the future. In the process, you carried out a kind of analysis of your trip. Setting goals and analyzing results and processes is something we do constantly in our everyday lives. We collect information, we process it, we attribute varying significance to different pieces of data and act accordingly. Non-profit organizations' impact-oriented project work is of course more complex, but it essentially follows these steps too. Don't be deterred by challenges; instead, see them as an opportunity to advance your project. The time and effort you put into a well-planned project and a well-thought-out impact analysis will be worthwhile in any case. Don't wait for your reporting and documentation requirements to be defined from the outside – take matters into your own hands, and make your project impact-oriented.

2. ABOUT THE GUIDE

What is this publication's goal?

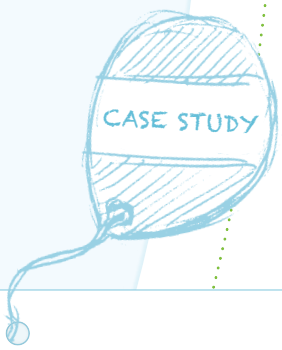
The Social Impact Navigator provides an accessible introduction to the issue of impact orientation. We want to show you how with simple steps, you can plan and implement your project in an impact-oriented way and analyze your results. We present instruments suitable for everyday use that will give you practical help in integrating an impact orientation into your project work, and support you as you address the issue of impact orientation inside your organization. Above all, we want to motivate you to engage with the issue yourself.

Who is the target audience?

This publication is directed toward non-profit and other civil society organizations, and their projects and programs that have as yet had only limited experience with the issues of impact orientation and social impact analysis. We want to show that by taking simple, small steps, even organizations with limited resources for monitoring and evaluation can review the effectiveness of their work and learn from these results.

How is the Social Impact Navigator structured?

The structure is based on the impact-oriented management cycle presented on page 7, and is divided into three parts: "Planning results," "Analyzing results," and "Improving results." The focus of this publication is on impact orientation within the context of project work. Although organization processes have a significant influence on the results of a project, they are not included in the contents of this publication.



The theoretical approach described in this publication is illustrated using a fictional project:

The "Better Lives through Improved business Program" (BIP) focuses on one district of a medium-sized city in a developing country and has been operating for nearly five years.

The social context in this target location is characterized by low incomes among the majority of the population. This has consequences for families' socioeconomic conditions, for example with regard to health status, educational status, and economic dependence on private money lenders (loan sharks).

Small-business owners (e.g., craftsmen and market sellers) in this and surrounding areas are particularly affected by these problems.

The low-income levels are often in part due to the poor entrepreneurial skills of the small-business owners. For example, they may not possess bookkeeping skills, or be able to calculate individual item costs, thus selling at a loss. They may also lose track of their finances by failing to distinguish between their business and private accounts.

The objective of the project is to improve small-business owners' business skills so they can achieve higher and more sustainable incomes and improve their families' socioeconomic situations.

To this end, BIP offers a financial-literacy training program. This consists of three training courses, each lasting three days. The courses include topics such as bookkeeping, financial planning and business management. The training courses are taught by two qualified trainers.

The participants are also given individual coaching, which are oriented toward the participants' individual needs. The coaching sessions are carried out partially by volunteers (including former course participants).

The BIP project is administered by a project manager and was initiated by the head of the local community center, the local school's principal, and the head of the local business association.

Representatives of local religious communities and the municipal administration support BIP as members of an advisory board. The project sessions take place in the local community center.

BIP is funded by a foreign foundation, which is also mainly responsible for funding the community center.

PART 1: PLANNING RESULTS

If one does not know to which port one is sailing, no wind is favorable.

Seneca (*4 BC – † 65 AD)

The contents of Part 1 are as follows:

In Chapter 1, you'll learn how to use a needs assessment and context analysis to obtain important information about your target group's needs and the context of your (planned) project. This will help you plan your project in an impact-oriented way.

In Chapter 2, you'll learn how to develop project objectives and an overall project approach, using your needs assessment and context analysis as a foundation.

In Chapter 3, you'll learn how to use a logic model to develop a systematic path toward achievement of your project objectives.

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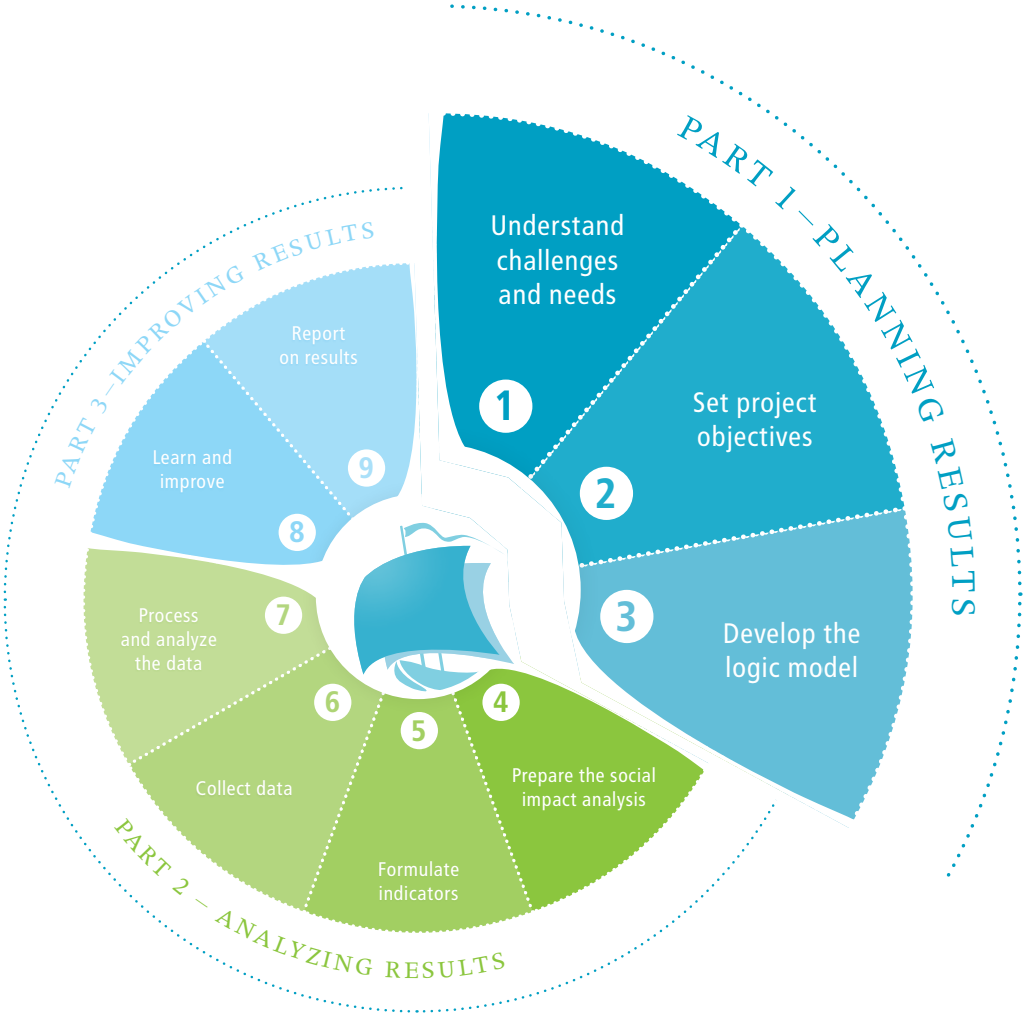


Before you go to sea, you'll probably consider your trip from a number of angles. You and your crew will ask the following questions, among others:

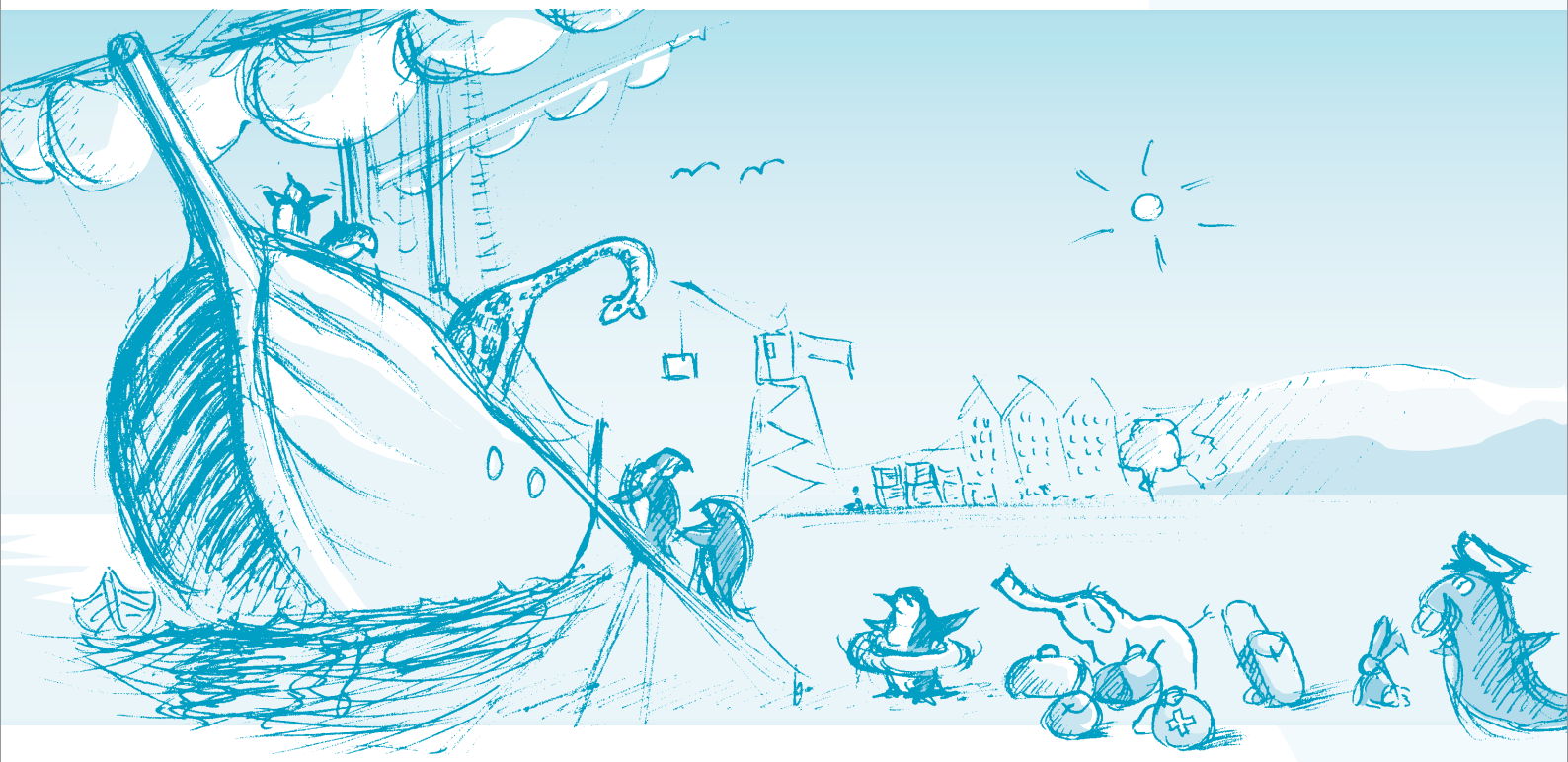
- Why are we going on this trip?
- What destination do we want to reach with our passengers?
- Which course should we set to get there?

If you're now planning a non-profit project instead of a sea journey, the questions you'll ask yourself are almost the same. Just as the planning of a sea voyage has a huge impact on the success of the crossing, the planning phase lays the groundwork for impact-rich project work. The three chapters in Part 1 of the guidebook thus follow these three questions, and explain how projects can be planned in an impact-oriented way.

But what does this mean for projects that are already underway? Maybe you're already on the high seas – thus, you're in the middle of your project's implementation phase, have successfully negotiated numerous obstacles, and brought many passengers successfully to their destination. Does it make sense in this case to reflect on impact-oriented planning? Absolutely, because just as on the high seas, where the weather can shift or passengers can come down with seasickness, a project's environmental conditions and the target group's needs can change.

Like a ship seeking to hold a true course, a project, too, must be reviewed and, if necessary, adapted if those responsible want to continue the success of their work. The planning phase thus refers not only to the beginning of a project, but should be revisited regularly during the course of a project's life.

1. UNDERSTANDING CHALLENGES AND NEEDS



In this chapter ...

- **You'll learn why an analysis of social challenges, target-group needs, and the project's broader context creates the basis for effective project work.**
- **You'll learn what elements and questions are relevant for the needs assessment and context analysis.**

How do you decide how you should organize a sea voyage, who to take along, and what equipment must be on board? Do you book a cross-Atlantic trip for the whole group, just because this happens to fit your idea of a successful cruise? Or do you equip all the passengers with raincoats no matter what your destination, just because you got a good deal on a bulk order? In fact, planning a sea journey with passengers presumably takes a somewhat different form. You'll probably consider the trip's overall environment:

Is the idea to have a relaxing trip through the Caribbean, or are you planning an Antarctic expedition in an icebreaker? And what about your passengers? Who do you have on board? How do you need to organize the trip so that your passengers will be satisfied, and won't hop off board at the first available port? Are your guests a bit nervous, because this is their first sea voyage, and some don't know how to swim? Are there people who suffer from seasickness? As you can see, when planning a sea voyage, it's necessary to keep the trip's context in mind, as well as the individual passengers' needs. The planning and implementation of social projects is no different.

Fig: Dimensions of a needs analysis

1.1 TRANSLATING GUT FEELINGS INTO KNOWLEDGE

Why is it so important to take a hard look not only at the broader context from which a project emerges, but at the needs of its target groups as well? In order for a project to deliver its intended results, it must be tailored to fit both the local context and the needs of its target groups. This may seem obvious to many non-profit organizations which have been working in a specific field for many years. However, new and established projects alike have much to gain by taking special care in assessing the needs of their target groups and understanding the environment in which they will operate.

Good to know: The needs assessment and context analysis helps you ...

... set the right priorities in your project work.
The needs assessment and context analysis helps determine whether there really is a need for a project, and if so, how this actually manifests. Based on this information, organizations and donors should decide which projects they'll choose, support or even withdraw their support for.

... tailor your project's work to your target group.
The people targeted by social projects should receive offerings that are as well-aligned with their situations and individual needs as possible. A program that responds precisely to the needs of the target group has a good chance of achieving the desired effect.

... identify the key stakeholders and include them in your work.
For the implementation of an impact-oriented project, it is vital that the important stakeholders – thus, all people, groups or institutions that are affected (positively or negatively) by the project, and/or which could influence it – are involved from the beginning. The needs assessment and context analysis is the ideal time to bring stakeholders on board.

Continued on page 14

Continued from page 13

... lay the groundwork for monitoring and evaluation.
In your monitoring and evaluation processes, the information gathered at the beginning of the project will serve as a reference point for the data collected later during the course of the project.

... use resources efficiently and effectively.
A needs analysis will help you guide resources to the right place and in the right amount during the project's implementation.

... improve the quality of work in your field and broader project context.
If you share the information you collect with other actors working in the same general area, it can help other organizations' work become more impact-oriented.

... convince donors of the quality of your work.
It speaks to the high quality of an organization's work when they have identified and analyzed the needs of their target group before beginning their project work. Thus, use the needs assessment and context analysis as a basis for fundraising.

1.2 A PRACTICAL APPROACH TO NEEDS ASSESSMENT AND CONTEXT ANALYSIS

The objective of a needs assessment and context analysis is to systematically gather and examine information that serves as a basis for project planning and implementation.

When should a needs assessment and context analysis be carried out?

A needs assessment and context analysis not only provides the basis for planning a new project, it can also help further develop projects already underway. Changes that affect project design are often introduced in the midst of a project's life cycle. This can include, for example, a change in the target-group size or composition – and therefore its needs – perhaps because the number of ethnic-minority youth in a city district has increased. Unforeseen developments can also affect factors on which the success of the project depends but over which the project itself has no direct influence (e.g., a reduction in job opportunities for young people).

It is important to assess how these changes influence the project's broader context, and to ask whether new projects addressing the same issues are being introduced or previous offerings have been terminated.

It is appropriate to carry out a needs assessment and context analysis at the following points in time:

- prior to beginning a project;
- at regular intervals during the implementation of the project;
- if monitoring and evaluation data indicate that something is not proceeding as planned;
- when considering whether to extend the project to another location; and
- when additional elements are to be introduced in an ongoing project in order to address identified problems.

Who is the assessment's target audience, and what is its purpose?

The objective of a needs assessment and context analysis should be clearly defined in advance. Although concerned with the needs of a project's target groups and the broader context of the project's specific issue area, the precise focus of the analysis will depend on the questions to be answered. For example, in the case of a nationwide project proposal, the initiator might want to know where to establish the first location. Perhaps a foundation must identify local needs in order to determine the allocation of funds, or maybe an organization wants to know whether their project is still meeting the desired needs of their target group. If there are plans to extend the project, questions must be posed about how to ensure project success in a new location. Or perhaps a new local initiative wants to know which inadequately addressed issues it can effectively tackle. Before starting, it is therefore important to consider the purpose of the analysis and how to make good use of the collected information. Considerable time should be invested in developing a catalogue of questions to be answered.

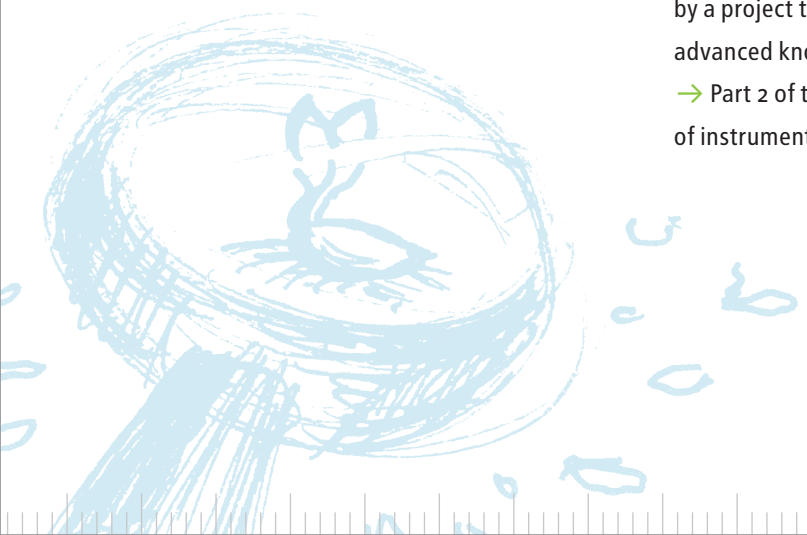
How much effort is involved in a needs assessment and context analysis?

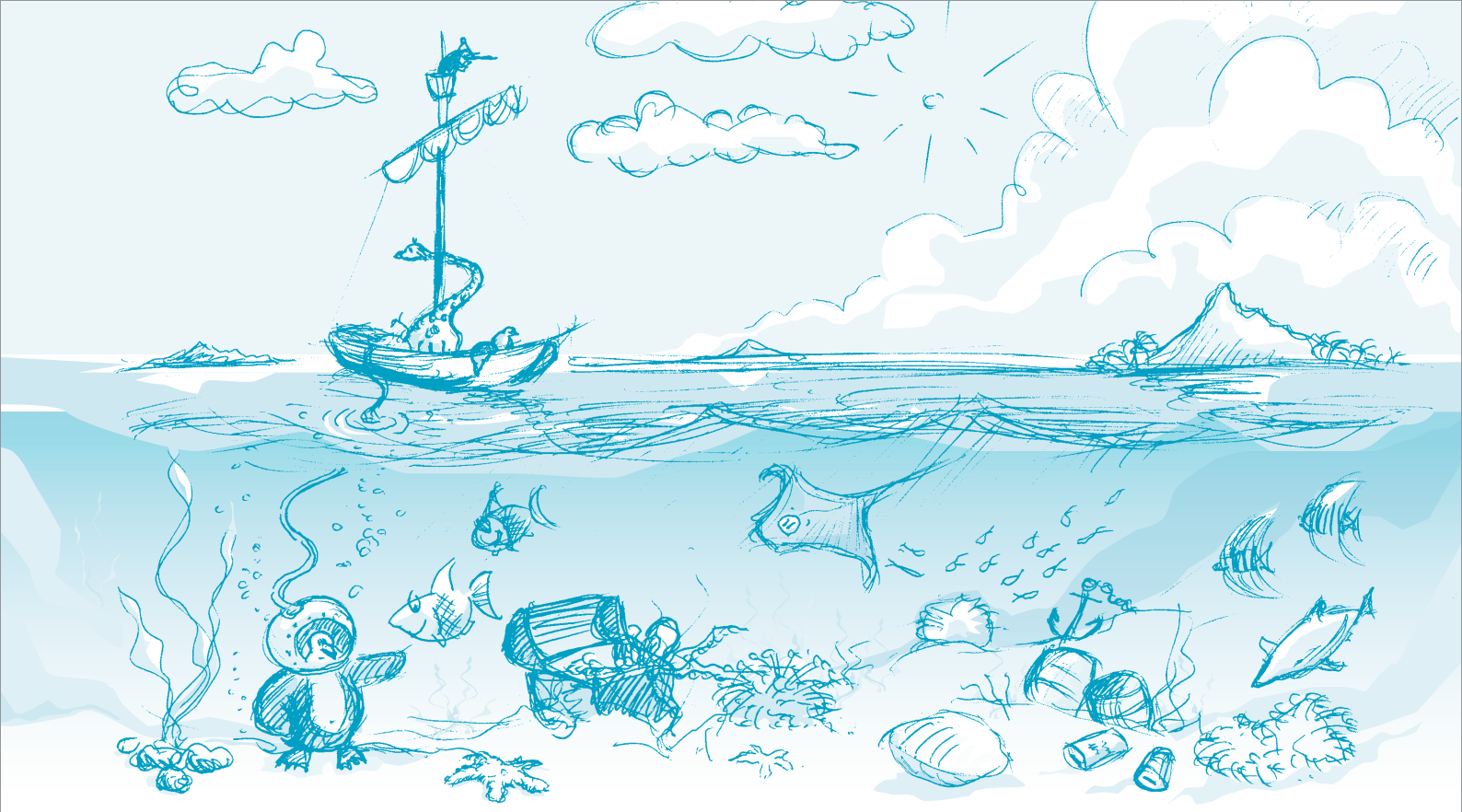
A needs assessment and context analysis should not involve trying to collect as much information as possible at whatever cost. In most cases, it is not necessary to commission experts to conduct a costintensive survey before developing the project's conceptual framework.

The aim is rather to collect relevant information that will provide a basis for needs-oriented project planning. The amount of effort involved will depend on how hard it is to obtain such information.

Gathering information

There are two ways of collecting information for a needs assessment and context analysis. In many cases, you can draw on already available information. As long as this information is from reliable sources, you should certainly make use of this opportunity. However, if no data is available or if the available information is not sufficient, then new data must be collected. There are a number of possibilities here, ranging from conducting very complex scientific surveys to developing instruments that can be used by a project team with comparatively little advanced knowledge and limited resources.
→ Part 2 of this guide discusses a number of instruments useful for data collection.





Formulating questions for a needs assessment and context analysis

In order to fully understand the context from which a project has emerged, including both local needs and the project's broader setting, a catalogue of questions should be drawn up for the needs assessment and context analysis. In most cases, the following questions are of key importance:

1. **What is the societal challenge to be addressed? Is it as broad-scaled as anticipated? What is the state of affairs at the local level?**

2. **Who are the target groups? What do people need from the project?**

3. **Which stakeholders should be integrated into the project?**

4. **What offers already exist in the targeted locality? What results have they achieved? Are there gaps in existing support programs that need to be filled? Where are the opportunities for cooperation? Where might competition arise?**

5. **What are the causes and effects of the societal challenge, and how are they interrelated?**

The following sections explore the five sets of questions and provide practical tips for answering them.

The extent of the societal challenge and the local context

For starters, it is helpful to gain an overview of the extent of the societal challenge faced by the project. For example, this can involve determining how many people are affected by the problem. Information can be obtained in part from available sources of data such as government statistics and official survey findings. Regularly collected data such as unemployment statistics can be used to assess the current situation, or to identify problematic trends and developments.

However, such information is often highly aggregated and available only as an average for an entire region, for example. Given the likelihood of wide fluctuations across locations, data will have to be collected locally in order to learn about smaller areas such as a town or individual neighborhood. In addition to determining the number of those affected, collecting demographic data and details regarding local infrastructures is a crucial step in developing a meaningful understanding of the future project location.

In some cases, the information collected will provide answers to questions raised, while in other cases it may only point you in a specific direction. For example, the number of free school meals provided in a city district will only provide an indication of the socioeconomic status of the children living in that district. It can be challenging to acquire useful information that is relevant for your work. For this reason, it can be very helpful to communicate with organizations that are already operating in the local area.

Case study BIP

The initiators of BIP drew on information from a range of sources when first considering their project. First, they periodically examined the economic and social developments both in the country and in the region. At the same time, they also informed themselves in detail about the conditions in the city district where they were offering the program. The schools, the local business association, and the district's community center (to which BIP is attached) were all able to comment on the situation, as were other non-profit organizations working in the area. The analysis highlighted the difficulties faced by small-business operators in the district, and also showed the local economy to be comparatively weak as a result both of structural problems and of broader national economic conditions.

Local stakeholders were able to provide additional information about the effects of this situation within the district, which included public frustration and a lack of opportunity. Among other effects, this has led to a significant exodus of young people.

Where to go to find relevant data and background information

At the national level, public administration bodies and agencies as well as national statistic offices or universities are good places to find information for a needs analysis. Major aid or relief organizations active in a region often have a good grasp of the situation on the ground locally.

On the international level, several international organizations offer statistic databases, most of which require no fees:

- **World Bank:** *http://data.worldbank.org*
- **United Nations:** *http://data.un.org*
- **OECD:** *http://stats.oecd.org*
- **Eurostat:** *http://ec.europa.eu/eurostat*

Keep strengths and potentials in view

Descriptions of local conditions and needs often focus very heavily on the problems and deficiencies to which the project is reacting with its work. Of course, it is the task of social projects to relieve suffering, come to grips with problems, and work in situations that are often anything but pleasant. However, you should ask the following questions as well:

- Where in this particular situation and target group are there untapped potentials and opportunities for progress?
- In what areas do participants have strengths and resources that can be used?
- What are participants' wishes and hopes?

The positive view of the target-group's potential plays an important role in designing impact-oriented projects.

Target groups and their needs

A project's target groups may be individuals or groups (e.g., families, teams or organizations) in a geographically defined area such as a municipality, a neighborhood or rural areas. When conducting a needs assessment, you should try to define the target groups as clearly as possible, as this will enable you to tailor your planning and implementation to create a project with the most effective results. When defining a target group, useful questions include: Who comprises the target group? How old are they? Where (neighborhood, district) do they come from? What is their social background? What is their educational background? What is known about their financial situation? What challenges do they face? What is their familial status? Where do their abilities and strengths lie?

It is generally appropriate to distinguish between direct and *indirect target groups*. *Direct target groups* include people who are specifically targeted by the activities of the program or project and who are intended to be its beneficiaries. Such a target group may itself be comprised of various sub-groups. It may therefore be necessary to introduce tailored offerings within the project. For example, this could include providing offerings suited to the specific requirements of children with special educational needs. In contrast, the *indirect target groups* include those individuals close to the direct target group who are indirectly affected by a project. They often contribute to the project's success and should also be taken into consideration. For example, children are the direct target group of a mentoring project, while the parents are the indirect target group.

Target groups should not be defined so broadly so as to undermine clarity of scope, but neither should the definition be so tight that only a small number of people fall within a project's scope (unless the project is a highly specialized one). Many projects operate at a variety of levels and therefore have more than one target group (e.g., if project operations are directed toward children, but also include lobbying for children's rights).

Identifying and including additional stakeholders

Most social issues are complex and will be defined and assessed differently by different stakeholders. Therefore, the process of defining the problems to be addressed by the project, setting the project objectives, and establishing a strategic approach is often not a straightforward matter. For the successful planning and implementation of a project, it is thus important to provide for the participation of all relevant individuals, groups and institutions right from the start. A stakeholder analysis can identify the relevant stakeholders and their attitude toward your project. What expectations, hopes and fears do they have? What kind of positive or negative influence can they have on the project?

Along with the target groups, additional project stakeholders include the project management and the project staff. Stakeholders external to the project include funders,

Case Study BIP

BIP's *direct* target group consists of the small-business owners within the targeted city district. The project aims to help them to improve their financial literacy and business skills, increase their income, and improve their families' socioeconomic status. Most of the small-business owners have fairly low levels of basic education.

A considerable amount of knowledge regarding the target group and local conditions was available from the principal of the local school and the head of the local business association, both of whom were co-initiators of the project.

However, project organizers also engaged in intensive consultation with local small-business owners in order to determine what they wanted and needed.

It is critical for the success of the BIP project that the needs of each participant are individually assessed. Before the training course begins, each small-business owner is interviewed and presented with a detailed questionnaire in order to determine his or her specific needs. The project team also monitors how requirements change from year to year. For example, in one year there was interest in discussing the newly introduced tax regulations for small businesses. BIP seeks to respond by offering appropriate course contents.
After the project started it soon became clear that BIP would be effective only if the small-business owners' families provided support (for example by keeping businesses open during the training sessions). Therefore, the families of the (potential) participants were identified as an *indirect* target group, and various measures were implemented to bring them on board.

political decision-makers, representatives of the public administration, other organizations, people indirectly affected by the project, citizen groups, interest-group representatives, and affected associations.

Stakeholder-analysis template
The table on the following page will help you obtain an overview of your own stakeholders, and understand what kind of influence they may have on your project. To make it as clear as possible, it has been filled out using the BIP project as an example.

At *www.phineo.org/publikationen* you can download a template for use in your own project.

Stakeholders	How are they integrated into the project? What are their expectations regarding the project?	What positive influence can they have on the project? Where does their potential lie?	What negative influence can they have on the success of the project? Where do their weaknesses lie?	What are the consequences for the project? How can these stakeholders be integrated?
Target groups				
Small-business owners (direct target group)	• participate in the project courses • want to earn more money and improve living conditions for themselves and their families	• are interested in the project and highly motivated • willingness to change • make positive comments to others about the project	• may lack motivation if the purpose of the program is not immediately apparent, or if it seems to take up too much time. Every day attending a training course is a day without income.	• training is free of charge • the training is practically oriented • Participants are given regular opportunities for feedback.
Families of the small-business owners (indirect target group)	• should give support to the project participant • want to have more funds for the household	• can encourage and motivate participants • can keep the participants free to attend the training courses	• attitude to the project can have a negative on the motivation of the participants. • may prevent direct target-group members' participation	• must be integrated so that they develop an understanding of the project and can support the participants, or at least not hinder them • Spouses are therefore invited to the informational meeting.
Other stakeholders				
Trainers	• provide the financial-literacy training • want to have good working conditions	• can provide knowledge, teach skills and motivate the participants • can provide positive reports on the project	• Unskilled trainers can have a negative effect on the participants and threaten project's success.	• Trainers' qualifications and social competence should be monitored throughout the project. • create appropriate working conditions and contracts
Coaches	• are responsible for providing individual coaching for the participants • aim to support the participants • are willing to participate on a voluntary basis	• make an important contribution toward ensuring participants learn the necessary lessons • can recruit additional coaches and report positively about the project	• If the coaches are not sufficiently skilled and well-prepared, they can have a negative effect on the participants, thus threatening the project's success.	• must be trained as coaches right from the start • must be supported, given feedback, and provided with opportunities to exchange views and opinions
Heads of local business associations	• want to support their members • expect that the project will support their members and improve local economic conditions	• must be convinced of the project's value • can contribute their specialist knowledge and knowledge about local conditions • can motivate their members to take part • can report positively about the project	• may withdraw their support if they are not convinced of the program's support • may have insufficient resources to actively support the project	• must be integrated in the program's planning and implementation stages
Funders	• provide the necessary funding for the project	• can make further funds available • can report positively about the project	• may terminate or reduce their support	• must be integrated and regularly informed
Municipal administrations	• hope that the project will improve the local economy and enhance the image of the area • have no direct influence on the project	• can make resources available for the project • can provide positive reports about the project	• can comment negatively about the project	• must establish regular communication from the start
Other organisations	• may offer programs in the same field and/or for the same target group (e.g., leisure activities for young people)	• possible synergy effect through cooperation (identifying possible future participants)	• may be competitors	• must establish regular communication from the start

STAKEHOLDERANALYSIS
FOR CASE STUDY BIP

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Existing local offers and gaps in support

Very few projects find a wholly clean slate in front of them as they begin. In most cases, there are already other organizations operating within the locality in the same field. In addition to surveying your target groups' needs, you should also pay attention to these existing offers and the approaches they have adopted. New projects should attempt to identify specific gaps in existing support programs that their offerings can fill. These may involve issues that are not addressed by other projects or areas in which needs are not sufficiently met. It is then necessary to consider whether establishing some form of cooperation is feasible. Where many projects are operating in close proximity, competitive pressure between organizations can often arise, and appropriate ways must be found in each individual case for dealing with this situation.

In the search for suitable project strategies, approaches that have previously proved successful in the field (best practices) should be reviewed, and ways of transferring tried and tested concepts (or elements of these) to the current project location should be considered (→ Chapter 10).

Understanding the causes and effects of problems: the problem tree

In most cases, social problems have so many different facets that a project is only able to address a solution to one of these individual aspects. Focusing the work in this way is sensible, as it enables available resources and expertise to be used in a targeted manner. However, for impact-oriented project management, it is important to grasp the problem in its full complexity, and to have a clear conception of how the individual factors influence one another. For example, a project which helps young people in the transitional phase from school to work can be successful only if there are sufficient numbers of jobs available.

Case Study BIP

Before the project began, the initiators of BIP investigated whether there were any other projects or programs for small-business owners in the region.

In addition, they carried out Internet research and consulted persons and institutions familiar with conditions in the targeted city district and with the needs of local small-business owners. Discussions were held with the municipal administration and representatives of local religious communities, who have close contacts with their congregations. This process revealed that nothing like BIP's individual-support program for small-business owners was currently in place.

BIP collected ideas for the project by examining successful skills-improvement training projects for small-business owners conducted in other locations. In addition to personal interviews, the project organizers drew on guidelines available online and attended conferences on the issue of "business development for small and medium-sized enterprises."

When and how are stakeholders involved?

Try to involve your target groups and additional stakeholders in the project as early as possible. This helps you integrate stakeholders' knowledge and experiences, as well as the target group's needs and desires, into the project concept. Moreover, stakeholders will more easily identify with a project if they've been on board from the beginning. This also increases the willingness to become actively involved in the project. Thus, give the target groups and the additional stakeholders an active role in the planning, and again at regular intervals during the project's implementation. In the chapter on data collection, various options for systematically including your target groups and stakeholders will be presented.
→ Chapter 6

"Problem tree"

Effects

Problems / Challenges

Causes

Social situation in the district declines

Health status declines

Children cannot attend school

Social structures change

Cannot repay debts

Extraordinary costs (e.g., medical treatment, funerals, education costs) cannot be met

Economic development in the area stagnates

Low socioeconomic status of the families

Loans taken out from loan sharks

Exodus of city's youth

Families are not provided sufficient regular support

No money for investments

Problem on the societal level

Weak economic strength of the targeted district

Problem on the level of the target group

Small-business owners generate low revenues

Low profit margins

Sales stagnate

Small-business owners do not have adequate bookkeeping skills

No separation between business and private finances

Products are not up-to-date

Innovations cannot be financed

Financial illiteracy

Lack of market-ready skills

Borrowers are not deemed credit-worthy by banks

low level of education

No opportunities for further training

Cannot open a savings account with a bank

No financial cushion

"Solution Tree" on page 29

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The so-called problem tree is a useful tool in analyzing the causes and the consequences of a problem. The illustration to the left shows how a problem tree might look with respect to our BIP example. The information required can be taken from the data collected through the needs assessment and context analysis. In the next chapter, we will explain how a solution tree can be developed on the basis of just such a problem tree. This provides a good foundation for developing a project approach and for specifying the project's objectives.

Formulating the problem correctly

The core problem should express an existing negative situation from the perspective of the target group. For example: "Young people cannot find a job after leaving school." A common mistake is to formulate the problem as the absence of a specific solution, such as the lack of employment opportunities. However, it is important to avoid such wording because it already implies a specific solution (in this case, it would be to create more jobs) before considering whether this approach is feasible, whether other promising solutions are available, and even whether the shortage of employment opportunities may in fact represent just one of many core-problem causes.

(Venro 2002: 9)

How to create a problem tree

Step 1: Define the core problem

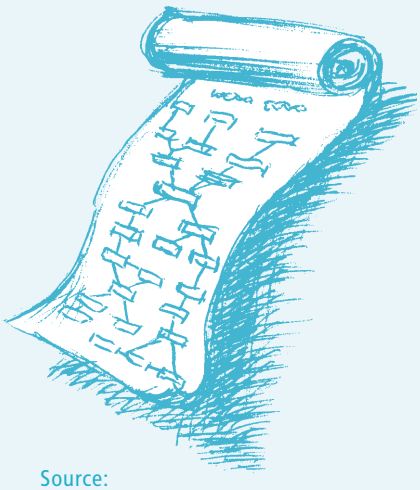
The first step is to identify the core problem or central challenge that the project aims to help solve. It is important here to reach a consensus with participating stakeholders with regard to the nature of the core problem. Try to describe this as specifically as possible. Phrasing it simply as "High numbers of poor people," for example, might be too general to serve as the basis for a specific project. A better alternative in this case would be: "Small-business owners generate low revenues." This helps to specify the target group more closely.

Step 2: Identify causes and effects

The second step is to identify the causes and effects of the core problem. In order to do this, the individual causes and effects must be formulated as negative statements (e.g., "small-business owners do not have adequate financial and business skills," "no opportunities for training," "low profit margins"). The direct causes of the core problem are noted in the row beneath the core problem. Below this, the "causes of the causes" are noted. The direct effects are recorded in the row above the core problem, and the "consequences of the consequences" are noted in a further row above these. In this way, the problem tree grows upward and downward until no more causes or effects can be identified. The central problem and each individual cause or effect are pinned or stuck on a board. Connecting lines are drawn to show links between causes and effects. When the problem tree has been completed, it must be examined for logical consistency and possible gaps. If necessary, it will then be revised.

Participants:
The problem tree should be developed by the relevant stakeholders, if necessary, in conjunction with experts.

Duration:
Several hours to one day



Source:
http://evaluationtoolbox.net.au

Use this checklist to keep track of the key needs-assessment and context-analysis questions you've answered:

	Yes	No	Comment
Was the problem defined clearly?			
Are the causes of the problem entirely clear?			
Are the effects of the problem clear?			
Are the scope and size of the problem clear?			
Is the target group clear?			
Has the target group's situation been fully understood?			
Have the needs of the target group been fully understood?			
Have the problem and the target group's needs been understood well enough to provide a basis for the project's development?			
Have the lessons learned from other programs been utilized?			
Were gaps in existing support programs identified?			

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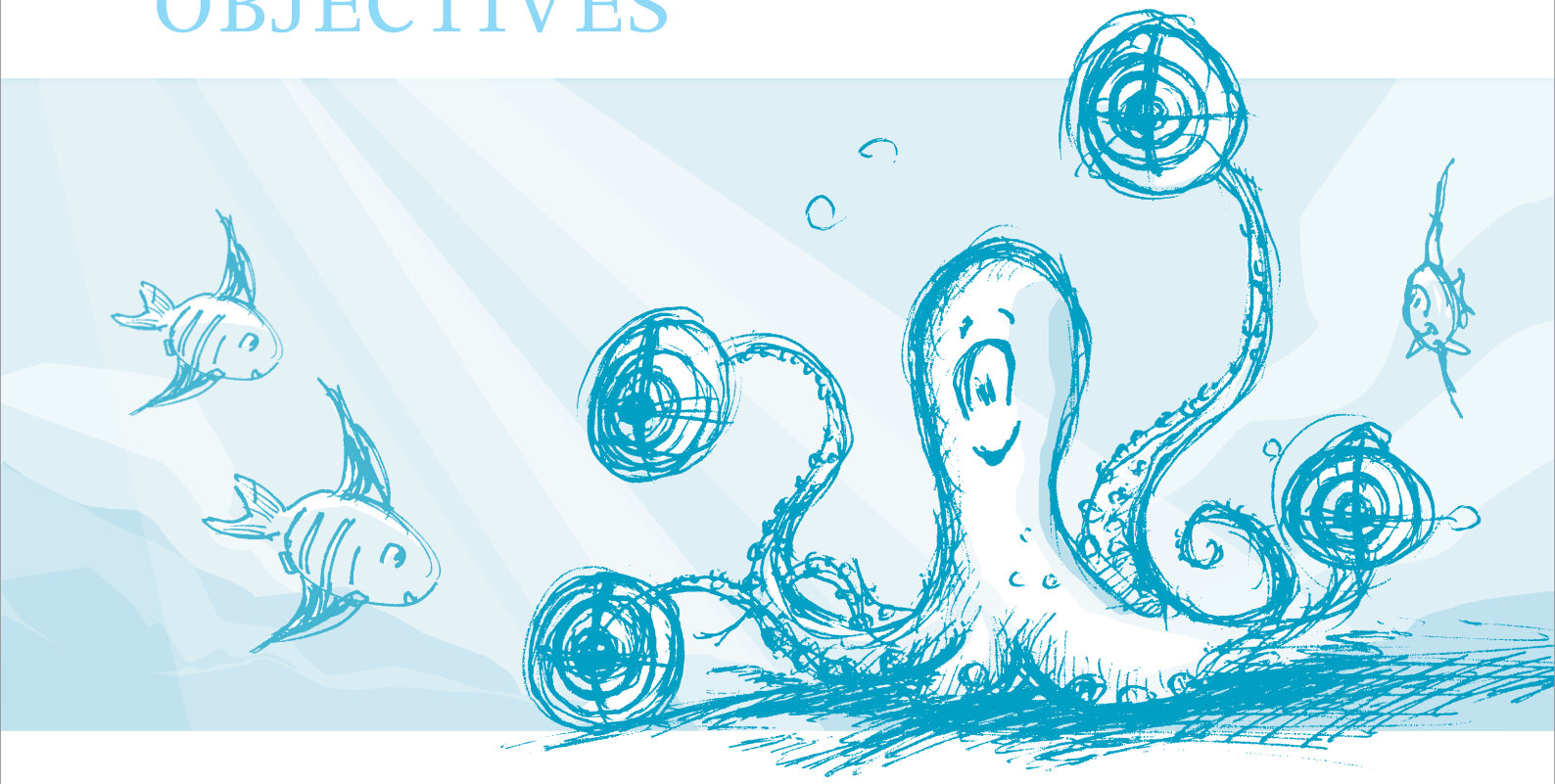
2. ENVISIONING RESULTS – SETTING PROJECT OBJECTIVES



In this chapter you'll learn ...

- **Why clarifying your objectives is important for impact-oriented project planning and implementation.**
- **Why the difference between activities and results is so important, and what the various levels of project objectives are.**
- **How to develop and formulate project objectives.**
- **How to choose the appropriate approach for your project from among the various possibilities for achieving your project objectives.**

Would you go to sea before you know where the journey should wind up? If you aren't clear on your destination until you're already under full sail, you risk having to adjust your course later. That's a potentially expensive prospect, since you'll have to take detours or, at worst, may even miss reaching your goal altogether. Whether you want to sail to Antarctica or a South Seas island makes a great difference to the trip's planning and implementation. You can only outfit yourself suitably for the journey and set sail properly if you know what destination you're trying to reach, and what course you'll have to choose to get there.

The previous chapter describes how to survey and analyze needs. The needs assessment and context analysis will determine whether the problem the project is addressing or wants to address is as significant and relevant as assumed, and how exactly it manifests itself. The project's objectives will be developed on this basis. The aim here is for stakeholders to agree on where the project's "journey" is headed: Where are we going? What should be achieved for the target group(s)? How will we know when our work has been successful?

Good to know: Objectives in existing projects

The examination of project objectives is not a one-time task limited to the project's planning phase. For existing projects too, it is important to reflect regularly on project objectives. Because the target groups' needs and the project's broader context are subject to change, it may become necessary to revisit and even adjust the objectives.

And most importantly: When will our work have had a genuine effect within the target group? This goal-finding process thus focuses on the project objectives. In the following step, you'll determine the path you'll use to reach the project objectives. This is done by developing the project's so-called logic model (→ Chapter 3).

2.1 THE IMPORTANCE OF ESTABLISHING PROJECT OBJECTIVES

Starting a project is like embarking on a sea voyage. Just as a ship can be kept on course only if there is a destination in mind, a project can be organized and implemented in an impact-oriented way only if it's clear what results are intended. At first glance, this might seem a somewhat trivial conclusion. Indeed, it's often assumed that the objectives are so obvious that no goal-development process is necessary. In reality, however, projects with insufficiently clarified objectives are in fact quite common.

Developing project objectives is thus a very important step in pursuing impact-oriented project work, and deserves close attention! The effort you put into careful preparation of these objectives will most certainly pay dividends throughout the project's life.

Good to know: Clearly formulating your project's objectives can help

Provide orientation

If the project's aims have been clearly formulated during the planning process, it will be easier to keep the project on course in later stages. This is because providing all stakeholders with a role in developing the project's objectives deepens the sense of ownership for everyone involved, and helps orient future project work. This is true of everyday and big strategic decisions alike.

Establish a basis for impact analysis

The impact-oriented monitoring and evaluation process is impossible in the absence of project objectives. Having clearly specified objectives enables the right questions to be asked during the impact analysis, and allows the right indicators to be developed.

Motivate the project's staff

Clear and realistic project objectives help to motivate and orient full-time staffers, volunteers and other project participants. When the whole team understands and identifies with the project's objectives, it helps keep energy levels high even when the going gets tough. If everybody involved knows where the project is headed, they'll be more willing to contribute actively to its success.

Convince third parties of the project's value

Stakeholders (particularly those providing funding) have a right to know what's happening with the project they're supporting and how their money is being spent. Inspiring objectives can also help attract new supporters and volunteers. You can use your impact-oriented objectives to raise your project's public profile and generate additional funding.

2.2 CHOOSING THE RIGHT APPROACH FOR THE PROJECT

From problem tree to solution tree

The so-called solution tree offers a handy mechanism for developing impact-oriented project objectives. The solution tree is created by converting the negative statements contained in the problem tree (→ Chapter 1) into positive statements. For example, "Small business owners do not have adequate bookkeeping skills" becomes "Small business owners have adequate bookkeeping skills" (→ Solution tree on page 29). When the solution tree has been completed, it should be reviewed for gaps and inconsistencies, and revised where necessary. Another comparison with the problem tree can be helpful here.

Identifying the right approach

Once you've agreed on a destination in your sea-voyage planning process, you have to address the question of how to get there. There are probably a number of possible routes, and it's now necessary to find the one whose course best matches your group's ideas for the trip, and which leads with the greatest degree of certainty to your destination. Criteria for the selection of the route include both your idea of how the trip should be organized and the trip's prevailing external conditions, your ship's equipment and the experience of your crew. As in the example of the sailors, your project plan, too, must now determine the "route" (approach) to the project objectives.

When planning the project, it is important to consider which approach is the best to adopt. The connections contained in the solution tree offer an overview of the path by which your objectives might be achieved, and show various alternatives for action. On this basis, it is possible to select an appropriate approach for the project. As was true of the project's objectives, the project or organization's vision and mission will strongly influence this selection process. Moreover, the project team's expertise and skills, the anticipated costs relative to available resources, and the likelihood of achieving the desired outcome using the proposed approach must all be taken into account.

2.3 DEVELOPING AND FORMULATING PROJECT OBJECTIVES

Once you've completed the solution tree, you can use it to derive and formulate impact-oriented objectives for your project.

A variety of terms are often used to describe different kinds of objectives, such as goals, prime objectives, secondary objectives, key targets, interim targets, detailed objectives, project objectives, societal objectives, and so on. While these distinctions may be very relevant when submitting project applications, there is unfortunately no easy way to navigate this jungle of terms aside from studying individual cases and identifying how the terms are used in each particular context. Yet regardless of the confusing use of such terms, two distinctions are of central importance in the development and presentation of impact-oriented project objectives.

Involve stakeholders!

Sustainable, impact-oriented project implementation is possible only if stakeholders share a common understanding of the project's objectives and provide their support on this basis.

It is vitally important that stakeholders be involved in the initial formulation of project objectives, as well as in the periodic review of these objectives at intervals throughout the project. This allows all those involved to contribute their knowledge and offer differing views, which can lead to the creation of reasoned and realistic goals. Moreover, developing objectives in cooperation with stakeholders, rather than simply presenting objectives in a finalized form, is a valuable means of deepening motivation and identification with the project for all involved parties. This is particularly important for a project's full-time staff and volunteers. Moreover, members of the project's target groups should also be integrated to the greatest extent possible. Objectives should be developed with them, not for them!

First, many organizations often find it hard to distinguish between their project objectives and their (planned) activities. Second, it is important to differentiate between two levels of objectives: outcome objectives are the results on the target group level, and impact objectives, which have their effect at the societal level. These distinctions are discussed in the following section.

From activities to outcomes and impacts

For many years, the focus in project-based work was placed on project activities and outputs – essentially, "what happens during the project" and "what the project does." In part for this reason, many project managers even today find it difficult to distinguish between activities/outputs and their outcomes and impact, or "what the project achieves through its activities."

This is why, in many cases, stakeholders (particularly those providing funding) are sent reports that detail the nature and extent of project activities, with additional information such as the number of participants who have taken part. While this information should be conveyed, from the perspective of impact-oriented project work it fails to address the most important question – that of "what difference have we made with our work?" To be sure, obtaining evidence that illuminates a project's true impact isn't always easy. For this reason, organizations tend to concentrate on describing their activities and outputs.

However, organizations that want to make a genuine difference through their work must give careful consideration to their project objectives. Well-formulated objectives that are clearly distinguished from project activities form the basis for impact-oriented project implementation and management. Project applications and project reports today are increasingly required to include information regarding the development and achievement of impact-oriented project objectives.

Various types of project objectives

When considering possible objectives for your project, you should ask yourself the following questions:

- What target groups do you want to reach?
- What changes should the project bring about within the target groups?
- What objectives should the project contribute to pursuing at the societal level?

In answering these questions, it will become evident that there are different levels of objectives. These can be respectively distinguished as *outcome objectives* (at the target-group level) and *impact objectives* (at the societal level).

Outcome objectives describe the intended effect within the project's target groups. They refer to the benefits produced by the project for the target groups, as well as the changes that will be achieved within the target group as a result of the project's work. When an objective is achieved at the target-group level, this success can be attributed (at least to a large extent) to the project's activities.

"Solution tree"

Effects

Social situation in the district improves

Good health status

Children attend school

Social structures are strengthened

Families are able to accumulate regular savings

Extraordinary expenses (e.g., medical treatment, school fees, etc.) can be financed

Economic development in the area improves

Young people stay in the area

Families' improved socioeconomic status

Funds available for investments

Sufficient and regular support for families

Solutions

Solution on the societal level

Increase economic strength of the targeted district

Solution on the level of the target group

Small businesses generate significantly higher revenues

Boxes outlined in green: Approach used in BIP case study

Larger profit margins

Turnover increases

Causes

Small-business owners have adequate bookkeeping skills

Business and private finances are kept separate

Products are up-to-date

Financing for innovation is available

Financial literacy

Banks regard borrowers as creditworthy

Small-business owners have adequate market knowledge

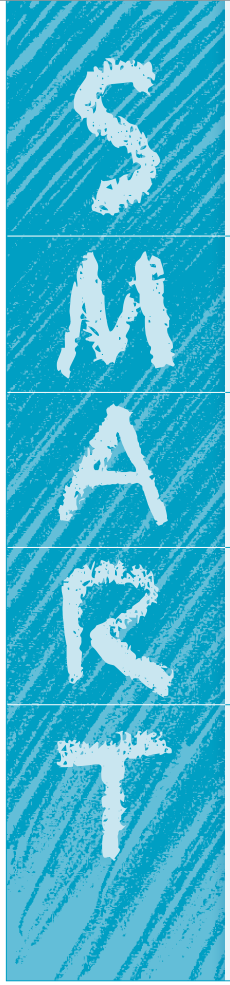
High-quality school education

Training opportunities are offered and used

Savings accounts are established with banks

Financial reserves are available

"Problem Tree" on page 22



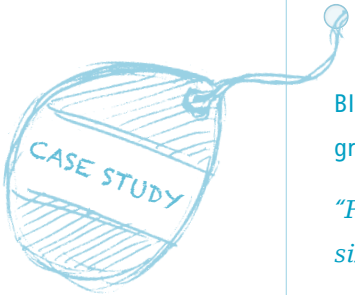
Specific	Project objectives should be expressed clearly and precisely. Try to make things clear even for people with no more than basic knowledge of the issue.
Measurable	Objectives must be "measurable." Thus, there must be some way of ascertaining whether the desired impact was achieved or not.
Accepted	The project objectives must be accepted by the stakeholders. The objectives should be understood in the same way by all those involved, and should be supported by all participants.
Realistic	The outcome and impact objectives must be feasible. This doesn't mean you have to be certain of success, but it must be at least possible.
Time-framed	It's often difficult to specify a final deadline for achieving your objectives. But objectives should, at the least, be given a timeframe for achievement. For example, in choosing the appropriate time for impact analysis, it makes a big difference whether the results can be or are meant to be achieved during the project's active life, or only sometime afterward. Specifying a time frame provides orientation in this regard.

Fig. above: SMART criteria are helpful in formulating clear and feasible impact objectives.

Impact objectives refer to the long-term, society-level effects the project helps to achieve or influences. In most cases, results at this level cannot be attributed exclusively to the project's work, but will be influenced by a variety of factors. For an individual project, societal-level impact objectives can be formulated as follows: "The project is making a contribution to ..." The societal-level impact objectives will be closely related to the underlying vision of the organization or the project.

Formulating objectives

When you have identified your objectives, it's time to formulate them so that they can be used in your impact-oriented project work. This means the objectives must be able to serve as a basis for the development of indicators (→ Chapter 5), which in turn are used for the impact analysis (→ Chapter 6).



Case study BIP

BIP established the following as an outcome objective at the level of the target group's living conditions:

"Participating small-business owners have increased their revenues within six months of completing the training."

When formulating outcome objectives for your project's target groups, the following points should be kept in mind:

- Concentrate at this stage on your project's central outcome objective. This is the goal you're working toward – specifically, the change in the target groups' living conditions that you want to attain within the project (refer here to the green box in the solution tree). The next step (→ Chapter 3) will be to formulate objectives for the various stages of the logic model that will be necessary in order to achieve this outcome objective.

- Begin the statement by specifying the target groups that are to benefit from the outcome.

- In formulating objectives, use active verbs to describe how the target groups' living conditions will change if the desired outcome is achieved. Ask yourself: What new opportunities have emerged for members of the target groups taking part in the project? How have participants' societal, financial or general living situations changed?

- Express the objective as if the desired results had already been achieved.

- Objectives should be expressed positively, by describing the state of affairs that you wish to achieve. Avoid using negative statements that draw attention to problematic situations, and focus instead on positive results that can release energy for the project work. For example, instead of saying, "Participating youth are no longer unemployed after leaving school," it's better to say, "Participating youth enter vocational-training programs after leaving school."

In formulating societal-level impact objectives, the following points should be kept in mind:

The societal-level impact objectives to which the project is contributing will usually be formulated more abstractly than objectives at the target-group level. Rather than relating to the members of a group, these impacts relate to the society as a whole, or at least to a segment of society, for example the population within a specific region. The targeted changes will usually depend on many different factors and are often observable only over the long term. From the point of view of the project, it is thus generally of little use to formulate a time frame within which these objectives are to be achieved.

Impact objectives at the societal level can be formulated by converting identified societal problems into positive statements – that is, if the problem no longer existed, how would the situation present itself (refer here to the blue box in the Solution tree)?

Good to know:

As was the case with the project objectives, the examination of potential project approaches is not a one-time task limited to the project's planning phase.

For existing projects too, it is important to scrutinize the underlying approach regularly, and adapt it when and where necessary.

Case study BIP

The BIP established the following as a societal-level impact objective:

"Through its work, BIP helps to improve the economic situation in the district."

Case study BIP

The BIP approach is highlighted in the solution tree displayed on → page 29.

BIP works directly with local small business owners. By improving the financial literacy and business skills of participants in the training program, it seeks to enable them to earn a higher income, and thus improve their families' socioeconomic situations.

BIP has consciously adopted this approach for several reasons. The program's initiators believe it is important to work directly with the people involved, and furthermore regard this approach as producing the most rapid and direct results.

The initiators have access to the small-business owners primarily through the local business association and the community center. Moreover, they personally know numerous people in the vicinity who wish to participate in the project, and have links to a number of stakeholders relevant to the project.

Checklist for the formulation of project objectives:

	Yes	No	Comment
Rather than simply describing the project's activities, the plan identifies the effects these activities are intended to produce for the target-group.			
The formulation of the project objective clearly indicates who is to benefit from the desired outcomes and impact.			
The objective describes a desired future state.			
The project objective has been formulated in such a way that it is possible to imagine the specific change.			
The project objective has been formulated in a positive manner.			
A time frame for achieving the objective has been specified.			
It is possible to ascertain whether or not the objective has been achieved.			
Achieving the objective represents a positive challenge for the project team. That is, we will have to work hard, but success is a realistic outcome.			
The project's stakeholders were involved in formulating the objectives, and the objectives are accepted and supported by all participants.			
Our project's objectives and approach are consistent with our vision and mission.			
Our project's objectives motivate us in our work.			

Now that you've determined project objectives at both the societal level and at the level of your project target group's living conditions, and have also identified your project's basic approach, your next step will be to develop these issues in more detail through the creation of a logic model.

3. SETTING THE COURSE – THE LOGIC MODEL

In this chapter you'll learn ...

- **What logic models are and why they're useful for impact-oriented project work.**
- **How a simple logic model is constructed, and how its individual elements work together.**
- **How to develop a logic model.**

Together with your passengers and crew, you've agreed where you should go on your journey. With this destination in mind, it's now time to settle on the best way to reach your goal. While you use sea charts and your experience as a sailor to guide you in your sea voyage, so-called logic models help you during the impact-oriented planning of your project to find the most promising and most feasible pathway to results.

3.1 WHAT ARE LOGIC MODELS AND WHAT ARE THEY USED FOR?

Logic models have been used since the 1970s for project planning and evaluation. Their role is to provide a systematic depiction of the logical relationships between a project's resources, activities and results. This makes it possible to monitor a project's plausibility and feasibility. A logic model also shows how the project functions or is intended to function, and provides a basis for establishing whether the project is still on the right course. In this way, the logic model forms the basis for impact-oriented project work and management.

Good to know: Logic models support you ...

... in reviewing assumptions about your project's results:
In most cases, we have an idea about how a project will "function." This means we will have made assumptions about how a project will achieve results through its work. But while these assumptions will often turn out to be sound, it is sometimes worthwhile to take a step back to reconsider them. This is imperative while the project is being planned; however, as the project is underway, you should also periodically review the logic model on the basis of your gained experience, and make any alterations that are necessary.

...when working out the details of the project's objectives:
You can use the logic model to systematically develop objectives for the individual stages of the project.

...in managing the project:
The logic model describes in detail the relationships between the various project stages (inputs, outputs, outcomes and impacts) in their logical sequence. A detailed project-management plan can be produced on this basis.

...with the social-impact analysis:
The logic model helps determine what issues the social-impact analysis should address, what questions should be asked, and what indicators should be used to best answer these questions.

...in developing internal learning:
A logic model developed jointly with relevant stakeholders establishes a shared understanding of the project and thus creates a basis for joint learning.

...with external communications and fundraising:
A logic model that has been carefully worked out can help you present the project convincingly to funders and other stakeholders. It demonstrates that those responsible for the project have a well-thought-out plan, and makes it clear what resources will be required.

Beware of mixing up terminology!

As is the case for project objectives, the terminology associated with the elements of logic models are not always used uniformly.

The Social Impact Navigator uses the following definitions:

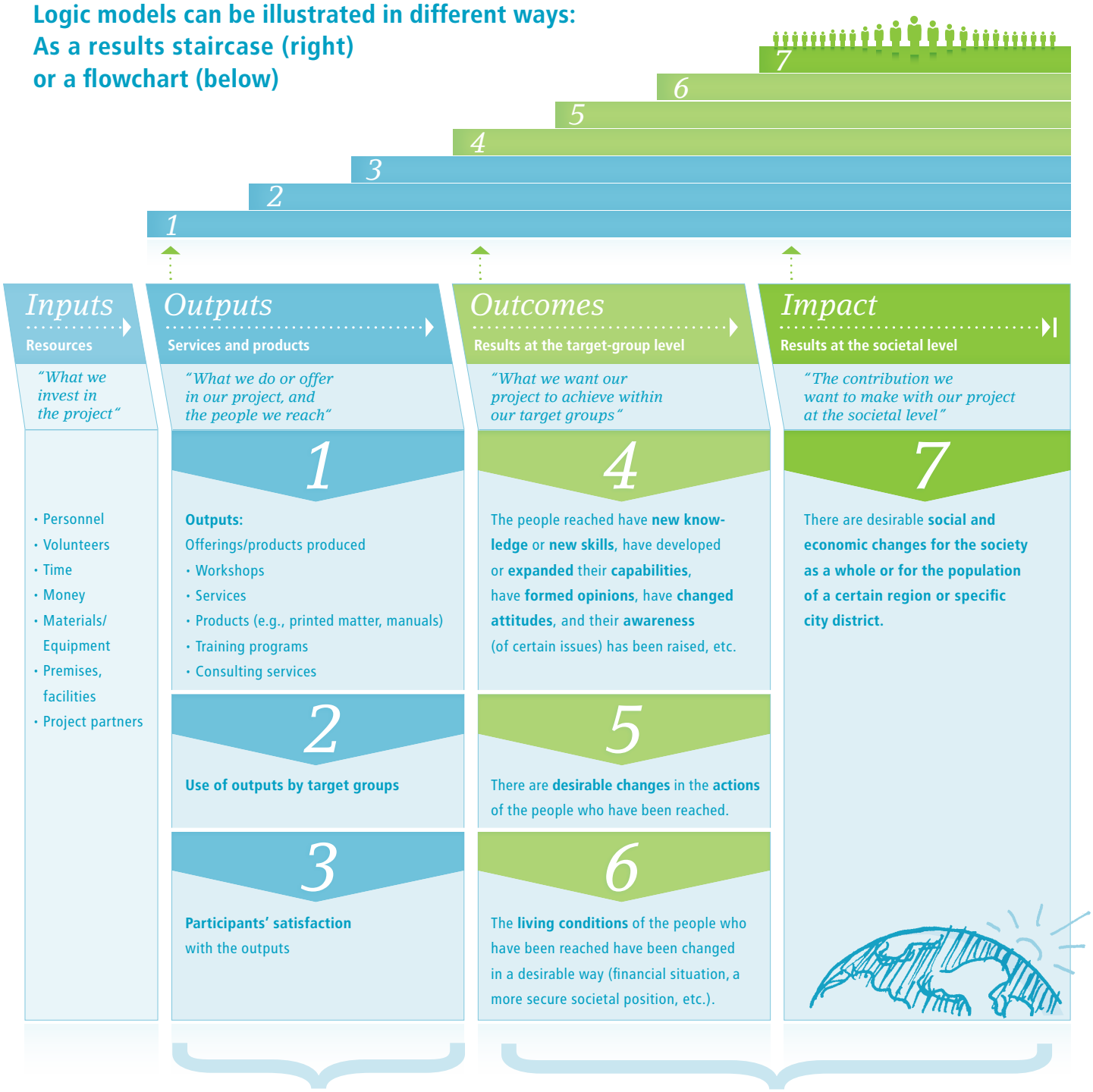
Inputs	The financial, human and material resources used for a project.
Results	The output, outcome or impact (intended or unintended, positive and/or negative) of a project or an intervention.
Outputs	The services and products produced by a project as well as the target group's use of the services or products.
Outcomes	The project's effects at the target-group level.
Impacts	The project's effects at the societal level.

Source: see OECD (2009)

3.2 LOGIC MODELS AND THEIR ELEMENTS

Logic models exist in a number of variants, with various names. The most widely known in this regard include the concepts of program logics, theories of change and impact chains. Generally, these tools provide simplified, schematic representations of a project's operations. The following pages will describe the variant known specifically as a logic model, one of the most widely employed versions of this family of instruments, and one that can be used for most projects. In order to understand the model, it is important to be familiar with the various components and how these relate to one another.

Logic models can be illustrated in different ways: As a results staircase (right) or a flowchart (below)



Inputs

Inputs are all resources that are necessary in order to be able to implement the project. This primarily includes the full-time personnel and volunteers and their working time, the financial resources, the facilities, and the equipment needed for the implementation of the project. In order to create a realistic project plan, a list should be drawn up of all resources that will be required. In our theoretical case study, the resources available for our project are the project manager (20 hours per week), the two freelance trainers, five volunteer coaches, the funding, the room in the community center and the course material. Given the importance of BIP's collaboration with the local business association, cooperation with this organization is also a required resource.

Outputs

Outputs

Outputs are the products and services which result from a project – thus, what a project does and offers, as well as the use of these products and services by the target group. Three levels of outputs can be distinguished here (levels 1–3 in the logic model).

- **LEVEL 1**

The outputs at level 1 are the project's (quantifiable) services and products that are made available to the target group. In our example project, the project outputs at level 1 are the training courses and coaching sessions performed, the training curricula and material produced, and the informational sessions supporting the training.

- **LEVEL 2**

The offerings made available by an organization (outputs at level 1) are not automatically utilized by the target group. Thus, the target group's actual utilization of the products and services at the output level is captured by level 2. In our example project, the outputs at level 2 are the number of small-business owners who take part in the training courses and coaching sessions.

The outputs at levels 1 and 2 can be related directly to the inputs, allowing conclusions to be drawn about how efficiently the project has been implemented. Thus, the BIP organizers can determine, for example, how much the project costs per participant.

- **LEVEL 3**

Output at this level refers to participants' satisfaction with the services and products. In our example project, the outputs at level 3 are represented by participants' satisfaction with the training courses and coaching sessions. This plays a pivotal role in moving from project participation to the outcomes produced within the target group as a consequence of participation. This is a critical element, as it is only when participants are satisfied with the offerings – that is, when they feel themselves to be in good hands and taken seriously, and they have the impression that the offering is useful to them – that they will open themselves to the project's influence. This satisfaction is the basis by which the work performed leads to outcomes among the participants. However, there is no guarantee that the intended outcomes will be achieved. It is possible, after all, that participants enjoy the BIP training sessions and express their satisfaction because they, for example, can take part in friendly discussion with other participants, eat well, (potentially) receive a per diem allowance and do not have to work. This does not necessarily mean they leave the training with substantive take-aways that are useful in their daily work. Indeed, participants' satisfaction is a necessary but not sufficient condition for the achievement of the desired outcomes.

From outputs to outcomes and impact

The step from the outputs to the outcomes and impacts is crucial for the success of the project. Therefore the distinction between these levels is important in preserving the project's impact orientation.
The difference between the outputs and the outcomes and impact can be demonstrated using the example of the BIP project. First, the BIP project organizers put in dedicated

work on their project, initiating and guiding the training and coaching sessions, producing materials, and disseminating information about BIP. The region's small-business owners make use of this offering. But has this activity by itself produced a positive outcome for the participants? While outputs are a necessary precondition if a project is to achieve its desired outcome, these outcomes are only possible if the participants experience positive changes that ultimately make it possible for them to improve their socioeconomic status.

As in the chapter on project objectives, a distinction should be made between results at the target-group level (outcomes) and results at the societal level (impact). Both are presented in detail below.

Results at the target-group level (outcomes)

Outcomes are the project's results at the target-group level. They illustrate what positive changes the project intends to bring about within the target group. Outcomes are subdivided into three levels (levels 4 – 6 of the logic model).

- **LEVEL 4**

Outcomes at level 4 of the logic model are comprised of changes in the target-group participants' knowledge, awareness, skills and attitudes.

For example, participants in our example project learn the importance of accurate bookkeeping for the successful management of a business, and how the books should be managed.

- **LEVEL 5**

Outcomes at level 5 of the logic model build on the previous outcome level, referring to changes in participants' behavior and actions.

Thus, in our case study, participants not only come to know the importance of good bookkeeping, they actively and independently apply their newly acquired knowledge.

- **LEVEL 6**

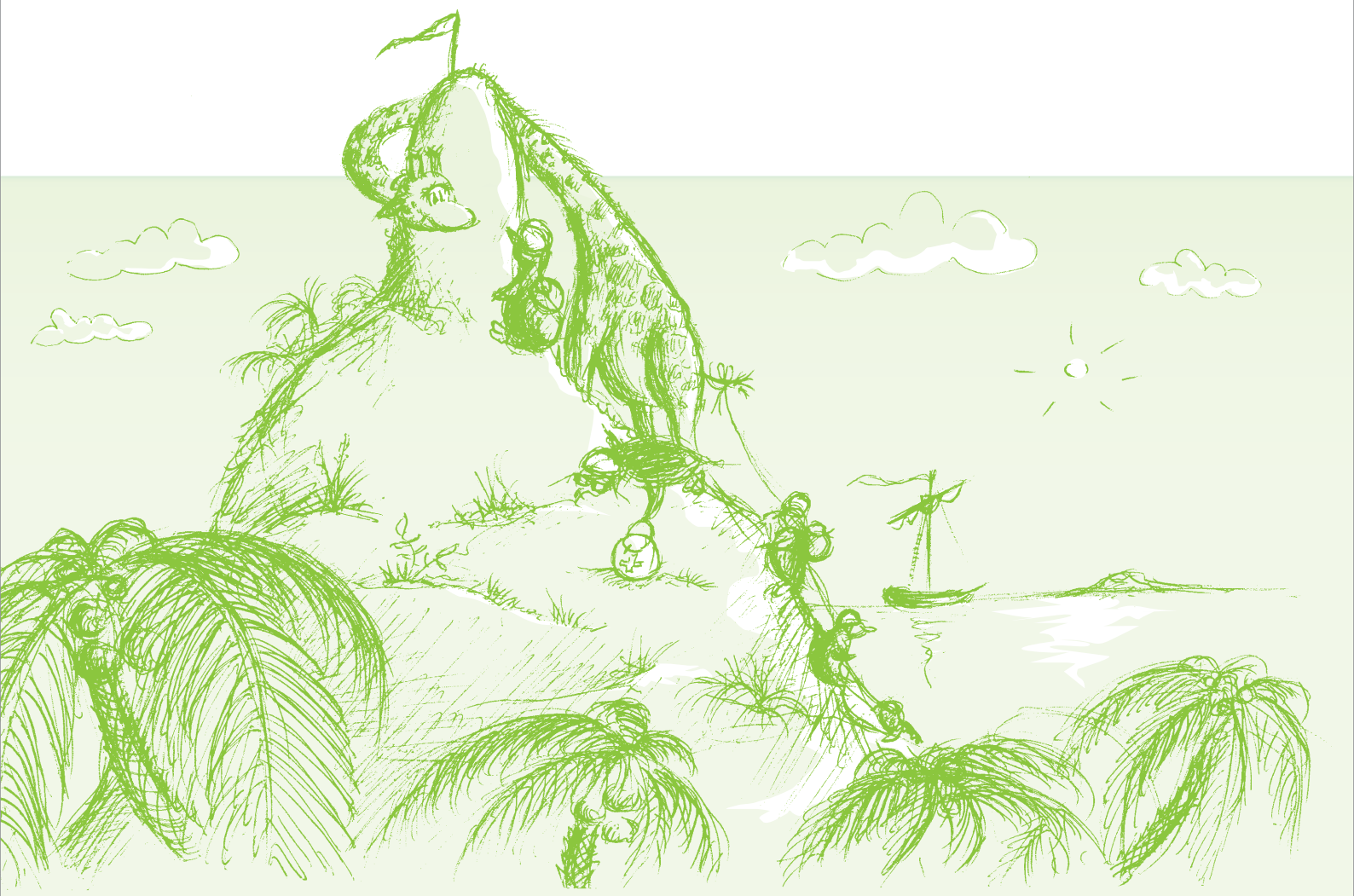
The outcomes at level 6 of the logic model build further on the outcomes at level 5. The changed behavior forms a basis for the desired changes in the target individuals' living conditions. For example, this may include improvements in their financial and/or social situations. Thus, in our case study, participants now have a higher income, and their families' socioeconomic status has improved.

Using the solution tree as a basis, one or more project objectives (outcome objectives) have already been identified and formulated for this level of results (→ Chapter 2).

Results at the societal level (impact)

- **LEVEL 7**

While results at the target-group level are called outcomes, desired changes at the societal level are designated as impacts. These can include changes in the society's social and economic conditions. However, because a reference to society as a whole is in most cases neither useful nor possible here, impacts generally refer to only a portion of society, for example the population within a specific municipal district or region. Using the solution tree as a basis, one or more project objectives (impact objectives) have already



Why is the subdivision into the various outcome levels and the presentation of progress made especially important?

In order to be able to determine whether you're on the right track with your project, and to be able to represent your project's results in a sophisticated way, it is important to formulate project objectives for the logic model's various outcome levels. This creates the foundation for understanding participants' progress.

If, in our case study, those responsible for the BIP project were to define success in terms of income growth alone, stable income levels would suggest that the project had failed. However, perhaps participants were able to improve their education level and reduce their economic dependence on private money lenders – both of which are key factors in ensuring long-term entrepreneurial success – while maintaining a steady income.

Another example might involve a project designed to help youth enter the labor market that takes as its marker of success whether and how many youth have found a job after receiving training

Impacts

been identified and formulated for this level of results (→ Chapter 2). In our example project, BIP's work has contributed to an improvement in socioeconomic conditions in the targeted location.

Individuals do not necessarily have to come into direct contact with the activities of the organization to benefit from the project's results at this level. They may just share indirectly in the social and economic changes produced, such as the positive consequences of a lower unemployment rate or the improved living conditions in a city district. However, this also means the project has less influence on results at the impact (societal) level than it does on the results at the outcome (target-group) level, because changes in society are influenced by many other factors in addition to the project itself. Therefore, it is common to say that a project seeks to contribute to impacts, but achieves outcomes. In addition, impacts typically manifest only after the passage of some time,

or counseling. Defining success in these terms alone would be too short-sighted, as there will be plenty of participants who, though they may not yet have a job, have nonetheless improved their education level, are pro-active in managing application materials and able to speak more confidently at job interviews. In short, they have gained confidence because they are better prepared as a result of the training. Even if a participant does not find employment immediately following a training, he or she will have improved his or her chances considerably.

Changes don't take place from one day to another, but rather involve an ongoing process. Just as a mountain climber doesn't reach a summit with a single spring, small-business owners don't improve their business skills and socioeconomic status overnight. Instead, for this to happen, a series of step-by-step changes must take place. This sequence of progressive steps is referred to as "distance traveled," a nicely pictorial means of expressing that each bit of progress achieved can be regarded as a milestone on the way to the (final) goal. It is assumed in this regard that changes in behavior follow a certain pattern: First, the knowledge must be present (level 4), then this knowledge must be used (level 5), and finally the change in living conditions takes place (level 6).

However, it is often the measurable "hard outcomes" at the results level that count. Did the mountain climber reach the summit? Does an unemployed person now find a job? Does the small-business owner register an increase in income after the project? Does the homeless person now have an apartment? These are the "hard outcomes" that donors often require, and which are queried in project reports. There's nothing wrong with this in itself, but the focus shouldn't be placed solely on this type of result, as the steps that must be taken to reach these objectives are at least as important. The changes in participating persons' knowledge, attitudes and actions (the so-called soft outcomes) are the truly decisive factors in determining whether the objective – the improvement of living conditions (for example, through having found a job or through an increase in incomes) – can be reached through the participants' own power. By contrast, if a mountain climber was simply dropped at the mountain's summit by a cable car or helicopter, he would not be prepared to climb this or any other mountain alone the next time around. He would simply lack the requisite knowledge, such as how to fasten a harness or read a route description, and in all probability would lack the physical stamina to cope with the climb. Similarly, if a young person was provided with a job without first training for it or gaining the appropriate knowledge, the objective in a youth-employment project might "officially" be reached. However, there would be a serious risk that the next time the young person had to find a job, he would fail to meet the application challenges. This is because he has not passed through the stages of development necessary to enable him to meet the requirements imposed on him by professional life.

It therefore makes sense to place significant emphasis on the progress described at the various outcome levels. Moreover, this influences how the project is managed, and how the participants are integrated into the process. Participants should be understood here as more than simple beneficiaries. Rather, they should be given an active part as the processes of change are planned, implemented and reviewed, and should help consider what else or what next should be done to achieve the objective. The representation of individual progress has another important function alongside its role in impact-oriented project management: It helps motivate project staffers, participants and even donors to stay engaged and continue to support the process. This is because it is motivating for everybody involved in the project to see progress and celebrate it together!

which means the causal relationship between the project and the impact can only be determined using relatively complex methods (→ Chapter 6).

Links between the individual elements of the logic model

The arrows between the individual elements of the logic model represent the (causal) relationships and underlying assumptions associated with a project's operations.

Although this may seem abstract at first, these connections will become clearer as you begin to develop your logic model.

3.3 DEVELOPING A LOGIC MODEL

A logic model can be developed in two directions – working either from the desired impacts to the required inputs, or from the inputs to the impacts. In fact, it makes sense to use both these approaches, as working from

Involve your stakeholders!

As when developing the project objectives, you should involve relevant stakeholders and, if necessary, experts in the creation of the logic model.

the impacts back to the inputs is well-suited for impact-oriented project planning. The advantage here is that the focus of the planning is directed to the results organizers hope to achieve through the project. By contrast, projects which begin planning on the basis of the available input resources, while starting from a realistic perspective, run the risk of thinking only in terms of continuing existing activities and maintaining the status quo, rather than thinking outside the box and opening up to new ideas or project concepts.
Planning from the inputs back to the impacts can help you in the second step, when carrying out a plausibility review of your logic model.

Step 1: Impact-oriented planning – From impacts to inputs

For a planning process that runs from impact to inputs, the logic model is developed from right to left. In the individual stages of planning, the question is "what must be done or what must happen in order to achieve the desired impacts, outcomes and outputs?"

The starting point for this planning process should be your societal-level impact objectives (level 7) and target-group-level outcome objectives (level 6), each of which you've identified using the solution tree as a basis. The process can be broken into the following individual steps:

1. What must happen in order to improve conditions at the societal level?
This will require changes in the living conditions of the individuals in the target group!

Example project: What must happen in order to improve social conditions in the targeted locality? The small-business owners must (among other changes) generate larger incomes.

2. What must happen to produce changes in the target individuals' living conditions?
Changes in the target-group individuals' behavior or actions must take place!

Example project: What must happen if the small-business owners are to generate higher incomes? The businesspeople must (among other changes) plan and manage their receipts and expenditures realistically.

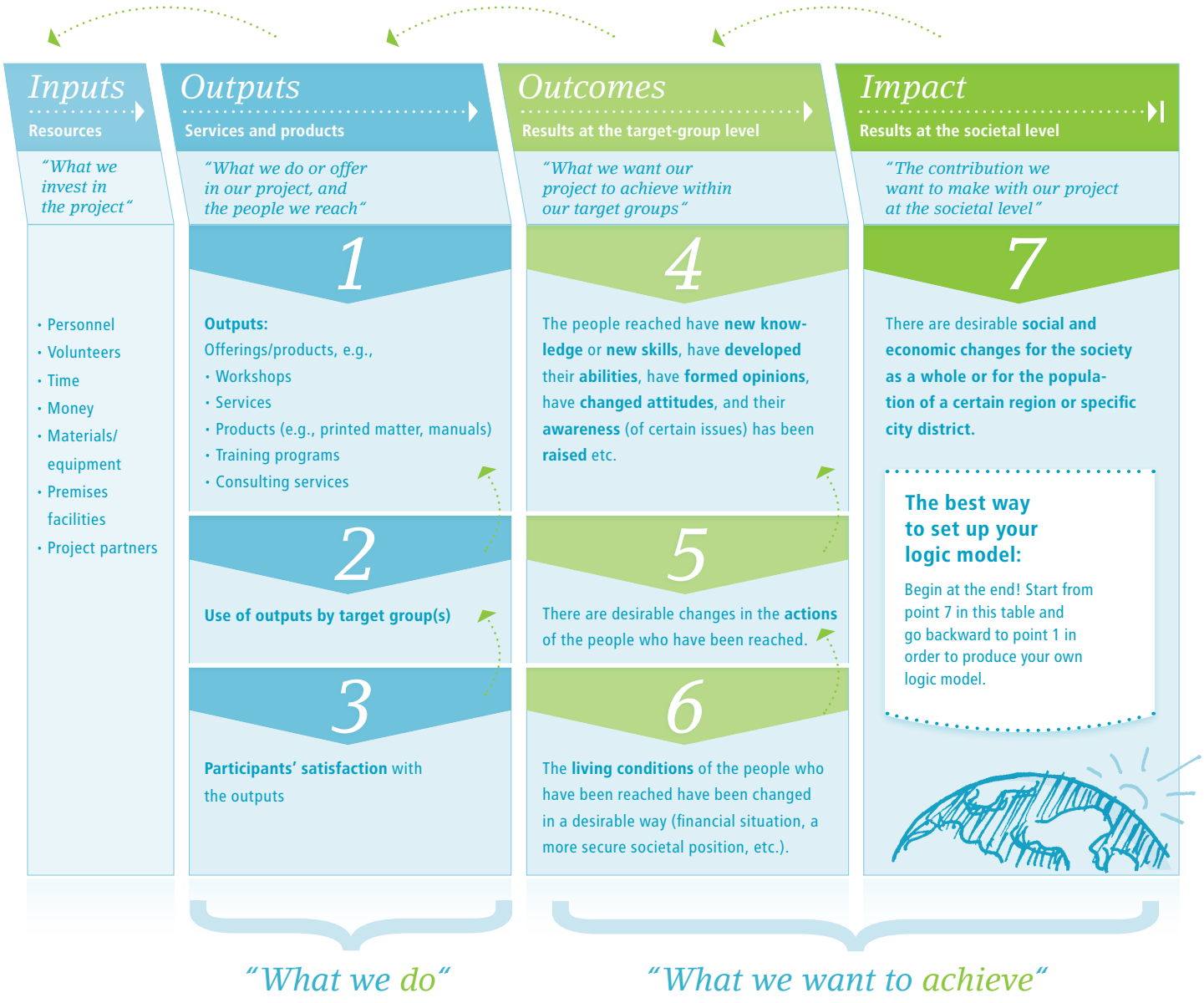
3. What must happen in order to produce changes in the target-group individuals' behavior or actions?
Some aspect of the target individuals' knowledge or attitudes must change!

Example project: What must happen in order to allow the small-business owners to plan and manage their receipts and expenditures realistically? The small-business owners must learn basic bookkeeping skills.

4. What must happen to change the knowledge or attitudes of the participants in the target group?
The participants must be satisfied with the offerings they have used!

Example project: What must happen in order to enable the small-business owners to learn basic bookkeeping skills? They must be satisfied with the training course, and find the contents useful and helpful.

5. What precondition must be met if the participants are to be satisfied with the offerings?
They must utilize the offerings!



Example project: What preconditions must be met in order to allow small-business owners to be satisfied with the training program?
They have to attend the training course.

6. What preconditions must be met if the offerings are to be used?
The offerings must be available!

Example project: What precondition must be met in order to enable the small-business owners to attend the training course? A training course must be provided.

7. What preconditions must be met to ensure the offerings are available?
Sufficient input resources must be available!

Example project: What precondition must be met to ensure the training can be provided?
The necessary financial and human resources must be available.

Fig. opposite page:
Project objectives based on the logic model for the BIP case study

Step 2: The plausibility review – From inputs to impacts

In order to carry out a plausibility review, the logic model is read from inputs to impacts (left to right). The plausibility of each "if-then" relationship between the individual steps is then examined. The individual steps can be broken down as follows:

1. If the necessary input resources are available and have been invested in the program, then the planned activities can be implemented and the project offerings produced (level 1).

2. If the products and services are available, then they can be utilized by the target group (level 2).

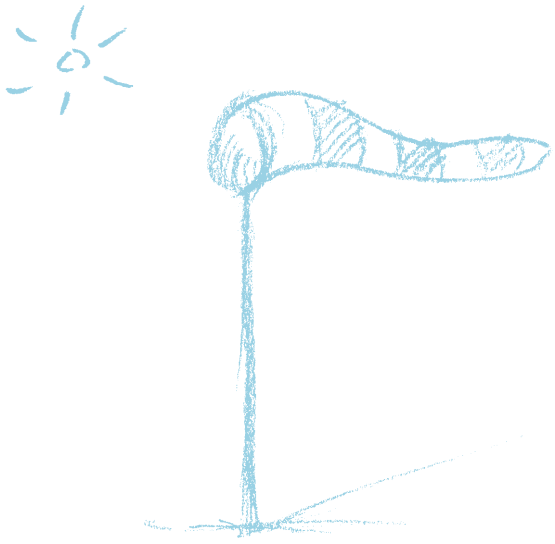
3. If the products and services are used, then the precondition has been met for the users'/participants' satisfaction (level 3).

4. If the participants are satisfied with the offerings, then the precondition has been met for creating the desired changes in the target individuals' knowledge and attitudes (level 4).

5. If the desired changes in the target group's knowledge and attitudes appear, then new/different target-group actions (may) result (level 5).

6. If these actions are taken, then changes in the participants' living conditions become possible (level 6).

7. If project participants' living conditions change, then the new situation contributes to changes at the societal level (level 7).



3.4 DEVELOPING DETAILED PROJECT OBJECTIVES USING THE LOGIC MODEL

In the course of generating the logic model, you have now developed project objectives for the various logic-model stages. Now try formulating these on the basis of the criteria for formulating project objectives previously outlined in → Chapter 2. The next step is to develop the indicators that will be used to ascertain whether these project objectives have been achieved (→ Chapter 5).

Inputs
Resources

"What we invest in the project"

1 project manager (50%)

2 trainers

5 volunteer coaches

1 room in the community center

Training materials

$ 40,000 per annum

Outputs
Services and products

"What we do or offer in our project, and the people we reach"

1

Services and products

- Information meeting in the community center
- Information about the training program on the local radio station
- Curriculum for training courses
- Production of training material
- Carrying out training
- Providing individual coaching

2

Utilization of the services and products:

- 60 people take part in the training courses

3

The participants are satisfied with the training course or with the coaching.

Outcomes
Results at the target-group level

"What we want our project to achieve within our target groups"

4

- Participants have learned basic bookkeeping skills.
- Participants can calculate the costs of their products.
- Participants are convinced of the advantages of separating business and private finances.

5

- Participants keep records of receipts and expenditures.
- Participants plan their expenditure.
- Participants calculate prices on the basis of their costs.
- Participants separate private and business finances.

6

- Participants generate higher incomes.
- Participants support their families.
- Participants open a savings account at the bank.
- Socioeconomic status of participants' families improves.
- Participants pass on what they learn in the course to their social contacts.

Impact
Results at the societal level

"The contribution we want to make with our project at the societal level"

7

- Economic performance in the target area improves.
- The project contributes to an improvement in local social conditions.
- The project helps to reduce the rate of migration away from the area.

"What BIP does"

"What BIP wants to achieve"

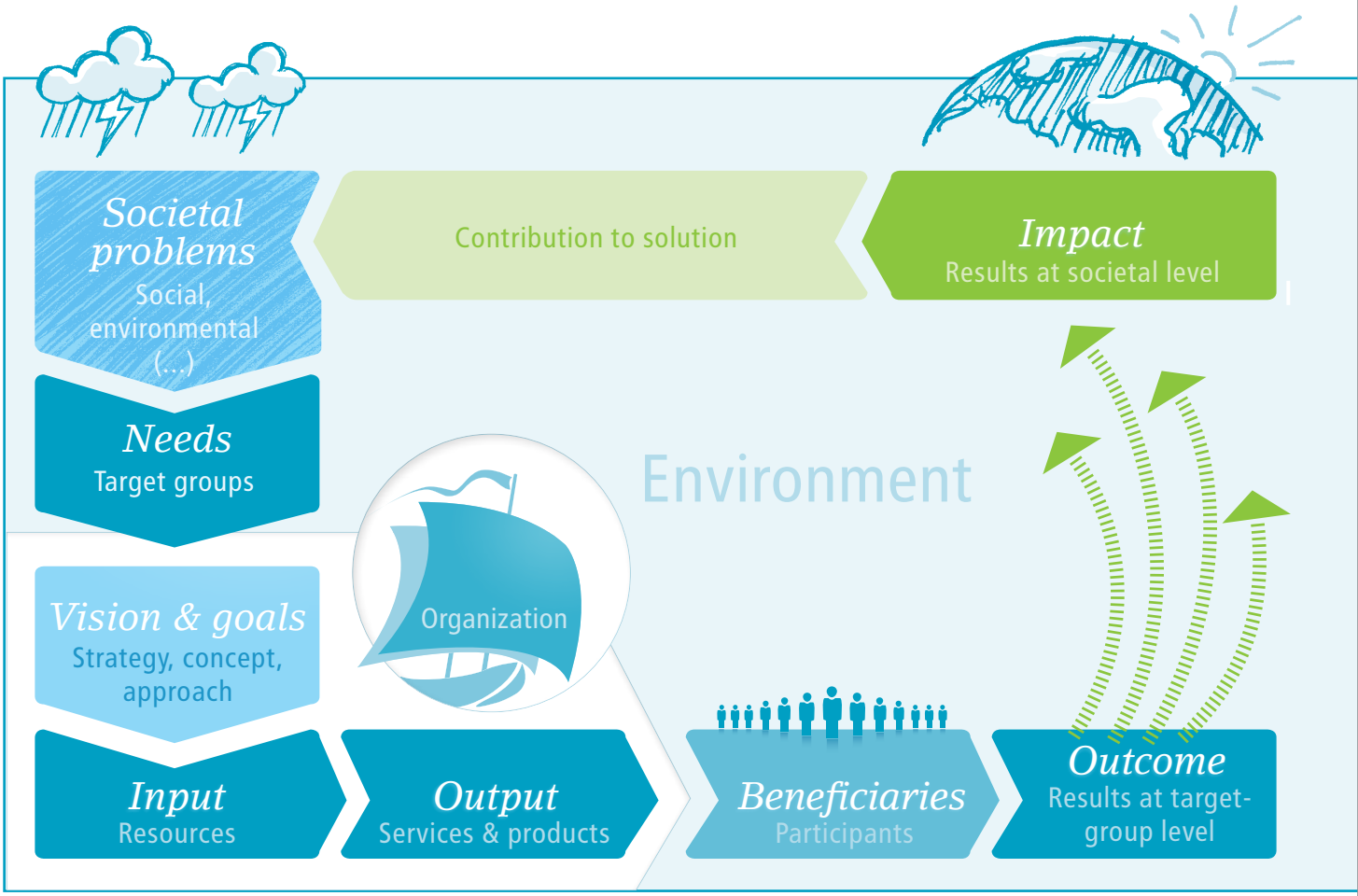
Logic model quality checklist

	Yes	No	Comment
Does the organization have sufficient input resources to implement the activities necessary to achieve the desired outcomes and impacts (or is it foreseeable that the necessary input resources will become available in the course of the project)?			
Have all outputs necessary for the success of the project been included?			
Are the outputs, outcomes and impacts clearly differentiated?			
Are the individual outcome levels (4 – 6) differentiated?			
Have the various elements of the logic model been connected with logical links?			
Are the project objectives at the outcome and impact levels formulated in terms of changes?			
Were the relevant stakeholders involved in producing the logic model or asked to provide feedback?			

When have you planned enough?

The foundation for impact-rich project work is laid during a project's planning phase. Therefore, you should be sure to take enough time for planning. However, keep in the back of your mind that planning is not a one-time process, but is always revisited in the course of impact-oriented project management. At some point, you should therefore begin with implementation, and then plan again or adapt the original plan during the process, on the basis of newly collected experience.

Because just as you can plan too little, you can also miss the right time to begin implementing your project because of too much planning. It's necessary here to find the right balance between planning, doing, reflecting and adapting. The learning-oriented social impact analysis helps you obtain the information you'll need to manage your project in an impact-oriented way. You'll learn how to implement a learning-oriented social impact analysis, and how to integrate it into the work of your organization or project, in → Part 2 of this guide.



3.5 THE IMPACT CYCLE

The so-called impact cycle illustrates how the various elements fit together.

After examining societal challenges and associated target-group needs, the organization defines its impact-oriented project objectives and approach, influenced by its own organizational vision. In order to be able to achieve these objectives, certain inputs (resources) must be available. From these resources, the project produces outputs (products and services). If these are utilized by the target individuals, this provides a foundation for achieving the desired results at the target-group level (outcomes). Results at the target-group level can in the next step contribute to results at the societal level (impact). This leads to a change in societal conditions, which in turn may generate new needs, making it necessary to adapt the project objectives and reassess the assets required and project outputs offered. Planning and adaptation thus form a continuous process throughout the life of the project.

PART 2: ANALYZING RESULTS

Not everything that can be counted counts, and not everything that counts can be counted.

Albert Einstein (* 1879 – † 1955)

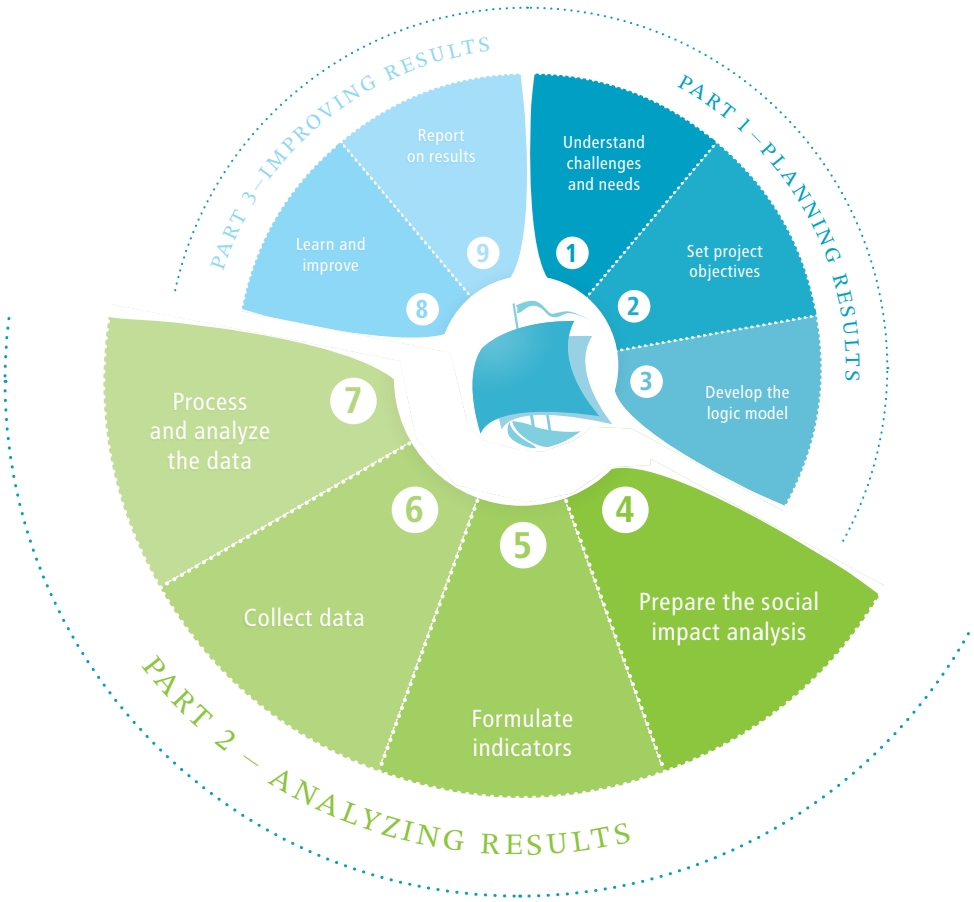
The contents of Part 2 are as follows:

In Chapter 4, you'll learn how to lay out the logistics of a social impact analysis and how to formulate the questions used in this analysis.

In Chapter 5, you'll learn how to develop indicators for the collection of data.

In Chapter 6, you'll be introduced to various data collection methods and learn how to determine the right methods for your social impact analysis.

In Chapter 7, you'll learn how to evaluate and analyze the data collected to make sure you obtain information you can use to guide your conclusions and recommended actions to be taken.



Once you've decided on your destination and have set your course, you can set off on your journey. However, be aware that most journeys do not always go according to plan. You must therefore periodically check to make sure you are still on the right course, that you are reaching your goals, and that your passengers are doing well. This information will help you reflect on whether you can continue on the chosen course or adapt your plans.

In your project work, just as with a sea voyage, you'll have to compare your plan with actual on-the-ground-developments in a project. What was planned and what have you actually done? What have you achieved? Is the project operating as intended? Why or why not?

Part 2 of the guidebook shows you how to use social impact analysis to collect the critical information you'll need to answer these and other questions.

Ideally, the social impact analysis should be developed while you're still in the planning phase of a project as a whole. But even if your project has been underway for some time already, it's always both possible and sensible to introduce and implement monitoring and evaluation.

Good to know: The key role of monitoring in impact-oriented project management

Discussions of social impact analysis often focus strongly on the issue of evaluation. However, although evaluation certainly has an important function in the context of impact analysis, you shouldn't lose sight of monitoring.

Monitoring acts as a kind of early-warning system, that detects if a project is running into unexpected developments. Good monitoring is essential if you want to react to problems early, before the whole project is endangered. At the same time, monitoring also helps reveal successes. This means that even projects that can't afford costly evaluations can make statements about their project's results in the context of systematic monitoring.

Impact-oriented monitoring makes a key contribution to learning, is used to steer the project and lays the groundwork for evaluations. However, evaluators often find that monitoring data is not of sufficient quality to use as the basis for the evaluation, or is altogether absent. This has a negative effect on the quality and validity of the evaluation, and increases evaluation costs.

4. PREPARING A SOCIAL IMPACT ANALYSIS

In this chapter you'll learn ...

- **What the terms social impact analysis, monitoring and evaluation mean.**
- **When you should carry out monitoring and evaluation processes.**
- **Who should carry out monitoring processes and evaluations, and what stakeholders should be included in the social impact analysis.**
- **How much monitoring and evaluation costs, and where this money can come from.**
- **How to develop questions for the social impact analysis.**

You'll need to collect information in order to assess whether your voyage is on the right course. However, you'll first have to satisfy the prerequisites for this collection. Who among the crew is sitting in the crow's nest, and is continually observing the vessel's path? Does this person have sufficient knowledge and experience for this task? When and how often should passengers be surveyed to best determine whether they're pleased by the trip, as well as the degree to which they've benefited by it? Will you have to bring an external expert on board for this task? How much effort will the collection of this information represent for you, and where will the necessary resources come from? And most importantly, you'll have to decide what information you actually want to collect. From the sea of data, you'll have to fish out the specific information that is relevant to you.

When engaged in impact-oriented project management, just as with the sea voyage, you'll have to lay the groundwork for the social impact analysis before you can begin collecting the data for the analysis. However, before going into the logistical questions of impact analysis, we need to clarify the concepts of *social impact analysis*, *monitoring* and *evaluation*.

4.1 SOCIAL IMPACT ANALYSIS, MONITORING, AND EVALUATION

What is meant by social impact analysis?

The term "social impact analysis" can be used in either a narrow or a broader sense. Social impact analysis in a narrow sense means the collection of data relating to the project's outcomes and impacts.

When working within the framework of impact-oriented project management, considering social impact analysis in a broad sense is useful. It is important here to ask not only whether a project has achieved results, but also which key factors have contributed to these results. Thus, in the broad sense employed here, social impact analysis analyzes both the outcomes and impact as well as the outputs produced by the project, along with their quality, and further examines the assumptions on which the project is based.

In discussions of projects' outcomes and impact, the term "impact measurement" is sometimes used, implying that the outcomes

	Monitoring	Evaluation
What do you want to know?	*What* is happening?	How effectively have things happened, why have they happened, and what changes have resulted?
Why?	Review progress, provide information for decision-making and adaptation; establish the basis for further analysis (e.g., evaluation)	Describe and evaluate progress and results; derive conclusions and recommendations
When?	Throughout the project	At a certain time during the project, at the end of the project, or some time after the end of the project
Who?	Internal project personnel	Internal or external
Used where in the logic model?	Focus on inputs, outputs and comparatively easily measurable outcomes	Focus on outcomes and impact

Fig. Comparing monitoring and evaluation;
Source: see International Federation of Red Cross and Red Crescent Societies. (2011: 20).

and impact can be quantified and precisely measured. However, outcomes and impacts in the context of social work are in reality generally more complex, and often do not lend themselves to being "measured." Thus, the term "social impact analysis" seems more appropriate in this context.

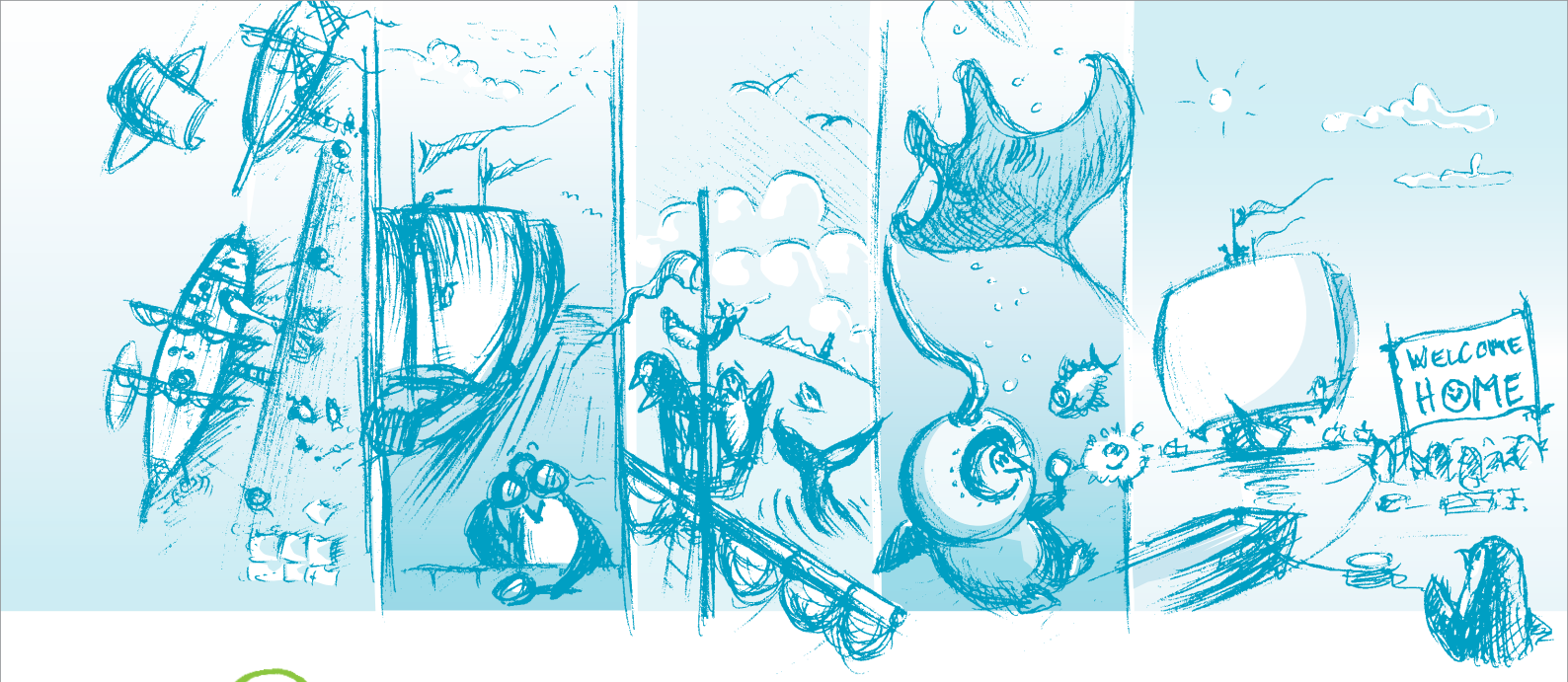
Monitoring and evaluation – similar but different

Monitoring and evaluation are different ways of collecting and analyzing project data in the context of social impact analysis. Frequently, the two are grouped together as "M&E." The two activities are certainly closely related, and they both have an important role to play in impact-oriented project management. So what do they have in common, and what are the differences?

Monitoring involves the regular collection of information with the aim of reviewing the project's progress relative to the original plan, as well as its compliance with (quality) standards. In the case of the sea voyage, examples of monitoring include the continuous observation of the course from the ship's crow's nest, or the logging of nautical miles traveled. Monitoring is best suited for registering the inputs and outputs of a program, and for recording comparatively easily measurable outcomes.

Results that are less easy to quantify are usually addressed through **evaluation**. Evaluation not only involves generating the data that can be used, as in monitoring, to ensure that the project is proceeding on the planned course – it also checks whether the course itself is the right one. [1] If monitoring offers indications that the project is not running in accordance with plans, then an evaluation can help to establish why this is the case. For the sea voyage, an example of evaluation might be a survey of passengers after the trip to determine whether and to what degree they've benefited from the trip.

[1] Stockmann (2007: 18).



Tip

Final evaluation or interim evaluation?

Particularly with time-limited projects, evaluations often take place at the end of the project. Of course, it makes sense to take stock after the project's completion, and the information collected is often necessary for the final report to the donors. However, outside of fulfilling reporting obligations, an evaluation at the end of a project is often of little benefit. By the time the results are available, project staffers are already busy with other projects, and even if people do take cognizance of the evaluation, it's no longer possible to respond retrospectively to the findings. If you have the chance, you should thus try to carry out an evaluation of your project at a point when you can still make use of the findings for impact-oriented project management (interim evaluation). To this end, talk with your funders and consider together what might be sensible times to evaluate the project

4.2 LOGISTICAL ISSUES IN A SOCIAL IMPACT ANALYSIS

When should M&E be carried out?

If information is to be used in the best possible way, it must be collected at the right time. The right time for data collection will be determined on the one hand by when the data can actually be collected, and on the other by the set of questions and interests you're hoping to address.

At the level of processes and outputs, a key question is whether the offerings have been carried out according to the expected schedule and financial plan. This information will be of interest primarily to the project managers. In this case, data collection should take place regularly (weekly, monthly or quarterly, depending on need) in the context of monitoring, so that problems can be addressed and countermeasures taken if necessary.

At the level of outcomes and impacts, you may be looking at effects that become apparent only in the middle or long term. The collection of data is in many cases more expensive or complex than is the case for outputs. Data at the outcome levels is thus collected and analyzed less often. However, at this level too there sometimes is information that is relatively easy to collect, and can thus be surveyed regularly, such as changes in students' grades.

Data collection shouldn't be limited to the end of a project, because the point is to learn from the results and improve your project management. The social impact analysis should thus be a continuous process during the entire course of the project.

The evaluation at the beginning of the project allows you, in the context of a needs assessment and context analysis, to take a step back and compare the needs of the target group with the project objectives and the planned project approach.

Continuous monitoring and interim evaluations allow you to determine whether the project is (still) on the right track. On the basis of this knowledge, you'll have the opportunity to make adjustments where necessary.

A final evaluation is conducted when a project ends. Usually, this involves an evaluation of the entire project. Of course, some projects are open-ended. In such cases, it makes more

Case study BIP: BIP collects data continuously in the course of monitoring. Outputs such as the number of training courses and coaching sessions are recorded, while at the level of outcomes, changes in participants' knowledge are registered.

In order to determine how participation in the project affected participants' business skills, an evaluation was carried out after 2.5 years.

Next year BIP will celebrate its fifth anniversary. Project organizers decided that this was an appropriate time for an evaluation, in this case taking a systematic look at the effect of participation on the socioeconomic status of participant's families. For details about the data-collection measures used by BIP → Chapter 6.

sense to identify a point in the future at which a comprehensive evaluation can be carried out. This could be, for example, when a new project module is to be developed or when a project is to be transferred or extended to other locations.

An ex-post evaluation takes place at some point after a project has been completed and is designed to establish the medium-to-long-term effects of a project. An example here might be a study that tracks participants' and their families' social situation over a decade following the completion of a project.

Should your monitoring data suggest things are headed in a different direction than planned, you should consider conducting an evaluation – **no matter when this might occur**.

Who should conduct the social impact analysis?

Whereas monitoring is anchored in the framework of internal project management, evaluations can be done by internal or external service providers.

Where evaluations are perceived as an unwelcome burden, it is tempting to outsource this job to an external professional. However, you should keep in mind that external evaluations are generally more expensive than evaluations carried out by project staff. Moreover, not every project absolutely needs an external evaluation.

Where do you find good external evaluators?

- At university departments dealing with related issues (e.g., social science departments)
- At companies or among freelancers who specialize in evaluation
- Through recommendations from other organizations working in a similar area
- At specialist conferences
- Through the recommendation of donors (e.g., grant-making foundations that evaluate their projects on a regular basis)

One word of caution: Recommendations can never replace a personal meeting!

	Advantages	Disadvantages
Internal evaluation	• Familiarity with the project • Access to information • Little training period needed • Saves on costs	• May be too close to project, lack of neutrality • Role conflicts • Lack of appropriate skills
External evaluation	• Expert knowledge • Methodological knowledge • Neutrality • Acceptance by stakeholders	• Unfamiliar with project • Costs • Elaborate arrangements may be required

Advantages and disadvantages of internal and external evaluation

Case study BIP:

For BIP's monitoring process, it is the duty of the trainers to collect data from the participants and coaches. The data is then processed and assessed by the project manager.

For the evaluation, a researcher from the economic department in the capital city's university was recruited, whose students participated in the evaluation as part of their course work.

Clarify the role of stakeholders in social impact analysis

- What role do stakeholders play in conducting a social impact analysis?
- Which information generated by the analysis will prove relevant to stakeholders?
- Can they facilitate, influence, curb or prevent specific lines of inquiry? Do they have particular hopes, interests or fears regarding the collection of data? Do they have specific questions to be answered?
- If so, does this bear any consequence for planned data collection? Should, for example, other questions or forms of participation be chosen?

At the same time, an evaluation will naturally require technical and methodological expertise at many points that often is not available inside the organization. Sometimes it makes sense to build this internally, but sometimes it makes more sense to enlist this expertise from outside. This must be decided on a case-to-case basis.

The independence of an external evaluator can even become a disadvantage if he or she has difficulty obtaining information relevant to the survey as a result. It is extremely important for the success of the evaluation to establish strong cooperation between the external evaluator and the project stakeholders. For this purpose, the evaluator must have the trust of the stakeholders, but must at the same time preserve his or her impartiality. The social impact analysis should not focus on meeting reporting obligations; rather, the analysis results should be understood and used as the foundation for critical reflection and a learning process regarding the project. This can be provided externally only to a certain extent. In the mixed form of internal and external evaluation, project staffers perform the evaluation jointly with an external consultant, who brings expertise and an outside view. This blends the advantages of both approaches.

Regardless of whether evaluations are carried out internally or externally, it should be clear inside the project who has primary responsibility for the impact analysis. All the threads of the various impact-analysis processes should converge here, and this person should be the main contact for any M&E problems. Of course, sufficient resources must be made available for these coordination tasks. Where necessary, knowledge must be developed internally, in the project team.

Good to know: An evaluator should bring the following skills:

- Experience and knowledge in the project's specific issue area, and experience with evaluations in this area
- Good knowledge of methodology and a high personal standard of quality
- Objectivity (note, however, that not even an evaluator can be completely objective, as he or she too will have opinions and values, and will work against the background of previous experiences. For this reason, the points at which the evaluator brings his or her opinion to bear must be made clear in the evaluation).
- Good communication skills (oral and written)
- A trustworthy and reliable personality, as well as sensitivity when dealing with the target groups (e.g., when it comes to gender issues)

Who should be involved in the process of impact analysis?

As a general principle, impact-oriented project management will be successful only if the sponsoring organizations and project leadership are providing their full support. The project must be actively supported as an organizational-development task, with sufficient resources made available and procedures and clear responsibilities established.

However, when allocating responsibilities for the social impact analysis to certain project members, it is important to avoid creating

the impression among the other project workers that they no longer have any responsibility for this task. All project personnel should be involved in M&E, because the primary goal of social impact analysis is that everybody should learn from the results!

Aside from project personnel, who else should be involved in the social impact analysis?

In the course of the project planning, you will already have identified the stakeholders (→ Chapter 1). Stakeholders' contributions are important not only in the project's planning and implementation phases, but also for the social impact analysis. Indeed, this process must be supported by the stakeholders. It is advisable to involve important stakeholders regularly in the process of social impact analysis. In this way you can ensure the quality of the procedures and findings, while also helping to avoid objections at a later stage.

And what does it all cost?

When you're planning your social impact analysis, you will of course also have to consider what the monitoring and evaluation will cost, and where the funds will come from.

In general, you should expect the budget for the impact analysis to amount to between 3 percent and 10 percent of the overall project budget. The main expense item will be the personnel costs, whether for internal project workers or an external evaluator. In addition, there will be printing costs for the evaluation report, costs for communication of the findings, administration costs and possibly also travel costs.

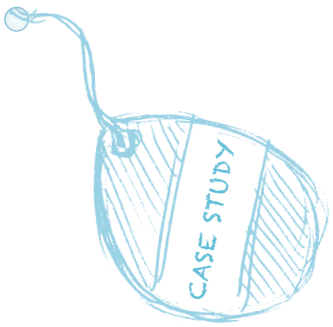
Whereas monitoring tasks should usually be budgeted for as part of the project-management costs, the (potentially external) evaluation is in most cases a separate budget item. Sometimes, a portion of the overall project funding is provided specifically for M&E and the associated reporting. But often, no such provisions are made. How can you implement useful M&E measures even when resources are limited?

If your budget is tight, it can make more sense to evaluate a small but relevant part of the project well rather than trying to collect data across the entire project at the expense of the evaluation's overall quality. Some methods of collecting data are more cost-intensive than others, and the aim must be to select the methods that best meet your specific interests while remaining within your budgetary constraints. An overview of various data-collection methods is provided in → Chapter 6.

Note: When planning your expenditure, include resources for the analysis of the data you will collect, and the use of these findings for further project development and communications! These costs are often neglected.

Answering the following questions can help you keep costs under control

- Is all the information being collected really necessary?
- Is the information already available somewhere else?
- Is the survey sample appropriate – or is it too large?
- Could more cost-effective survey instruments be used?
- Which tasks should be carried out by external evaluators and which can be entrusted to project personnel?



Case study BIP:

Most of the BIP monitoring is carried out by trainers and coaches as part of their normal activities. The information is then collated and processed by the project manager.

The evaluation was to a large extent carried out by university economics students as part of their course work, thus entailing only modest costs.

The planned follow-up study is to be carried out by an external evaluator. The foundation that provides most of the BIP funding has agreed to pay for this.

Managing expectations realistically for the social impact analysis

Social impact analyses are often accompanied by high expectations. Project managers themselves want to know whether their project is showing the desired results. Moreover, donors are increasing their requirements with respect to demonstrating project results. These expectations are in part difficult to fulfill for methodological reasons; but the resources available for the impact analysis are also often the limiting factor. What can you do if you determine that answering a certain set of questions would require a disproportionately large expense?

In this case, talk to your funders. Indicate what costs are associated with the collection of the information, and consider together whether the cost is proportionate to the expected results. If donors deem information obtainable only through significant additional expense to be important, you should consider together how to acquire the necessary resources.

4.3 WHAT QUESTIONS SHOULD THE SOCIAL IMPACT ANALYSIS ANSWER?

After logistical issues have been clarified, it's time to proceed with the collection of data. Social impact analysis can appear to be a complex and overwhelming task, but you can make things manageable if you consider carefully in advance who the analysis is being carried out for, what purpose it should serve, and what you want to know. On this basis, questions that should be answered by the social impact analysis can be formulated, and you can select appropriate indicators and survey instruments.

What does the social impact analysis need to tell you?

The analysis should:

- Identify what challenges and needs the project is responding to (→ Chapter 1).

- Determine what outputs the project has generated and draw conclusions about the project's implementation. In most cases, a quantitative survey of the outputs makes it relatively easy to answer the question: "What have we done?" However, in the broader context of a social impact analysis, you will also want to know how well you have carried out your activities, and whether this has been done with the planned level of quality, within the planned time frame, and within the project's budget.

- Determine whether and to what extent the project has achieved its objectives at the various levels of the logic model.

- Determine whether the logic model works. The (logical) assumptions on which the project strategy is based should be critically compared against the practical experience gained during implementation.

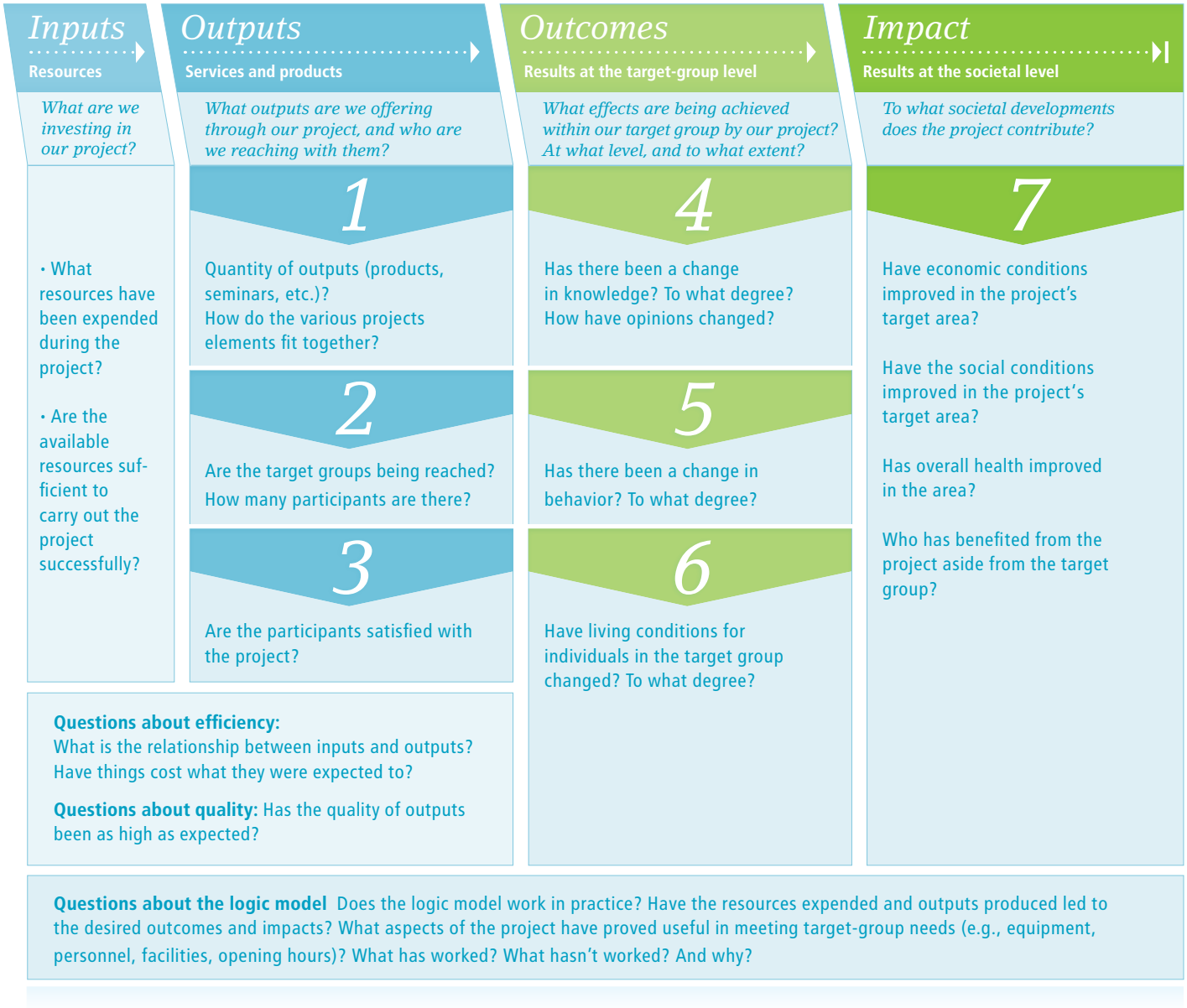
You should keep an eye on all these aspects in the course of the social impact analysis. However the focus of the analysis can vary depending on your main areas of interest. Given the range of possible questions, it will be necessary

Tips for formulating social impact analysis questions

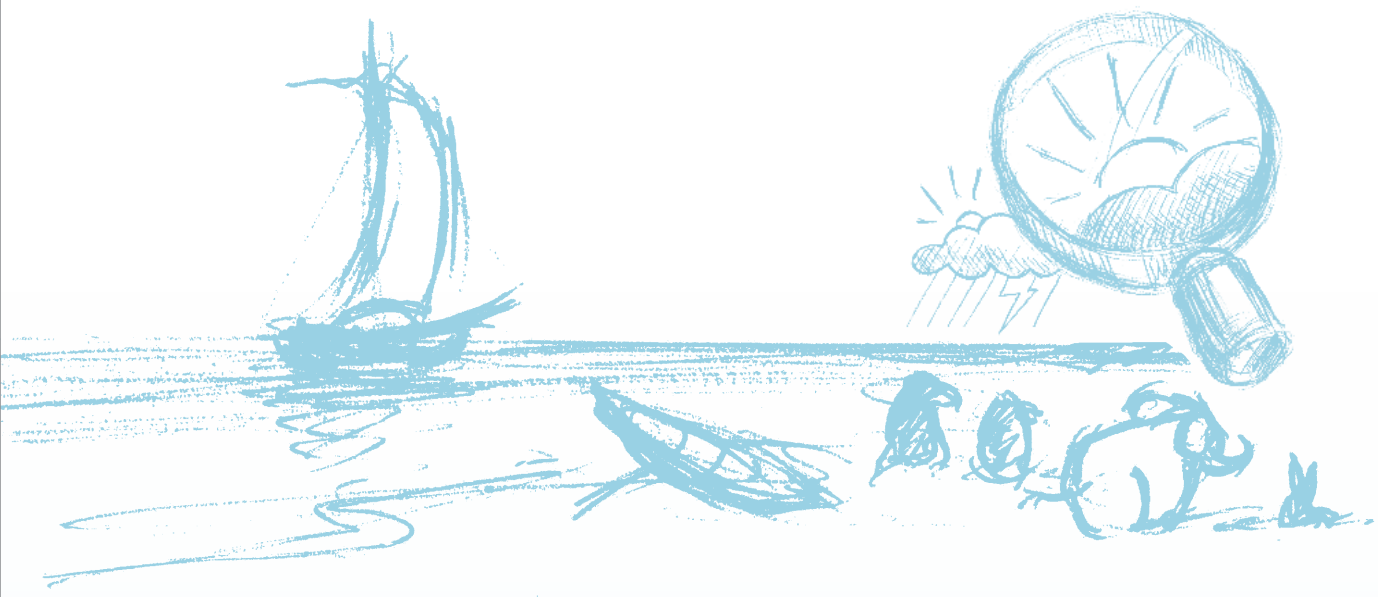
- Bear in mind that you will be collecting information for various purposes: What information will you need for your reporting? What information will you need to learn lessons and make improvements in the project work?

- The development of questions for the social impact analysis is not a one-off process. Questions formulated at the beginning of the project can be adapted over time. Some may become irrelevant and new questions may ultimately be added.

Fig. Overview of questions for the social impact analysis, based on the logic model



to choose wisely. If you develop your questions for your evaluation using your logic model as a foundation, it will help you structure your social impact analysis and set priorities.



Think about processes and results together!

Until relatively recently, evaluations and reporting concentrated primarily on project activities. Today, however, there is a trend that non-profit organizations are increasingly required to demonstrate the outcomes and impact of their work, while processes are no longer a central focus of interest.

For the purposes of impact-oriented project implementation and management, it is important to consider both the process and the results level, capturing both as a part of the social impact analysis. This is because you want to know what results you're achieving, but you also want to know what part of the project is contributing to this, or where obstacles have arisen that prevent you from achieving (even) better results.

Keep negative and unexpected results in view!

As a part of the social impact analysis, try to determine what you have accomplished with your project, and what positive changes have been achieved for the target group. However, don't forget that a project may also produce effects that weren't planned. These can be either positive or negative.

For this reason, you should ask:

- Who hasn't benefited from our project? What (elements of the) target groups haven't we reached?
- What objectives haven't been achieved?
- What unexpected positive results have occurred?
- Were there any negative results?

Once you've formulated the questions for the social impact analysis, the next step is to develop indicators that will help you make the questions posed in the analysis answerable (→ Chapter 5), and to identify the appropriate instruments to use in the data-collection process (→ Chapter 6).

Monitoring and evaluation questions drawing on the logic model for the case study BIP

Inputs
Resources

"What we invest in the project"

- Were the resources sufficient to achieve the objectives?
- Have resources been able to be deployed as planned?
- What is the relationship between the resources used and the outputs and results?

Outputs
Services and products

"What we do or offer in our project, and who we reach"

1

- Are the outputs implemented and offered as planned?
- Are the meetings with stakeholders held as planned?
- Are the trainers and coaches sufficiently qualified?
- Was the informational meeting carried out as planned?
- Was information about the training program broadcast by local radio stations?
- Were the training courses carried out?
- Were individual coaching sessions provided?
- Are the curriculum and training materials suitable for the intended purpose?

2

- Are the offerings reaching the small-business owners?
- How many people are taking part in the training courses?
- Which training-course module has met with the greatest/least interest?

3

- Are the participants satisfied with the project offerings?
- Are the participants satisfied with the trainers?
- Were the participants dissatisfied with anything? If so with what and why?
- Where is there scope for improvements?

Outcomes
Results at the level of the target group

"What we aim to achieve with the project within our target group"

4

- Have the participants mastered basic bookkeeping rules?
- Can the participants calculate their products' costs on a per-item basis?
- Do the participants understand the advantages of separating private and business finances?

5

- Are business accounts kept up to date?
- Is a product's shelf price higher than its underlying cost?
- Do participants have an income and expenditure plan?

6

- Have participants' incomes increased?
- Does the project encourage participants to open a savings account with a bank?
- Do participants make a significant contribution to the upkeep of their families?
- Does the project contribute to improving the socioeconomic status of participants' families?
- Do the participants pass course contents on to other people in their social milieu?

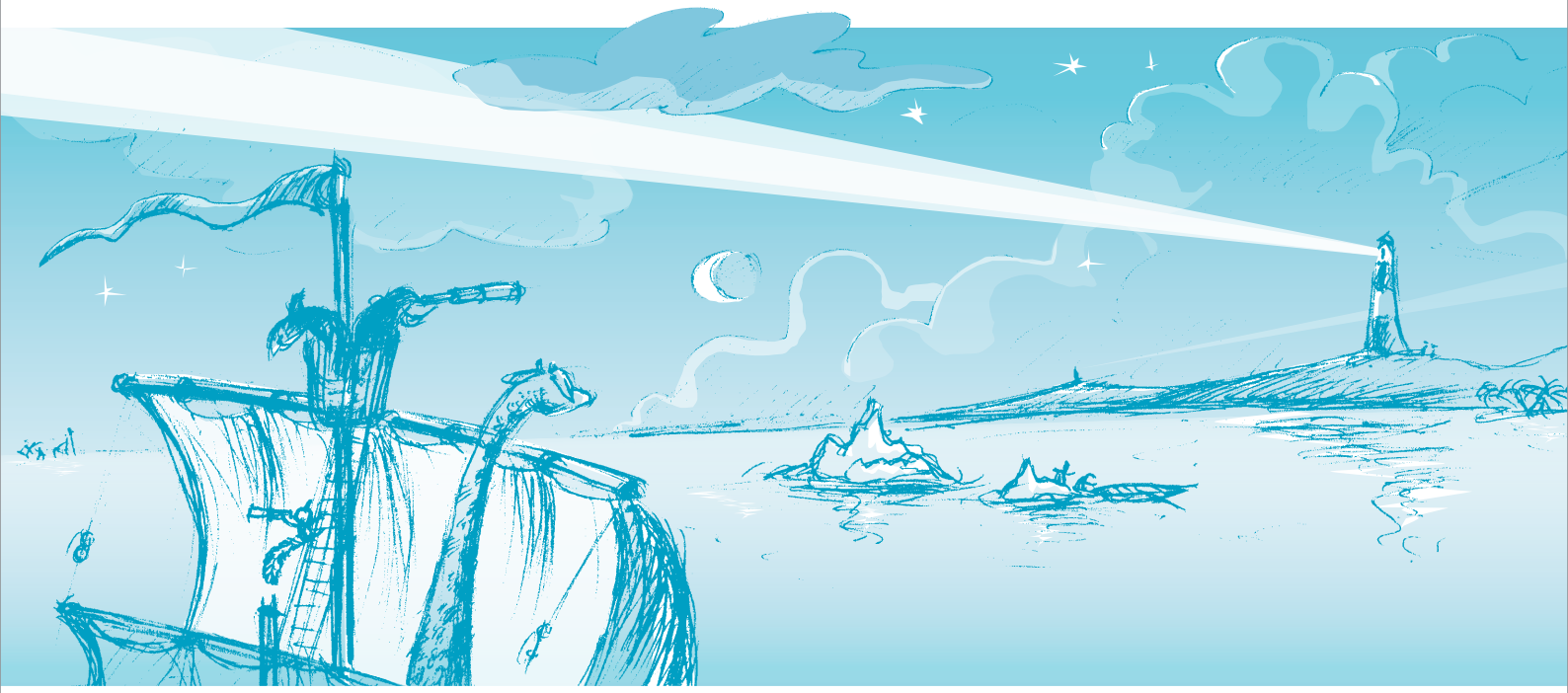
Impact
Results at the societal level

"What we want to contribute to at the societal level with our project."

7

- Have economic conditions in the project's target area improved? To what extent has the project contributed to this?
- Has the project contributed to reducing outmigration to other cities?
- Does the project contribute to improving local societal conditions?

5. MAKING RESULTS VERIFIABLE – FORMULATING INDICATORS



In this chapter you'll learn ...

- **What indicators are and why they are necessary.**
- **What kinds of indicators there are.**
- **What constitutes good indicators, and how to develop them.**
- **What baselines and target values are, and what they can be used for.**

How do you make sure you're on the right course with your sea voyage? Possibly through reference to the coastlines and lighthouses you pass? Through the information derived from a GPS system and the number of nautical miles traveled? Or even by paying attention to changing temperatures or the appearance of icebergs? In all of these examples, in determining whether you're on course with your ship, you use visible, measurable and tangible indications.

In your project work too, you must continuously determine whether what you're doing is keeping you on the right path. And for this task – as with the sea voyage – you'll need evidence that will allow you to tell whether you're approaching your project's goals. In the previous chapters, we've looked at project objectives, the logic model and the questions for the social impact analysis. It's now time to consider how you can determine whether you're attaining your project objectives, and how you can answer the evaluation questions. For both of these tasks, you need so-called indicators. The first thing is to develop these, and then in the next step you'll collect data on this basis for the social impact analysis (→ Chapter 6).

5.1 WHAT ARE INDICATORS? WHY ARE THEY NECESSARY?

What are indicators?

Even if project objectives have been formulated as carefully as possible, in most cases it will not be immediately clear whether they have been achieved or not. This is where indicators can play a role. The concept of "indicator" can be alternately seen as "evidence." For example, the presence of fish in a harbor can indicate low levels of pollution in the water. On your sea voyage, a lighthouse marking a port entry can serve as an indicator of having reached a goal. There are several other indicators along the way that help you determine whether you've set the right course. These can include information about coastal terrains, environmental climate changes along the way, current flows, your ship's speed or the number of nautical miles traveled. Determining indicators for your project may well be more complicated, but the basic principle is the same.

Why are indicators necessary?

In order to decide whether things are proceeding as planned or if alterations need to be made, the information necessary to make this assessment must be available. Thus, for successful impact-oriented project management, it's important that this kind of information is available in a timely manner throughout the entire project cycle.

In the planning phase, indicators are used to describe the initial situation and needs, and to help in specifying project objectives in a concrete way. For impact-oriented project management, it's important that the indicators be specified during the planning phase at least to the degree possible. During implementation, this will clarify which aspects are relevant throughout the whole project cycle. What objectives can and should we regularly observe? How will we be able to determine how much progress has been made and what results our project has achieved?

During the project's implementation, indicators are an important instrument allowing organizers to review progress, learn ongoing lessons, and monitor the effectiveness of project management. Indicators can be used to determine whether the project is still on course to achieve its objectives as specified in the various stages of the logic model. Regular observation of the indicators is therefore a necessary aspect of impact-oriented project management.

For the final review of the project, the indicators provide the basis for the analysis and assessment of what has been achieved. The results can be compared with the situation at the beginning of the project, and you can determine whether you have achieved your project objectives. (→ Chapter 5.4)

5.2 TYPES OF INDICATORS

Direct and indirect indicators

Direct indicators are directly related to what they are intended to describe. They can be formulated for quantifiable circumstances and changes such as outputs, or for comparatively easily measured outcomes. In many cases they can be derived from the project objectives. For example, in a project which aims to increase the income levels among small-business owners by promoting entrepreneurial skills, you could use the number of participants in your project whose income has increased as a direct indicator of effectiveness.

In many cases, however, indicators are not so clearly and easily derived. It may then be necessary to use **indirect** or **proxy indicators**, which refer to the observation of conditions in only an indirect way. These are used when it is impossible or too expensive to directly measure the circumstances you're interested in. One classic example of the use of such a proxy indicator would be a census survey for a large, poorly accessible area inhabited by a nomadic population. Because it is not feasible to count every individual, a decision is instead made to fly over the area at night and count the number of settlement fires for use as an indirect indicator. Multiplying this number by the average size of the family groups at a typical settlement gives a reasonable estimate of the total number of people in the area. In another example, if you wanted to determine the number of children affected by poverty in a city district, a possible indirect indicator might be the number of children in that district using a service that provided free midday meals.

Such indirect indicators are particularly useful when describing qualitative factors such as quality-of-life issues or changes in attitudes, motivation or behaviors, for which it is not directly clear how the factors will manifest themselves. Perhaps you want to find out whether the people participating in your project have gained in self-confidence. How would this express itself? Perhaps the participants might offer their opinions more often in group discussions, have more social contact with other participants, or their body language and posture might show significant improvements. In such cases, there is no obvious single clear and direct indicator available, and a number of indirect indicators might be necessary in order to effectively depict the changes and judge whether the objectives have been achieved. It is important to note that proxy indicators are highly context-dependent, and must be developed with reference to the specific background of the project and its societal setting.

Indicators for the various levels of the logic model

Indicators are necessary at all the various levels of the logic model in order to determine whether the project is still on course. These indicators thus serve as milestones in your project-management process. According to the logic model, these can be divided into impact, outcome, output and input indicators. For impact-oriented project work, indicators relating to the quality of the project work are also important.

Outcome and impact indicators
In order to determine whether and to what degree your project has produced outcomes and impacts, you must create outcome and impact indicators. While impact indicators show the long-term results at the societal level, it's also important to formulate indicators for outcomes at the various levels of the logic model, as this will help you understand and represent the progress of your project participants.

Output indicators
Outputs are the basis and preconditions for achieving outcomes and impacts. Particularly in the early stages of a project, outputs may be the only factors you can monitor, because the outcomes and impacts will only become apparent some time later. If you can't yet verify your project's outcomes, you should at least be able to draw initial conclusions about your outputs, and create appropriate indicators for this task.

However, the fact that indicators for simply quantifiable goals at the output level are easy to find may lead you to pay too much attention to the output indicators at the expense of the outcome and impact levels. If you want to know whether your project is achieving the desired results, you will have to develop outcome and impact indicators.

Input indicators
Input indicators are also relevant for two main reasons: first, because they can give information about the resources flowing into the project, and second, because they provide a basis for conclusions about the project's efficiency. If the inputs are placed in relation to the outputs, outcomes and impacts, then it is possible to answer data-driven questions such as: What level of inputs produced what level of outputs (efficiency)? What level of inputs led to what outcomes and impacts?

Quality indicators
While they are not related specifically to the logic model, quality indicators can provide important information about the quality of the outputs produced, which is in turn vital for successful impact-oriented project management. You should formulate quality standards for the work in the course of project planning, and establish indicators for these. For example, training standards could involve requiring educators to be in possession of financial education qualifications or several years of experience in the field. Later, during the monitoring process, the quality criteria can then be compared with actual developments. Particularly if the outcomes and impacts of a project are difficult to evaluate, you should try to demonstrate the quality of your project with relevant quality indicators.

5.3 DEVELOPING INDICATORS

Indicators should ideally be developed as early as possible, preferably during the planning phase of the project. However, this does not mean that you will not be able to add additional indicators during the course of the project or for the final evaluation. Indicators are developed in response to specific questions, and it is quite likely that additional questions will be raised in the course of the project. When developing the indicators, you should

Inputs	Outputs	Outcomes	Impact
Resources	Services and products	Results at the level of the target group	Results at the societal level
"What we invest in the project"	*"What we do or offer in our project, and who we reach"*	*"What we want to achieve with our project within our target group"*	*"What we want to contribute to at the societal level with our project"*
Amount of resources employed • Number of full-time personnel • Number of trainers • Number of coaches • Available facilities • Amount of financial resources	**1** Number of ... • Meetings with stakeholders • Meetings with trainers • Informational meetings • Radio spots • Financial-literacy training courses • Individual coaching sessions • Training materials produced	**4** Number of participants who ... • Master basic-bookkeeping principles • Are able to calculate the per-item costs of their products • Are able to state the benefits of separating private and business finances	**7**  • Changes in average income of small businesses • Changes in the local tax payments made by small businesses • Changes in health conditions in the targeted city district • Changes in the educational situation in the targeted city district • Changes in the rate of migration out of the project's target area
	2 • Number of small-business owners taking part in the training	**5** Number of participants who ... • Have kept their account books up to date • Sell their products at a price that is above the production costs • Systematically plan their expenditures	
	3 • Number of participants who are satisfied with the training course / coaching sessions	**6** • Number of participants who have increased their income • Number of participants who have opened a savings account at a bank after the training course • Number of participants who make a significant contribution to the upkeep of their family • Change in the socioeconomic status of the participants and their families • Number of participants who pass the course contents on to others in their social milieu	

Fig. Indicators for the BIP project case study

involve the individuals who will be taking part in project planning, implementation and social impact analysis phases. In addition to the project personnel, you should also include representatives of the funding bodies. They will be able to make helpful contributions to the development and prioritization of the indicators based on their own view of and expectations for the project.

You should aim to develop indicators for all levels of your logic model, as the collection of data in all these areas is important for impact-oriented project management. This is true even if you don't end up collecting data in all areas – for instance, if your interests are directed to a certain set of questions, or if your resources are not sufficient for a comprehensive examination.

The following four steps can provide orientation as you develop the indicators for your project.

Step 1: Collect ideas

When developing indicators, you should start from the project objectives determined at the various levels of the logic model, and from the questions that were developed for the social impact analysis (→ Chapter 2). Write these down for all to see, for instance on a flip chart, and go through them point by point. Discuss as a group how you will recognize that a certain objective has been achieved, or how you might answer the questions for the social impact analysis. The aim in this first step is to collect ideas, not to evaluate them – thus, collect everything, without any limitations. Note down everyone's ideas, or have group members write them on cards that you can then allocate to specific objectives and questions.

Step 2: Organize and refine the ideas

The suggestions you have collected can now be organized and refined. Look though the ideas, group them sensibly together, make appropriate additions and eliminate any duplicates. In some cases only one indicator will be needed to represent a project objective, in particular for quantitative factors such as the number of participants who are able to show gains in profits, for example. For more complex objectives, a number of indicators – often a mix of quantitative and qualitative factors – will usually be needed to describe the attainment of a goal or the developments achieved. Consider whether the indicators cover the various dimensions that your objectives and evaluation questions may have. For example, how would the achievement of an objective such as "participants have improved financial literacy skills" be expressed? Is there a quantitative dimension to this goal? What descriptive dimensions are there?

Step 3: Formulate indicators

If an indicator is to be relevant and measurable it should meet the SMART (specific, measurable, accepted, realistic, time-framed) requirements already outlined for the objectives in Chapter 2. Formulate the indicator so that it makes clear what is *to be achieved, for whom, and within what period of time*. Depending on your interests, it may also be appropriate to include the aspects *where* (for example, in a certain district of a city) and *how well* (quality). Regarding the SMART criteria, it may not always be feasible or possible to include a time component (as was also the case in formulating objectives). When you are working on the formulation, consider what would be an appropriate form for the indicator, or what units it should be measured in. Options include quantities, totals, averages, a percentage of a (total) amount, percentage change, etc.

The challenge of formulating SMART criteria may lead to the overemphasis of indicators at the output level or indicators for results that are "countable." As a result, it's necessary to find a good mixture of indicators that illuminate both quantitative and qualitative aspects. For impact-oriented project work, it is also important to develop indicators for so-called soft outcomes (→ Chapter 3).

Objective	Dimension	Indicators
Small-business owners who have significantly increased their income after taking part in training (directly verifiable)	quantifiable	Number of participants who have increased their income by at least 20% within 6 months of taking part in the financial literacy training course.
Participants have better business skills (not directly verifiable)	quantifiable	Number of participants in the training courses
		Number of participants who have kept their account books up to date for 3 months after the end of training
	descriptive	Participants are familiar with simple bookkeeping skills
		Participants carry out simple bookkeeping activities
		Participants have a realistic and plausible budget plan
		Participants calculate per-item costs and use them as a basis for prices

Use other indicator sets as inspiration!

When developing your indicators, you can orient yourself with the help of other organizations in your general field, or use previously developed indicator sets in a specific subject area (available in the specialist literature or online) for inspiration. However, don't simply adopt these on a wholesale basis – after all, no project is exactly like yours, and the creation of indicators is an important step in the project's development.

Case study BIP:

Rather than saying: "A majority of small-business owners have increased their incomes," this indicator would be better formulated as: "*The number of participating small-business owners in the city district who have increased their income by at least 20% within at least 6 months of taking part in the financial-literacy training course.*"

Step 4: Choose indicators

In some cases, too many indicators may have been formulated, so that you will have to establish priorities among them. The aim is not to have as many indicators as possible, but rather to select a small set of indicators that all provide important information. Note that for each objective and question you will need at least one indicator, and in some cases more, in order to be able to draw meaningful and substantial conclusions. You'll ultimately have to decide what indicators are important for your impact-oriented project management, and which ones have a higher priority than others that may also be interesting and relevant. In the end, you should have a "SMART," clear and valid set of indicators, to which you can assign target values in the next step.

In order to ensure that an indicator is practicable, it is first necessary to consider whether it is possible to collect the necessary data. Check that there is an appropriate source of data and that this is accessible. The next step is to assess whether the effort involved in gathering the data bears a reasonable relationship to the benefit anticipated from the information obtained (→ Chapter 6).

You'll ultimately have to decide what indicators are important for your impact-oriented project management, and which ones have a higher priority than others that may also be interesting and relevant. In the end, you should have a "SMART," clear and valid set of indicators, to which you can assign target values in the next step.

5.4 HOW MUCH SHOULD IT BE? – BASELINES AND TARGET VALUES

Baselines

Baseline data is information about the initial situation, before the beginning of the project. Without this information, you can't determine what developments – if any – have taken place since the project's beginning, and what results have been produced by the project. An example here might be the share of small-business owners participating in the project who systematically plan their expenditures. If this figure is not established before the project's beginning, it will be very difficult at the end of the project to determine whether this share has changed. Ideally, baseline data will be collected in the context of the needs assessment and context analysis, or no later than a year following the beginning of

Tips for selecting indicators

- Choose indicators that reflect both the quantitative and the qualitative aspects of your project as "not everything that can be counted counts, and not everything that counts can be counted" (A. Einstein).

- Note that the main aim of the social impact analysis is to learn from the results and to make any necessary changes to the project. When choosing indicators, ask yourself what information you will need in order to determine whether project participants are making the desired progress. What information will you need in order to determine whether you will have to adapt your project or make further improvements? How would you notice if something was not proceeding as intended?

- In addition to learning and improving, reporting requirements also play an important role when it comes to selecting indicators. You should involve your stakeholders and funders in the project at the earliest opportunity, exchanging ideas about expectations, objectives and the verification of results, and considering together what data should be collected for which indicators.

the project. The longer a project has already been running, the more difficult it is to obtain data to create a baseline. It may also turn out that when the project is in its early stages, organizers aren't yet aware of all the indicators that will turn out to be important over the course of time. What options are there to create comparison opportunities retrospectively?

The baseline data will be compared with the monitoring and evaluation data, which will be collected during and after the project's active life. This will allow you to make statements about developments over time (→ Chapter 7). However, in addition to the baseline, so-called target values are an important point of reference for impact-oriented project management.

Case study BIP

In the table we summarize possible indicators for soft outcomes.

Indicators for soft outcomes are usually indirect indicators. They are highly context-dependent and culturally dependent, and must be developed individually for each project. However, examples from other projects can provide helpful ideas.

Categories	Potential indicators
Behavior, attitudes, personal skills (including motivation, self-confidence, reliability)	Number / percentage of participants who… • participate regularly in training and other program offerings such as coaching • pro-actively seek support from mentors • self-reported improved self-confidence • discuss problems and challenges more openly • maintain regular and consistent communication
Practical skills	Number / percentage of participants who… • improve verbal and written communication (e.g., to banks and creditors) • keep regular books • develop and adhere to financial plans • develop understanding of legal rights and duties
Professional skills	• number of business contacts acquired • number of formalized contracts with employees • number of savings accounts opened • improved delegation of tasks • needs/challenges identified earlier • improved leadership conduct • improved use of IT skills

What can you do when no baseline data has been collected?

To get an impression of participants' situations before the beginning of the project, you can – for example – ask how a person evaluates his or her situation today (after or during the course of the project). This answer should be recorded on a scale. Then ask how the same person would retrospectively evaluate their situation before participation in the project, placing the answer on the same scale. This "retrospective baseline" can be particularly meaningful in the context of individual and soft outcomes, as participants have often learned during the course of the intervention to assess their own situation more accurately, and can thus judge more realistically how their situation before the beginning of the project actually was. In addition, concerned third parties such as family members can be asked how they would evaluate the participant's situation both before and after the project.

If it only becomes clear during the course of the project which indicators are important, information relating to these indicators must be generated retrospectively. Archives could be useful for this purpose, as might a collection of anecdotes and self-descriptions by people who have been involved since the beginning of the project. If your project is already underway, and it isn't possible to collect data retrospectively, you can also use the point at which you begin to collect data as your baseline, and use the information obtained here as a reference point for future rounds of data collection.

Target values

Has the BIP reached its goal when half the project participants are able to apply basic bookkeeping skills? Or when just one has increased his or her income? Or will project managers be satisfied only when virtually all participants have managed to improve their socioeconomic status? In order to be able to make statements regarding the achievement of objectives, indicators must first be defined. Moreover, it must also be clear what target values will be sought, as these – when reached – will represent achievement of the objective. What may initially sound rather technical and numbers-driven is fundamentally just a way of being specific about the goals you've set. The project can be planned in detail on this basis, as it makes a significant difference in terms of required resources alone whether BIP wants to reach 10 or 100 small-business owners with its training and coaching program.

Target values are derived in part from the target group's needs. Of course, after participating in the project, all small-business owners should in theory be employing basic accounting practices and will hopefully have increased their incomes. However, it's necessary to set realistic expectations in this regard. Realistic target values are derived from your own experience, from the experiences of other similar projects (→ Chapter 7, "benchmarks"), or from a comparison between the baseline and the interim results collected during the course of the project. If there is neither a baseline nor an experience-derived value at the project's beginning, the target value should initially be set using your best knowledge and belief as a guide, using the quantity of resources available to the project as a limiting factor. This value can be adjusted later as soon as the necessary information becomes available.

Setting target values: Risk or incentive?

Project managers often hesitate when it comes to setting target values, fearing that they may not be reached. Moreover, particularly at the level of outcomes and impacts, it's often difficult to say in advance what can be realistically achieved. However, sensibly set target values help to keep the project's expectations realistic, and aid in planning resources. Can target values change during the course of the project? Yes, absolutely! Target values can be corrected on the basis of the data collected during the project – or alternately, the project or resource level can be adjusted to make the target values achievable.

Don't forget

Target values can (and should) provide motivation, acting as positive challenges! For this reason, avoid setting your project's target values too high or too low!

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Level	Objective	Indicator	Baseline data	Target value	Basis for the target value
Output	Financial-literacy training courses are conducted.	Number of financial-literacy training courses offered.	No financial-literacy training has previously been provided.	Three training courses are carried out this year.	It was found that about 120 small business operators have a need for financial literacy training. Given the resources available, the target was initially set at three training courses.
Output	Small-business owners attend the training courses.	Number of course participants	Each training course admits 25 participants.	60 participants who complete the full training course	Experience shows that not everybody attending the first day of training will stay until the end. Therefore, more participants are enrolled than are required to achieve this target.
Outcome	Participants master basic bookkeeping rules.	Percentage of participants able to answer the bookkeeping homework problems correctly without support.	Before the training course, only 10% of participants had even rudimentary knowledge of basic bookkeeping skills.	At the end of the training course, at least 75% of participants are able to apply basic bookkeeping principles.	BIP organizers set an internal goal that a majority of project participants would be able to apply basic bookkeeping principles after completing the financial literacy course.
Outcome	Participants achieve a higher monthly income.	Quantifiable incomes are in some cases difficult to determine and compare. In addition, in many cultures speaking openly about earnings is not a usual practice. Thus, payments made by the participants for their families is used as a proxy indicator. These include regular payments such as school fees for children, but also one-off items such as funeral costs.	It has proved difficult or even impossible to establish a baseline for incomes. Statements are available about payments. If necessary, statements about payments can also be obtained retrospectively.	After six months, 50% of the participants reported that they were able to provide better financial support for their family (due to the increased income). For example, they can now pay school fees for their children, or have not had to borrow money to finance a funeral.	The target value for BIP was taken from a comparable project that had determined this value in an evaluation.
Outcome	Participants open a savings account with a bank.	Percentage of participants with a savings account at a bank.	A total of 20% of the participants registered for the training have a bank savings account.	One year after training, at least 50% of the participants have opened a bank savings account.	Small-business owners want to be independent of private money lenders (loan sharks). After one year, only half the participants generated enough surplus to regularly pay into a bank savings account. account and the target value was set according to this experience.
Impact	Reduction of outmigration	Outmigration rate	In the past year, 50% of school leavers migrated to a big city.	For this societal-level objective, the BIP organizers did not find it appropriate to set a target value, as youth outmigration rates are influenced by many different factors, and the influence of the BIP project would be difficult to determine.	
Quality	High quality coaching is provided on a one-to-one basis.	The percentage of individual coaching sessions provided by appropriately skilled experts.	Previously, half the coaching sessions have been provided by expert personnel, while the other half are carried out on a voluntary basis by former participants in a financial-literacy training course.	All individual coaching sessions are provided by expert coaches.	This quality standard is specified within the project strategy.

Case study BIP: Using the accompanying example as a basis, a few examples of indicators and associated baseline data and target values are shown here. We also describe the reasons for setting these target values. You can find this table as a template for your own project in the download section for this publication: *www.phineo.org/publikationen*

Working with participants to set individual target values

Target values are set not only at the level of the project, but also with respect to individual participants' goals. Wherever possible, these individualized target values should be set in cooperation with the individual participants themselves. Thus, trainers and small-business owners in the BIP project jointly plan issues such as course attendance or income goals for the period six months following the course's end. Goals set together can be highly motivating and enable individualized project management in a way that involves the participants themselves.

Checklist for developing indicators

	Yes	No	Comment
Each objective or evaluation question is assigned at least one indicator.			
The indicators meet the SMART criteria.			
Each different aspect of an objective is covered by an indicator.			
There aren't multiple indicators measuring the same thing.			
Target values are (where possible and appropriate) assigned to the indicators.			
Stakeholders were involved in the development of the indicators.			

6. COLLECTING DATA

In this chapter, you'll learn:

- **How to identify the appropriate data sources for your data-collection process.**
- **What data-collection methods are available, and how you can choose the appropriate method for your needs.**
- **How to investigate results that are difficult to verify.**
- **What quality criteria you should be mindful of when collecting data.**

With the wind in your sails and all passengers on board, you are on your way to your destination. Thanks to your indicators, you also know what to keep an eye on in order to make sure you are on course. But how should you monitor these indicators? You stand in the crow's nest, looking through your binoculars, you mark your position with the help of a sextant, listen to information on the radio, read the nautical charts, and pose questions to your passengers. There are several ways to gather information needed for your journey.

In your project, you have by now determined what information you'll need for your impact-oriented project management. You've developed questions for the social impact analysis, and created indicators. Now you have to consider how to collect the necessary information.

6.1 DATA COLLECTION – THE PRACTICAL STEPS

The procedure for collecting data is explained here in three steps. In the first step, you should develop a data-collection plan which will help you structure the process and provide a general overview. In the second step you'll identify the data

sources – that is, you'll have to determine where you can obtain the data you want to collect. In the third step, the data is collected. There are various methods of collecting data, and it will be necessary here to choose the method that best fits your individual interests and project context.

The aim of the following pages is not to make you an expert in data acquisition, but to provide an introduction to various data-collection possibilities. The different methods have varying degrees of complexity. Some methods can be applied with relatively little experience and only limited resources. However, for many of the methods, it will be helpful to consult experts (→ Chapter 4.2 "Logistical issues in a social impact analysis").

Step 1: Draw up a data-collection plan

The sample data-collection plan on → page 72 will help you structure and plan your own data collection, and provides an important overview of the process.

Step 2: Identify sources of data

After you've created a data-collection plan, it's time to address the question of where to obtain the data for your social impact analysis. Before you can collect the data, you must determine what sources can produce what data for the individual indicators.

The primary sources of data include the members of the target group and other stakeholders, as well as internal and external documents. At least one source of data must be identified for each indicator. The following questions should be considered:

- Can the data source be easily and regularly accessed?
- Are the costs involved acceptable?
- Can the data source provide high-quality data?

Once you have identified the data sources, the next step will be to determine what methods can be used to collect the information.

Step 3: Acquiring data

There are two possibilities for acquiring data. You can either draw on data which is already available, or you can collect new data yourself.

Using available data

A considerable quantity of information will already be available. In addition to data from external sources such as official statistics and survey findings, your organization will often have internal data that can be used. You can find such data in project documentation materials, evaluation records and annual reports, in documents with information about the participants and, above all, in the heads of the project staffers. Co-workers are an invaluable source of information, and they should be involved in the social impact analysis right from the start.

Don't overburden your project with too much data!

Strike a balance with your data collection: As much as necessary, and as little as possible!

Don't collect so much information that it stacks up unused. Nobody has the capacity to evaluate an endless supply. Consider carefully before the beginning of the process what information is needed and will in fact be used.

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	Explanation	*Data collection plan for the BIP project case study*							
Questions	List the questions for your social impact analysis here.	How many financial-literacy training courses were carried out?	How many people took part in each training course?	Are the participants satisfied with the training modules?	Have the participants improved their business skills?	Do participants employ basic bookkeeping principles?	Have participants' incomes increased?	How many participants have opened a savings account?	What project improvements have been suggested by participants, trainers and coaches?
Indicator	Enter indicators here that can help to answer the questions.	Number of financial-literacy training courses carried out	Number of participants in the training courses for the period x	Number of participants who are satisfied with the training modules	Number of participants who have improved their business skills	Quality of participants accounting documents	Number of participants who have increased their income	Number of participants who have opened a savings account	No indicators determined
Data sources	In this field, enter sources that can provide the information necessary to answer your questions.	Project documentation	Registration forms, participant lists	Participants	Participants, trainers	Participants, trainers and coaches	Participants	Participants	Participants, trainers and coaches
Is data already available?	In many cases, information is already available from registration forms, participant lists, etc.	yes	yes	no	no	no	no	no	no
Data-collection instrument	Enter the data-collection instruments you propose using.	Project monitoring	Project monitoring	Questionnaire, focus groups	Observation	Analysis of documents	Interviews	(Telephone) interviews	Focus groups
When and how often will data be collected?	At what points in time will the collection of the necessary data fit the project's schedule? When will the data have to be presented?	Continuously	Continuously	Every six months	One evaluation so far	Initially monthly, then every 2 – 3 months	Every six months	Annually	Twice-yearly focus-group meetings
Who collects the data?	Who is capable and authorized to collect the data and has sufficient time resources?	Project manager	Project manager and trainers	Project manager	External evaluator	Trainers	Project manager	Project manager	Project manager
Feasibility: yes /no?	Can the planned data collection be completed with the time and funds available, and is the process ethically valid?	yes	yes	yes	yes	yes	yes	yes	yes

A data-collection plan template is available for use in the PHINEO Download Center, at *www.phineo.org/publikationen*

[1] c.f. BMFSFJ (2000: 39f.)

Collect new data

If the existing data is not sufficient, or no data exists at all, new data must be collected. There are a number of different possibilities for doing this. For this reason, you must carefully consider what approach is both reasonable and practical. This will depend on the quantity of available resources, but also on what data must be collected at what level of detail, and what overall informational scope is envisioned.

Data-collection methods

An appropriate method of data collection must be chosen based on the project's specific questions and associated indicators. Keeping this in mind, we'll make a distinction between quantitative and qualitative collection methods.

Quantitative methods are used if the information being collected can be expressed numerically. Quantitative methods are particularly appropriate when:

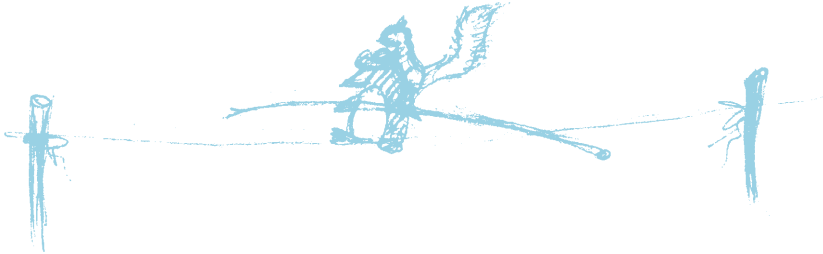
- precise data must be presented,
- an overview is desired,
- a comparison must be made between different groups or people,
- statistical relationships between the problem and assumed causes are being examined,
- proof is needed that the project has achieved (quantifiable) success.

Quantitative methods include measuring, counting, analyses of quantitative secondary data (for example, using statistics), various forms of surveys and tests, and structured observations.

Qualitative methods help to gather qualitative data. Qualitative data are not easily expressed in numbers and figures. They have a descriptive function, and help to provide a deeper understanding of a situation or set of circumstances. Qualitative statements are important for impact-oriented project management, because causal relationships and interdependencies must be ascertained in addition to quantitative statements. Qualitative data-collection methods are in this regard characterized by a focus on the "how" and "why" of a development or set of circumstances. Qualitative methods are particularly appropriate when:

- a situation must be well understood within a certain specific context,
- the goal is to discover how persons or groups feel about their own situations, or what expectations and desires they hold,
- it's necessary to demonstrate and track qualitative developments,
- the goal is to plan a project in an impact-oriented way.

Qualitative methods include various forms of interviews (individual interviews, focus groups, etc.), observations and document analysis, among other instruments.



Useful questions for choosing data-acquisition methods

What information do you need?

The choice of method depends on what you want to find out. In order to determine what information you need, consider carefully what exactly you want to know. For example, do you want to know how many people you reached in the target group? Or do you want to know why the project was successful (or less successful) for a particular group of people?

What do you need the information for?

In the next step, you should consider exactly what you need the information for. For example, if you need to demonstrate the relevance of the problem to funders or donors, quantitative data are probably most suitable. Qualitative methods are particularly appropriate when working out details and drawing distinctions. They can also help to convey a deeper understanding of the project, and are essential for describing a project's qualitative progress.

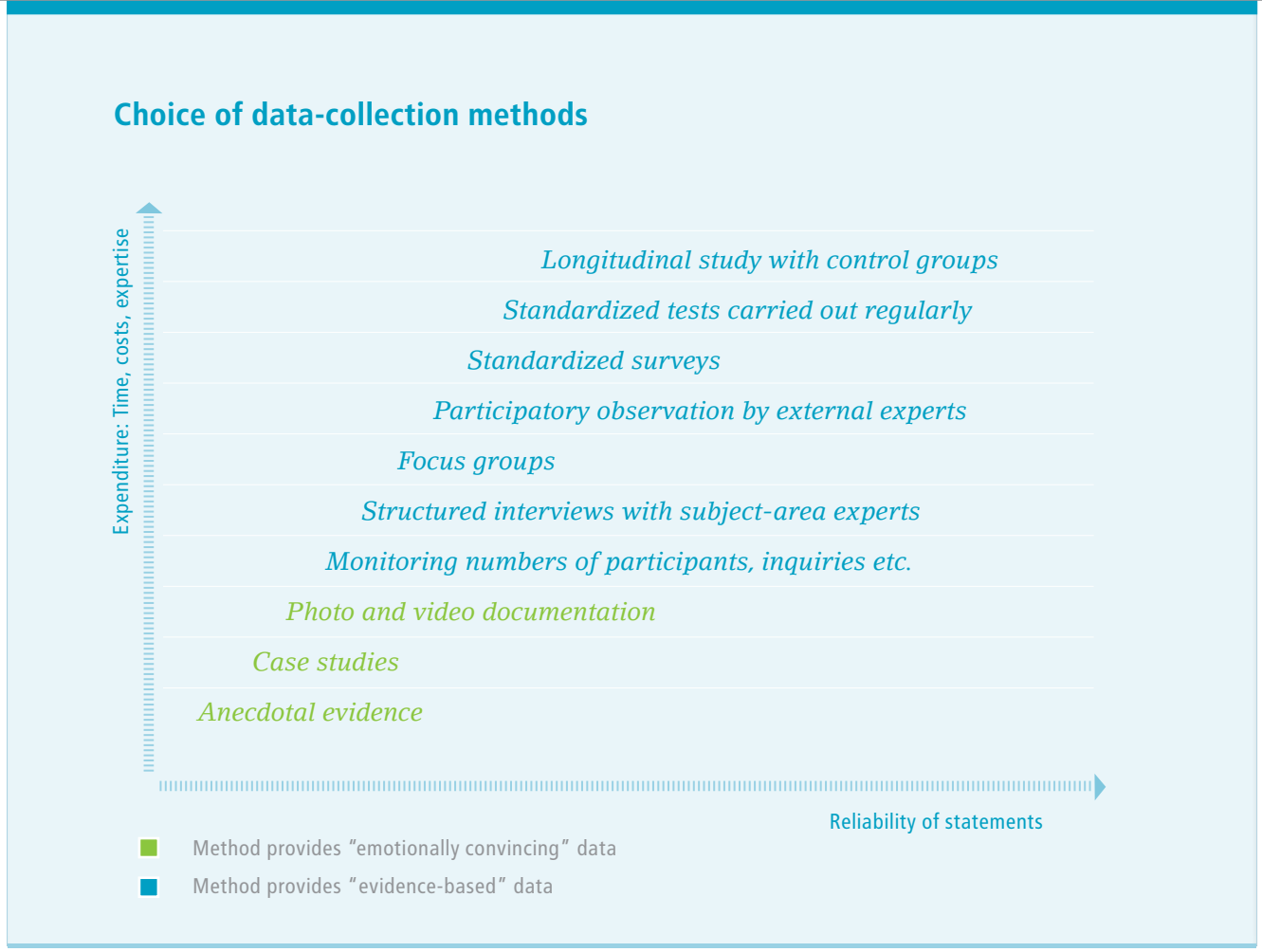


Fig. Overview: Choice of data-collection methods

Choosing suitable methods

It's not always easy to decide what methods to use for acquiring data. Some experience can be very valuable. It makes sense to discuss the options with experts or with representatives of organizations carrying out similar projects. The following provides an overview of some of the most important methods for acquiring data. This is by no means a comprehensive list, and the descriptions are not intended to provide a detailed guide to implementation. Rather, the methods are briefly presented, with the main advantages and disadvantages identified. The BIP example illustrates how each method can be used in practice. The literature list (→ page 126) includes publications that deal in depth with the various data acquisition methods.

There's no need to be an "evaluation professional" in order to collect data for a social impact analysis. The data-acquisition methods differ substantially with regard to expense and the amount of previous experience needed, as well as with respect to the significance of findings and the reliability of statements (validity). The graphic above provides an initial overview of these methods.

You should thus consider why you need the information, and what degree of reliability and validity is required for your specfic

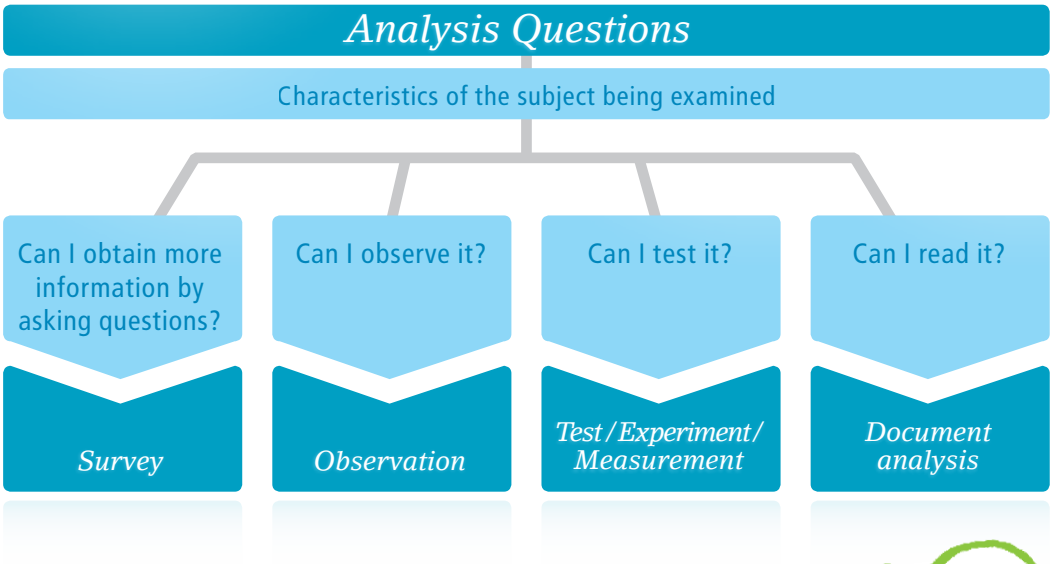
In the beginning, less is more

Even small organizations with few resources on hand can find data-collection methods that are appropriate for their needs. Don't be intimidated – just begin with small, manageable measures that can be expanded later.

circumstances. During a sea voyage, for example, there is a major difference between using exact coordinates to chart a safe passage through dangerous waters and summarizing your personal impressions on a postcard to a friend back home. You can implement some data-collection methods yourself. If you do so, results may not be as precise as those obtained from a scientifically based but considerably more complex method. In many cases, however, the results will be sufficiently accurate and useful to serve as a basis for discussions, learning processes and project improvements. However, if you want to make far-reaching decisions on the basis of this data – perhaps to extend or end the project, or make other significant changes – then you should make sure the data is reliable. In this case, you should choose data-collection methods that are scientifically founded, and perhaps let the acquisition process itself be performed by experts.

The specific questions and indicators associated with your social impact analysis will also influence the choice of an appropriate data-collection method. The following overview will help you find the right method:

Fig. Overview
see Schmidt (2012: 79)



Tips for creating questionnaires

- Design the questionnaire clearly, and give clear instructions on how to fill it out.
- Make sure your questions are short and clearly formulated.
- Make sure the questions are focused on only a single issue.
- Don't ask negative questions (e.g., "Are you unsatisfied with the offerings?").
- Avoid terms like "sometimes," "often," "seldom" or "normally," as people often understand these in different ways.
- Avoid formulations that may influence survey respondents from the outset (e.g., "In what ways has participation in the project improved your life?").
- It will be useful to have people experienced in the field involved in preparing your questionnaire. This is particularly true if you're developing a survey that you want to use repeatedly over time.

An overview of the most important data-acquisition methods

Questionnaires

Description: Written surveys using questionnaires are probably the most common way of collecting data. For example, you can use questionnaires to collect data about the satisfaction of participants in a project or activity. You can also ask participants what they have learned and how they put this knowledge into practice. By presenting questionnaires before and after a project or a workshop, you can determine how the participants have changed. Questionnaires can be completed and returned on-site, through the mail, or online.

Since responses are highly dependent on the way the questions are phrased, care must be taken to ensure the quality of the questionnaire's preparation (→ "Tips for creating questionnaires" page 75). Closed or open questions can be presented. Closed questions present various possible responses from which the respondent is asked to choose, and are easier to evaluate when there are large numbers of respondents. However, closed questions provide no opportunity to offer information that is not provided for in the range of possible answers. By contrast, open questions allow the respondents to give their own answers, which may contain useful information.

+ Advantages
- A large number of participants can be questioned in a short period of time
- Data can be easily summarized
- The respondents can remain anonymous

– Disadvantages
- Producing the questionnaires requires time and kowledge
- There may be low return rates
- No possibility for follow-up questions
- Response possibilities are limited

Case study BIP: At the end of each training course, BIP uses a questionnaire to assess participants' satisfaction with the individual modules, and participants' views regarding any benefits their participation in the course has produced. A further questionnaire is used to see how satisfied the participants are with their trainers.

Individual interviews

Description: Interviews with individual stakeholders can help to explore differing viewpoints on a given issue. Semi-structured interviews (that is, containing both open and closed questions) are a good way to gain a deeper insight into a topic. Individual interviews are appropriate, for example, in the context of a needs analysis or in developing a concept for a project module. They are also useful in obtaining participants' individual opinions either during or after a project. Finally, they're well suited for identifying ways to improve a project, because the interview context allows follow-up questions, unlike a written survey.

There are many different ways to conduct interviews. Which interview format is appropriate depends on the person being questioned, the issue being examined and the goal of the interviews. In choosing a format, ask experts for help if necessary. You should also consider who is to conduct the interviews. If project personnel are asking the questions, there is a risk that interviewees will give the responses they think the interviewer will want to hear. If external interviewers are used, their ability to establish trust will be critical in persuading interviewees to share information. Care should also be taken to ensure that the interviewees form a representative but not too homogeneous group, in order to ensure that the responses as a whole are reliable and have a high degree of validity.

The aim should not be to collect as much information as possible in the hope that it will contain something of relevance somewhere! Decide in advance what the aim of the interview is to be and what you want to find out, and formulate the key questions appropriately.

+ Advantages
- Stakeholders are involved
- Relevant data
- Unexpected results are possible
- Responses that might not have been given in a group situation are possible
- Follow-up questions possible

– Disadvantages
- Time-consuming
- Interviewer must be trained
- Results may be difficult to quantify and evaluate

Case study BIP: BIP also interviews the participants individually after they have taken part in the training course. The participants are asked what course contents they now apply in their own lives, and how this has changed their business operations.

Good to know: How many people must be surveyed in order to obtain "representative" statements?

In projects with a small number of participants, it is reasonable and entirely possible to gather data on all participants. By contrast, in projects with many participants, a selection must be made. When doing so, you should be careful that the survey group is randomly chosen from the group of all participants, in order to ensure the quality of the survey results.

The sample size in a quantitative survey is dependent on how precise the results of the survey must be. In units of investigation that have fewer than 300 individuals, including all individuals is ideal. However, you can obtain relatively reliable statements with just 300 surveyed individuals even with larger population sizes. [3]

There is no consensus in the literature regarding just how many qualitative interviews should be conducted. The required sample size is in most cases smaller than would be true of quantitative surveys. Depending on the subject being examined, a "theoretical saturation" will arise after a certain number of conversations, meaning that further conversations will probably not provide additional knowledge. In creating a sample, you should be careful to have as heterogeneous a range of subjects as possible, while at the same time, at least to the degree possible, choosing the "typical representative" of the stakeholder group being surveyed. [4]

[3] see Zewo (2011: 78), [4] see Zewo (2011: 80)

Expert interviews (individually or in a group)

Description: Expert interviews refer to interviews carried out with issue-area experts, decision-makers, and people who are in a position to make a well-informed assessment of the onsite situation and the target groups. The focus here is not on the individuals themselves, but rather on their function as experts in a specific context or as representatives of a group.

Experts can provide information on specific topics about which the project as yet lacks knowledge. Conversations with experts on an individual or round-table basis can be of use when assessing a problem or situation from various perspectives, for example during the planning phase of a project. It is also useful to involve experts at regular intervals throughout the project.

+ Advantages
- Moderate organizational effort
- Cost-effective
- Synthesis of opinions
- Involvement of decision-makers
- Possible stimulus for experts' further participation in the project

– Disadvantages
- Discussions may be too abstract / academic

Case study BIP: Expert interviews are carried out in various contexts: For the needs analysis, people familiar with conditions facing local small-business owners (e.g., the head of the local business association, a representative of the local municipal administration, a school administrator who serves on the community-center board) are invited to a round-table meeting and asked to express their views. At regular intervals during the project, the trainers are interviewed regarding their assessments of participants' progress.

Focus groups (Group discussions)

Description: Focus groups are moderated discussions with multiple participants that focus on a relatively constrained topic. In contrast to the individual interviews, the emphasis in group interviews is on discussion between the participants, rather than on the interaction with the moderator. The participants can exchange views and learn from one another.

In the discussion, the participants can inspire one another and ideally will arrive at increasingly in-depth statements. Focus groups are therefore particularly suitable when it comes to discussing shared experiences and problems and jointly developing solutions. This makes them a useful instrument for impact-oriented project management. By contrast, individual interviews are more appropriate for eliciting individual opinions and experiences.

Group discussions are generally used in conjunction with other methods. The choice of participants is critical in determining the quality of the focus group. Can the participants speak freely with each other? Does the group's composition bring together various perspectives, enabling a fruitful discussion to develop?

+ Advantages
- Stakeholders are involved
- Unexpected results are possible
- Added value from the exchanges among participants (varying perspectives)
- Follow-up questions possible

– Disadvantages
- Fairly time-consuming
- Expertise is needed to moderate sessions
- Results may be hard to evaluate and quantify
- Participants may not be completely frank

Case study BIP: Once a year, the BIP project manager invites participants to a focus-group meeting. The discussions focus on changes experienced by the participants themselves in the context of the project, as well as social changes in the community. Among other topics, the project's logic model is discussed, and suggestions for future courses are collected.

Informal discussions / Anecdotal evidence

Description: Informal discussions with participants and the stakeholders take place throughout the project. They are a good way of obtaining information and checking up on information obtained using other methods. Talking informally with people can help to avoid "artificial" interview situations in which people give "socially desirable" responses that they think the interviewer would like to hear.

Informal discussions are also a good way of obtaining information from indirect target groups (e.g., family members of small business owners participating in a project). They additionally offer an opportunity to learn about unintended consequences of the project. It is possible to identify positive and negative results that were not envisaged when planning the project. For example, family members of participants may themselves consider taking advantage of educational opportunities, thereby improving their capacity to improve their socioeconomic situation.

Information from informal discussions as well as anecdotal evidence should be collected regularly throughout the project. The project personnel should be asked to record the contents of the conversations as systematically as possible. It can be helpful to provide both the full-time staff and volunteers with record-keeping aids such as a project log book. At the regular meetings, volunteers should be encouraged to report on informal discussions and other anecdotal evidence.

+ Advantages
- Direct contact with target group
- Information about unplanned effects
- Supplies good content for communications (storytelling)
- Requires little in the way of resources and experience

– Disadvantages
- Hard to generalize results
- Contributions may be unreliable

Case study BIP: BIP requests trainers and coaches to document examples of positive and negative changes experienced by participants that are attributable to the participation in the training program. There are opportunities for informal discussions and the collection of anecdotal accounts during the training courses and the individual coaching sessions. The results of these conversations are presented at the regular meetings with the project manager.

Good questions are the key to useful answers [5]

The way in which questions are posed has a direct effect on the answers you receive. For this reason, it makes sense to carefully consider the questions that are being asked. Here are several tips for formulating questions:

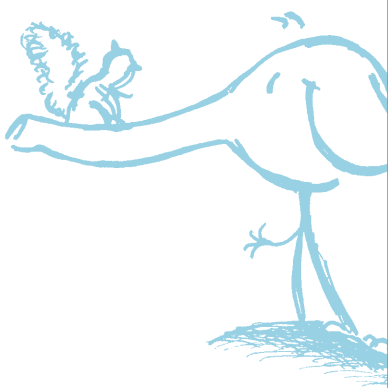
- Make a clear distinction between closed and open questions. Closed questions are suitable for eliciting specific information. Generally, closed questions have only one possible right answer, or else can be answered relatively easily with a "yes" or a "no." For example: "How old are you?" "Do you currently have a loan?" Open questions are appropriate for prompting new ideas, perspectives or discussions. They require the participation of the respondent. For example: "Could you describe your situation in more detail?" "What opportunities do you see this project offering to you?"
  Open and closed questions can be effectively used together. For example: "Do you already have a loan?" (a closed question), coupled with "In your opinion, why has it been difficult for you to improve your profit margin?" (an open question).
- Use the newspaper reporter's classic questions: Who? When? What? Where? Why? How? These questions help to analyze and understand what has happened and why. When did what happen? Why was that helpful?
- Take care while posing questions that the respondent doesn't feel interrogated and judged, for instance through a too-frequent repetition of "why" questions.

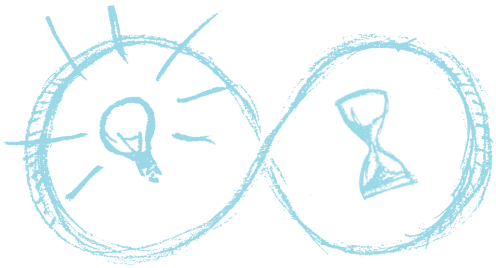
[5] see Herrero (2012: 34f)

Keep in mind: Keep participants in the data-collection procedure informed about the process, and make sure the data is safe

If you're collecting data from participants, you must inform them and obtain their consent. This information should be provided as early in the project as possible, in the context of the registration procedures (if these exist). In the case of underage participants, parents must be informed.

To the degree possible, surveys should be conducted anonymously, and/or conclusions about individual participants should no longer be possible in the data processing stage. With regard to data protection, make sure that all data is protected against access by third parties, and that participants' identities are protected. Make sure to provide participants in the data-collection process with information on the results of the inquiry.





Systematic observations

Description: In some cases it can make more sense to systematically observe what is happening rather than to ask questions. Events, individuals, groups and social spaces can be observed with specific questions in mind, and the results can then be analyzed and interpreted. Observations offer a good means of checking the responses given in interviews and questionnaires, or of learning about issues that were not covered by these other methods. Observations can also identify further questions that can later be answered using other survey methods. In a participatory observation, the observer interacts more or less actively with the processes he or she is observing. In non-participatory observation, the observer remains positioned outside these processes. During overt observation, the people being observed are aware of the observation (or could at least find out), while in covert observation, this is not the case. It is important to go into observations with pre-formulated questions, but you should also be open to unexpected insights.

Advantages

- Direct contact with the target group and the social space/context
- Delivers information that can help with communications (storytelling)

Disadvantages

- Time consuming
- Observers must be trained
- Private sphere must be respected

Case study BIP: Systematic observations are not used for the BIP project surveys. Such observations could, for example, be used to determine changes in social behavior among youth during participation in skills training sessions.

Tests and measurements

Description: Tests and measurements can provide important information at various points of the project cycle. At the start of the project, they can offer information about the target-group's situation (e.g., mathematics tests for students, or a survey of the initial health status of participants in a public-health program). Tests often employ quantitative methods, but qualitative or mixed methods are also possible.

Advantages

- Can show changes over time
- Good comparability using standardized tests

Disadvantages

- Moderately time consuming
- Expertise required for implementation
- Standardized tests may not be suitable for the target group's particular situation

Case study BIP: BIP's financial-literacy trainers assess participants' knowledge at the beginning of the course. At the end of the training, a test is given to assess how well the participants can apply what they have learned.

Case studies

Description: Case studies focus on individual participants or a specific, clearly defined group. A variety of methods can be used, such as semi-structured interviews, systematic observations, focus groups, etc. Case studies are appropriate when seeking to present examples of results, in particular outcomes and impacts. Case studies in combination with quantitative statements jointly provide an informative picture of a project's results, and through their mixture of quantitative and qualitative data provide a good basis for a project's further development.

+ Advantages

- Direct link to the target group
- Deliver information that can help with communications (storytelling)

– Disadvantages

- May be difficult to generalize

Case study BIP: To date, BIP has not carried out systematic case studies following up on the progress of individual participants. However, the information collected during the monitoring process (test results, interviews, anecdotes, etc.) and the qualitative information from the focus-group discussions could be used to present generalizable case studies.

Document analysis

Description: Internal and external documents may contain important information for use in the social impact analysis. Internal documents could include project concept papers, reports, or meeting minutes. These contain information about the project´s logic model, project objectives and results, and changes made during the course of the project. This information offers a good starting point for developing questions for an evaluation.

External documents may include outside studies, surveys, or (official) statistics. This data can be particularly interesting for needs and context analyses, and could also be useful in providing standards of comparison.

+ Advantages

Internal data

- Relevant data for the project's specific target groups and social spaces
- Inexpensive and quick
- Involves project or organization staff

External data

- Inexpensive
- Methodologically relatively reliable
- Regular data collection enables comparisons over time

– Disadvantages

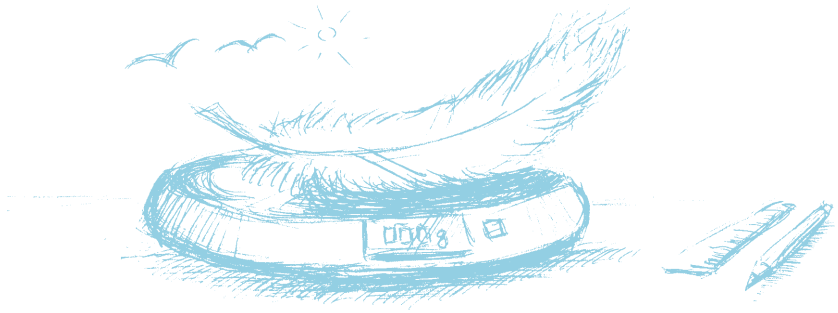
Internal data

- Objective conclusions may be difficult
- May be no information about cause/effect relationships
- Information may be incomplete or not up-to-date

External data

- Often highly aggregated and not related to the project's targeted social space
- May not be up-to-date

Case study BIP:: In producing the external evaluation, the evaluator drew on the BIP's original project strategy and the project's monitoring data. If appropriate, data can also be taken from official statistics and reports on local labor-market conditions or the economic situation of local small-business owners.



6.2 RESULTS THAT ARE DIFFICULT TO MEASURE

In some cases, for a variety of reasons, verifying results can represent a considerable challenge. The following section provides several examples of results that are difficult to demonstrate, and describes possible approaches for the social impact analysis in these cases.[1]

Challenge: Verifying results that take time to appear

Many social projects aim at achieving results (outcomes and impacts) that manifest only after a period of time. In order to be able to make statements about such cases, the data must be collected after the end of the project, or after participants have ceased to participate in the project. In many cases this can represent a considerable challenge, as it is often very difficult and expensive to locate and contact the former participants after the passage of time. Careful updating of the contact database is invaluable in such cases, and it can also be helpful to explain to the participants at the end of the project that they will be contacted at a later stage.

A further challenge is to verify that long-term effects are in fact attributable to the project's activities. This is because the former participants will have been subjected to many other influences in the intervening time. Only in rare cases is an impact evaluation using control groups carried out.

Former participants can be asked to assess the extent to which the project has influenced their current situation. It is possible here to draw on the logic model along with the effects verifiably produced during the course of project participation. If it has been established during the project that results were achieved among participants at outcome level 4 (changes in awareness, knowledge, attitudes and skills) and level 5 (changes in behavior), then it is possible to conclude with some confidence that the project will have had longer-term effects regarding target individuals' living situations (level 6).

Challenge: Participants cannot / do not want to be interviewed

In some projects it is difficult to interview the participants. This may be due to a variety of reasons. Some target groups are reluctant to participate in surveys because they think they could experience disadvantages as a result. For example, they may have been affected by violence, or they may have been involved in criminal acts. In such cases it is important to guarantee and ensure absolute anonymity. Other target groups are not in a position to provide information in an interview setting (for example small children or people with advanced dementia). One alternative in such cases may be to interview people who are close to them (such as parents or caregivers).

Challenge: Demonstrating the results of campaign work /advocacy

Projects involving campaign work and advocacy are concerned with representing the

Good to know: What are control groups?

In the context of an evaluation, a control group is a group used as a basis for comparison with the group that has participated in a project. The control group does not participate in the project. This makes the comparison with the participating group possible, and enables statements to be made about the effectiveness of the project being investigated.

The control group is a criteria for the significance and reliability of evaluation results, as otherwise, it can be unclear whether results attributed to the project may in fact depend on other causes. However, impact evaluations with control groups are very expensive, and are rarely conducted.

[1] Source: see United Way (1996: 74ff)

interests of particular groups or advocating on behalf of special interests. Examples include campaigns against smoking or on issues in the areas of environmental policy, educational policy or inclusion. The objectives in these cases include influencing both decision makers and public opinion, and stimulating processes of societal change that manifest in changes of awareness and behavior.

In such cases, it is hard to ascertain results. Whether a campaign has achieved the desired impact at the societal level can best be judged in large-scale studies (e.g., on the health status of the population), but these can hardly be carried out by individual organizations. For this reason, the logic model should therefore be used to define partial objectives for which data can be collected. An example could be the influence successfully exerted on relevant decision-makers and multipliers, which could be verified by determining whether these individuals had acceded to the demands or had adopted the organization's arguments in their own messages. Another option could be to examine whether there is an increased level of reporting on the topic in the media. Here, the technique of "Outcome Mapping" offers a useful aid in the development and evaluation of project objectives (for more information on this topic, → "Further reading" at the end of this publication).

Challenge: Verifying results when the target groups are organizations

In projects that have organizations rather than individuals as target groups, the results are any benefits deriving from the project's support that are experienced by the target organizations. Changes in an organization's knowledge base or mode of operation would be medium-term outcomes, while the long-term result would be the increased effectiveness of the organization's work. These results can be depicted in part by quantitative data, but qualitative data will generally be of most use. For example, if a project supports an organization's recruitment and management of volunteers, then the result at outcome level 4 is that the organization has learned how to attract and oversee volunteers, while the result at outcome level 5 would be that the organization actually applies this new knowledge. Results at outcome level 6 would be achieved if the organization was able to implement its projects more successfully as a result of the improved volunteer management.

Challenge: Verifying results at the impact level

The challenges when trying to assess results at the societal level (impact) are similar to those faced when the results can be observed only after the end of the project. This is because in most cases the changes at the societal level will only become fully apparent long after the project has been ended. This is also one of the reasons why it is difficult to attribute the results solely to a single project, as many different factors will have influenced developments within a complex societal context. In this regard, filtering out the "net impact" of an individual project is very difficult. However, this does not mean that no attempt should be made to draw conclusions about the project's results at the

Good to know: What is social return on investment (SROI)?

Social return on investment is an approach to social-impact measurement that deals with assessing the added social value created by (social) projects. It has been increasingly discussed in recent years, but has also been the target of some criticism.

SROI analyses seek to quantify project results and express them in monetary terms. As a rule, they seek to measure the potential state costs saved as a result of the project's activity. For example, the successful resocialization of convicts enables the state to spend less on prisons or oversight by social workers. SROI analyses are very expensive procedures, for which a high degree of expertise is necessary. In addition, given the society's complexity and the interdependency of effects, it is critical to ask what informative value such a figure truly holds.

Source: see Hoelscher (2011: 32)

Important tips for collecting data

- Begin planning the data collection during the project-planning phase.
- Choose the data-collection instruments on the basis of the questions to be answered by the project and the related indicators.
- Don't collect too much data – focus on answering the core questions.
- Draw on existing data first, before gathering fresh data.
- Design the data collection instruments so as to avoid data overload.
- Use a variety of data sources and collection methods.
- Test the data-collection instruments before using them.

societal level. Funders increasingly require such reports. Nevertheless, a methodologically high-quality evaluation at the impact level involves the deployment of considerable resources. For the project, this means that the issue of societal impact should be considered as part of the social impact analysis, but that expectations should also be kept at a realistic level.

Challenge: Verifying the results of open-offer projects

Projects involving open offers for children, young people, or the elderly frequently find it hard to make statements about how effective they have been, and may therefore find themselves under pressure to justify their activities. The group of participants or visitors is often heterogeneous and participation irregular, so that it can seem difficult to set project objectives and verify results.

When formulating their project objectives and indicators, open-offer projects should therefore ask: Why do visitors take advantage of our offerings? For instance, a senior citizens' meeting place is presumably not visited solely because the coffee is so good and the cake so inexpensive. Visitors will also be interested in meeting with other people, conversing with them and doing things together to improve their quality of life. What would be the appropriate project objectives and indicators in this case?

And even though outsiders might gain the initial impression that children and young people in a youth center are only "having fun," this offering can provide them with important space to develop (among other things) personal, social, cultural and political skills, and to learn to take on responsibility. What would be the appropriate project objectives and indicators here?

Qualitative surveys, case studies and the collection of anecdotal evidence are suitable data-acquisition methods here, and in combination with quantitative output figures and statements by participants about how satisfied they are with the offers, can paint a convincing picture of the project's success.

Challenge: Verifying results for prevention projects

If there is a noticeable decline in HIV infection rates or unplanned pregnancies in teenage girls, how can it be shown that these results are attributable to the project in question?

If the project has worked directly with the target group, then some time after participants have stopped taking part in the project, a survey can be conducted to determine if the desired results of the project have been achieved and have persisted though time. For most projects, the use of control groups will not be practical. However, it may be possible to draw comparisons with similar groups, for example young people in a parallel class or from another school in the same city district that did not take part in the project. This can allow inferences to be made as to whether the project has achieved results among its participants.

Here too it is possible to make use of the logic model in combination with the substan-

tiated results achieved during the course of the project (→ "Challenge: Verifying results that take time to appear").

6.3 QUALITY CRITERIA FOR DATA COLLECTION

Use a variety of data sources and data-collection methods

In order to make sure you have set the right course while on a sea voyage, you probably rely not only on the view from your crow's nest, but also on the information provided by nautical charts and GPS. The differing perspectives from a variety of sources help to provide the most meaningful findings and avoid taking a wrong turn in your navigation.

In any analysis of results, it is important to combine multiple data sources and methods of data collection in order to verify the quality of the data, and possibly even improve it. For a meaningful analysis, you should thus use both quantitative and quantitative methods. This is sometimes called "triangulation."

Test data collection instruments

Before you begin your data collection, you should test your data-collection instruments (such as the questionnaire you've developed or your interview guidelines). No matter how well the instruments have been constructed and the procedure planned, flaws that threaten the quality of the process are always possible. For this reason, it's worth the time and expense to test the instruments first with a small number of people, and interview these people afterward. During this so-called pre-test, pay attention to the following points:

- Are the questions formulated clearly, without any possibility for misunderstanding? Could the target group make sense of the wording used in questions, or have potentially unfamiliar foreign words been used?

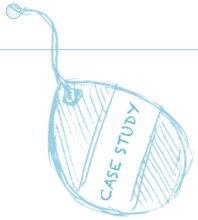
- Is the content of the questions reasonable? Have you taken care that the questions will avoid any discomfort or defensiveness among the respondents?

- Are the instructions for the people who will carry out the data-collection procedure clear and incapable of being misunderstood?

- Is the length of the survey/questionnaire appropriate? In some cases, surveys last too long, and respondents become impatient and lose their concentration, which has a negative effect on the quality of their answers.

Case Study BIP

In order to determine whether participants' business skills and socioeconomic conditions are improving, BIP collects data using various methods. The participants are given questionnaires and asked in focus-group discussions to assess their own business skills, and take a test at the end of the financial-literacy training. In addition, the trainers and coaches are asked to assess participants' progress.



7. DATA PROCESSING AND ANALYSIS

In this chapter, you'll learn:

- **How to process and analyze the data you've collected in order to obtain information you can use.**
- **How to derive concrete conclusions and recommendations for action from this information.**

When collating and analyzing together with your crew the feedback you receive from passengers both during and after your sea voyage, it is important to include your own impressions and information from others involved with the journey. Did you reach your goals with all your passengers on board? Did the journey go as planned? Did the passengers enjoy the trip? Were you able to gain something through the journey? Did anyone feel ill at ease during the trip? If so, why? What are the lessons learned for future journeys?

The previous chapter presented a variety of means of collecting data. Once this data has been acquired, a significant step has been taken. However, the effort will have been wasted if the data winds up gathering dust in stacks of unexamined questionnaires, or disappearing deep into your computer as unprocessed Excel spreadsheets. The data is a treasure, which must be put to use after being brought to light. The next step thus focuses on transforming this data into information from which you can learn, and which you can use for impact-oriented project management.

Depending on your specific interests and the amount and quality of the data collected, the processing and analysis of data can be demanding. In some cases, experience and expert knowledge will be needed. However, the goal of this chapter isn't to turn you into a data-analysis professional, but rather to convey practical tips for handling the data

What do you want to know?

Don't carry out analysis just for analysis' sake. It's important to keep your own specific interests and questions in sight throughout the data analysis process!

acquired in the social impact analysis that can be implemented even by small projects. In four steps, the following sections will show how you can draw useful conclusions from an apparent mountain of information, and subsequently develop recommendations for action. Before starting, it is good to have an idea of when data analysis should be conducted and who will assume responsibility for it.

7.1 WHEN AND HOW OFTEN SHOULD DATA BE PROCESSED AND ANALYZED?

Experience shows that data that isn't used soon after its collection is likely to be lost. You should thus process and analyze data as soon as possible after collecting it. This is the only way to be sure that the information so necessary to project steering and communication will in fact be current. Moreover, this is the only time you'll have the opportunity to collect additional information, if you notice soon after the original data acquisition that certain elements are still unclear.

This means the processing of the data is generally adapted to the rhythm of the data-collection process (→ Chapter 4: "When should M&E be carried out?"). For the data analysis, the appropriate timing depends on the individual set of questions being asked. For example, data could be analyzed shortly after its collection in order to develop a picture of the current status quo. However, the same data could also be used at a later time in an additional analysis, if developments over time are being examined, for example.

7.2 WHO IS RESPONSIBLE FOR THE PROCESSING AND ANALYSIS OF DATA?

For monitoring and internal evaluations, the initial data processing should be performed by the staffers who have also collected the data. If more people are involved, it's a good idea to designate a single person to be responsible for merging the data and coordinating its analysis. In the case of external evaluations, processing the data is an element of the external evaluator's job.

The quality of analysis findings will depend strongly on who is involved in the analysis. For this reason, data analysis shouldn't take place behind closed doors! Talk about the process with colleagues from the project, and involve other stakeholders so they can help assess and scrutinize the analysis findings. In this way, various interpretations of the findings can be integrated, potential faults in the conclusions can be discovered, and the desired learning processes will be placed on a broader foundation from the very beginning. If an external evaluation is being done, the external evaluator should present the analysis findings in front of a representative group of project stakeholders who have some connection to the evaluation's thematic focus, with the opportunity to provide feedback.

Case Study BIP

The information collected by BIP in the course of its regular monitoring is initially processed by the project manager, and analyzed in a first step. The findings are presented and discussed during the BIP leadership-team meeting. As necessary, participants and trainers are also invited to take part.

When the findings of the external evaluation are presented (focusing on "participants' business skills"), the meeting is also attended by trainers, coaches and some participants. In this way, it is possible to discuss the findings of the evaluation as they compare to various stakeholders' everyday experiences.

Tip: The following questions will help you work with your data

Questions for *data processing*	Questions for the *plausibility check*	Questions for the data analysis *(comparative)*	Questions for the data analysis *(conclusions)*	Questions when developing *recommendations for action*
Step 1	Step 2	Step 3		Step 4
Are trends or clusters apparent in the data?	Were quality controls present during data processing? Do the results differ strongly enough from participating stakeholders' assessments that processing could have been faulty?	How do the results compare to early results, planned results or results from other projects? Are the results better/worse than expected? Are developments evident that deviate from the project's plan?	If this is/isn't the case, why? Are any relationships evident? Are changes evident in the fundamental assumptions or context of the project (e.g., with respect to target-group needs)?	How can this be changed? Does the project have to be adapted? Do the project plans need to be adapted? What should be done?

What additional information will be necessary to answer these questions? What points should be examined more closely or analyzed more carefully?

7.3 FOUR STEPS, FROM DATA PROCESSING TO THE DEVELOPMENT OF RECOMMENDATIONS FOR ACTION

The following sections will show how you can proceed in four steps from the data collected in the social impact analysis to recommendations for action that can help you – where necessary – make your project even more impact-oriented.

Although it is sometimes relatively easy to draw conclusions from data, in the majority of cases, the raw data will have to be processed before it can be turned into usable information (Step 1). The quality of this initial data processing is of great importance, and should be examined before moving on (Step 2). When ultimately analyzing the data (Step 3), it will be necessary to view it in context, draw appropriate cross-connections, identify trends, and assess and interpret results on a comparative basis. Finally, recommendations for actions can be formulated on the basis of the analysis results (Step 4).

Step 1: Processing data

The data that has been collected must first be put into a form in which it can be evaluated. This preparation involves systematizing and synthesizing the data. The exact nature of processing will depend on how the data was gathered (→ Chapter 6: "Data-collection methods"). Quantitative data can be organized in a spreadsheet (e.g., using Microsoft Excel). In the case of qualitative data such as that obtained from interviews or questionnaires with open questions, the core statements must first be systematically brought together and consolidated.

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Step 2: Plausibility check

Although the plausibility check may seem at first to be a relatively small step, it is nevertheless very important. This is because errors in the collection and assessment of the data can seriously distort the findings of the overall evaluation. Quality controls should be continuously in place during the evaluation process. And while data processing should be carried out by only a few people, the plausibility checks should involve stakeholders who know the project well enough to be able to assess the data processing results. For example, project personnel will probably be in a position to judge whether the findings are in accordance with or contradict their experience and expectations. Where necessary, you should ask experts for advice.

Preparing data using a spreadsheet

ID Participant *	Development of bookkeeping skills (on a scale of 1 to 6)		Training course completed?		Took part in coaching sessions?		Able to apply bookkeeping skills taught in courses?		Increase in income?	
	6 months	12 months	yes	no	yes	no	yes	no	yes	no
101	3	6	x		x		x		x	
102	2	5	x		x		x		x	
103	1	3		x	x			x		x
104	1	4	x		x		x			x
...										
...										
Total / Average	1.75	4.5	3	1	4	0	3	1	2	2

Step 3: Data analysis

The processing of data in Step 1 is purely descriptive – that is, the results are presented "as they are." This might involve statements such as: "30 percent of our participants have been able to expand their business." The analysis of the data builds from and reflects on this description, in many cases through a comparative interpretation and assessment of the results. It is important to note that at this stage, "assessment" does not entail statements as to whether the project in itself is "good" or "poor." Rather, the aim is to set the results in a particular context,

* **Note:** Instead of using names, the datasets are organized using anonymized codes. This protects the confidentiality of the information, and improves the ease of handling when evaluating large amounts of data.

Case Study BIP

Within the BIP, trainers and coaches are tasked with collecting monitoring data at regular intervals and passing this on to the project manager.

The project manager supports trainers and coaches in this task from the beginning, thus ensuring the quality of the data collected.

During the consolidation and processing of the data, the project manager reviews the data's plausibility and consults the trainers and coaches if they have any questions. The BIP team's internal discussions serve as a further quality check.

and then determine against this background whether the project is proceeding as planned. For impact-oriented project management, the analysis of the data is therefore an important step that creates the basis for learning and improving.

Drawing comparisons: An important step, but be careful!

Comparisons are a key aspect of the data analysis. They provide the foundations for the assessment of the results. However, many people in the non-profit sector are less than happy about the idea of comparing their work with that of other projects. There are various reasons for this. Many projects regard their work as being so unique that they see no basis for any comparisons. There is also a fear – not entirely without justification – that funders will use the results of comparisons as the basis for their future funding decisions. But, in fact, purely quantitative comparisons without any interpretation of the figures are not a good decision-making basis. For example, the numbers of young people transitioning from school to work in economically weak regions cannot be usefully compared with the transition rate in regions with a broader range of employment opportunities without also taking the labor-market situation into account. Measuring success exclusively in terms of an isolated "hard" figure such as school-to-work transition rates can also have the effect that projects whose funding depends on this parameter will tend to work preferentially with those youth most likely to show success on this measure. This so-called "creaming" has the consequence that "difficult cases" will be excluded from the project, and will thus not even be given a chance. Therefore, when making comparisons, care should be taken to interpret the results within the appropriate context. However, despite these challenges, comparisons form the fundamental basis for learning and improvement (→ Chapter 8). Without comparisons, it very difficult to determine how successful a project really is and how it is developing. Comparisons provide a basis for discussions, (collective) learning and decision-making.

Types of comparisons

To be useful, comparisons must be made against the background of a particular interest or set of questions. Various types of comparisons can be made on the basis of the data collected for the social impact analysis. While most of these will be internal, looking within the project itself, some types of comparisons contrast the current project's results with data from other projects. What type of comparison you use for your own project will depend on your own set of questions.

The following section will present various types of comparisons, while the BIP project example will be used to show how potential conclusions can be drawn in the data-analysis process.

	Percentage of people making regular deposits in their bank savings account		
	Business-association members, total	Business-association members taking part in the financial-literacy training	Business-association members not taking part in the financial-literacy training (control group)
before the start of the project (baseline)	10%	10%	10%
after 6 months	20%	30%	10%
after 12 months	30%	45%	15%

1. Before-after comparison

A before-after comparison presents changes over time.

Example: The aim is to determine if there has been a (positive) change in savings behavior among the members of the local business association who took part in the financial-literacy training (see table).

Possible conclusions: The proportion of participants in the financial literacy training who made payments into a bank savings account increased by 35% within 12 months. In order to determine the degree to which the change was due to participation in the financial-literacy training, it is necessary to make additional comparisons. For example, the percentage of people that took part in the training can be compared with the percentage of members of the local business association that did not take part in the training. It could also be that the overall percentage of people who opened bank savings accounts went up because a new bank offering good conditions opened in the vicinity. In this case, participation in the financial-literacy training might not be the primary factor driving the increase in savings behavior.

Before – after comparison

2. Target-actual comparison

A target-actual comparison compares the actual results with the project's intended goals (target values).

Example 1:
The aim is to determine whether the percentage of participants who were able to increase their income has risen as much as hoped.

*1: In the first year, the project has not (yet) achieved its targets. Here, it should be considered whether a change in the project's contents and procedures might contribute to an improvement. One should also consider whether the target may have been too high, in which case it should be adjusted. This can happen, particularly in the early stages of a project. A comparison with other (similar) projects can be helpful here.

Target-actual comparison, Example 1

	Percentage of participants who were able to increase their income in the year after concluding the training program		
	Current value	Target value	Difference (percentage points)
Training year 1	50 %	70 %	-20 *1
Training year 2	70%	70 %	0
Training year 3	60%	70 %	-10 *2

*2: After achieving the target values in the second year, the percentage has fallen again for the participants in the third training year. This demands attention, but is not necessarily a cause for great concern. The reasons might lie in the project itself (are there signs of a drop in quality, or has it become necessary to respond to changing requirements?) or may be external (for example, changes in the region's economic conditions). It can be helpful here to refer back to the problem tree (→ Chapter 1), which depicts the overall spectrum of causes and effects within which the project operates.

Example 2: The aim is to determine whether the participants in the financial-literacy training are satisfied with the trainers.

Very satisfied	Satisfied	Dissatisfied	Very dissatisfied	Total
10% (N=6)	50 % (N=30)	30 % (N=18)	10 % (N=6)	100 % (N=60)

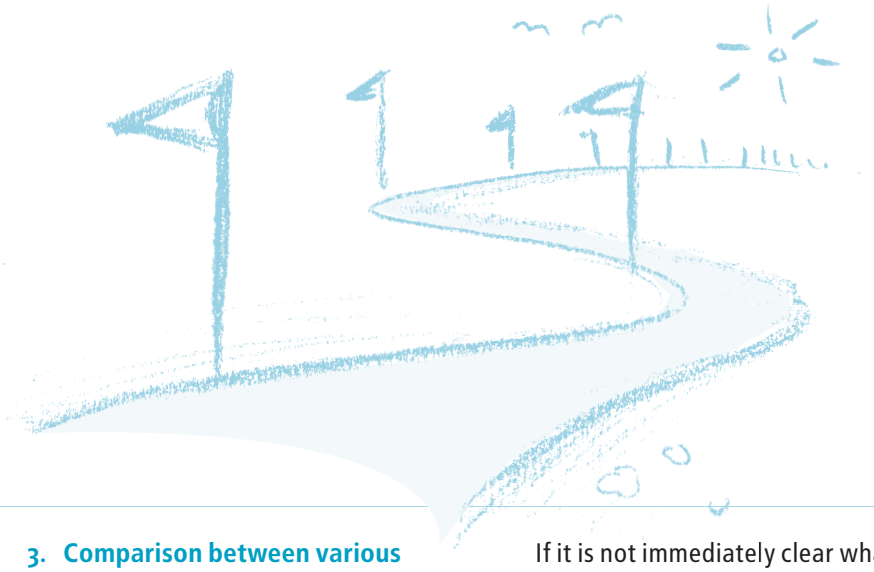
Possible conclusions: A total of 40% of the participants are not satisfied with the trainers. Even though the project managers had no explicit target value to use as comparison here, there was agreement that this result was both surprising and much too high. What could be the reason for the dissatisfaction? For example, is it possible to determine whether the participants in question had attended the same course? Are there ways in which this course may have differed from other courses? What can be done to increase satisfaction levels?

Example 3: Comparison of the expectations/targets held by participants and their trainers with final outcomes.

	Jointly agreed goal for 6 months after the end of training	Goal achieved after 3 months.	Goal achieved after 6 months.
Profit-margin increase	Profit margin increased by at least 10%	Profit margin increased by 5%	Profit margin increased by 8%

The small-business owners, their trainers and the coaches jointly consider what kind of (realistic) improvements – in this case, with regard to increasing profit margins – they want to achieve together.

Possible conclusions: On the basis of the results, the following questions should be addressed together with the participants: "Which of our joint targets have we achieved? Where can we already congratulate ourselves? Where do we still have more to do? Which additional measures could provide useful support – for example, additional training courses and/or coaching sessions?"

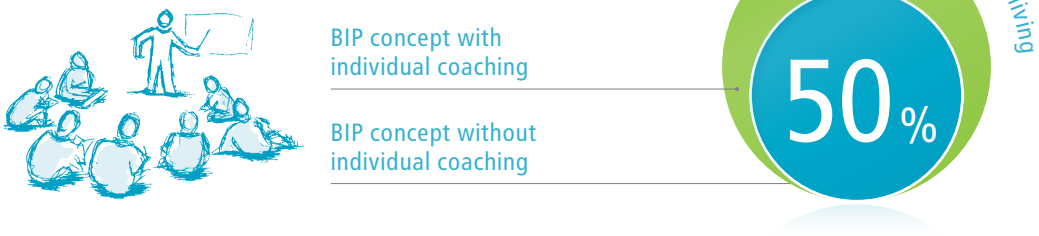


3. Comparison between various project configurations

A comparison between various configurations of the project's implementation enables inferences to be drawn regarding aspects of the project that contribute to its successes. For example, if a project concept is changed following an evaluation, the results of the previous evaluation can be compared with the new evaluation in order to determine whether the changes have led to different or better results.

Possible conclusions: The individual coaching sessions seem to have a positive effect on participants' income and thus on their standards of living. In this example, project organizers already had the impression, derived from the project's daily operations, that individual coaching was an important factor in achieving the project's goals. The analysis of this data confirmed this suspicion.

If it is not immediately clear what factors should serve as the focus of the analysis, then further consideration is required: What are the project's various elements (e.g., individual coaching or additional courses for participants with special needs) and quality factors (e.g., individual coaching provided by specialists), and can they be used to draw conclusions with regard to factors contributing to successes? For example, had the participants who were able to increase their income received individual coaching? Were the participants who significantly improved their bookkeeping skills and then applied these skills in practice the same ones who received individual coaching from an expert? Answers to these questions could be helpful in the development of the quality criteria for the project. In BIP's case, it was determined on the basis of the data that the individual coaching would be provided by experts in the future, rather than by volunteers as had previously been done.



Example: The goal is to determine whether participants who took part in individual coaching sessions as well as training courses were more likely to increase their incomes and improve their standards of living.

Example: The aim is to determine whether all target groups/sub-groups are being reached as planned.

Participants		
Men	Without primary-school education	25
	With primary-school education	15
Women	Without primary-school education	5
	With primary-school education	20
Total	N =	60

Possible conclusions: In the initial needs analysis, BIP identified women without primary-school education as a particularly needy target group, and elected to provide them with special support. However, there are clearly comparatively few women without primary schooling in the current training group. The reasons for this should be considered. Do the figures reflect the actual needs in the currently active training group? It could be that in a certain district of the city, there are fewer women lacking primary-school education available to take part in the program, or that in certain business sectors (e.g., carpentry) there are relatively few women involved. Alternately, organizers should consider how to more effectively encourage this specific target group to participate in the project.

4. Comparison between target groups / sub-groups

For some sets of questions, a differentiation between various target groups or sub-groups can be helpful in the course of data processing and analysis.

5. Comparison among projects and benchmarking

Benchmarking is a particular form of learning between organizations. A benchmark can be regarded as a standard of measurement or reference value, and benchmarking is accordingly seen as a way of working with standards of reference. By benchmarking, we mean here a (continuous) comparison of costs, results or effects with other similar projects. This might be similar projects from other organizations, or the same project in another location. While benchmarking can involve the entire project, it is often more useful to focus on a certain project element.

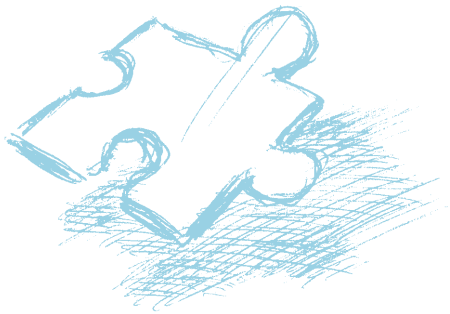
If projects are to be usefully compared, there must of course be some fundamental similarity between them. Although projects are often designed quite differently, there are few projects that have (at least in part) absolutely no similarities with any others. Because of this, it will be useful to keep your eyes open and seek to make targeted contacts with similar projects.

Conducting a "methodologically correct" benchmarking procedure is likely to be a very expensive process, requiring expertise and information that is beyond the scope of this publication. However, a basic concept of benchmarking can be noted, namely, that benchmarking can provide helpful orientation for a project's further development.

Benchmarking is particularly valuable in allowing organizations to learn both from and along with one another.

You can carry out an "everyday" benchmarking process by keeping your eyes open for organizations that are carrying

out comparable projects. If you see that some organization is particularly good at achieving results or works more efficiently than your own organization, or has an interesting additional element in its project concept, then talk to them! Doing so can generate knowledge that improves your organization's internal processes, concepts and results while also fostering learning across organizations for mutual benefit.



Example: Comparison of standard-of-living improvements among participants' families in various projects

Project location	BIP	Project 2	Project 3
Improvement in the standard of living of participants' families in year x	60%	55%	70%

Possible conclusions: The comparison with two similar projects reveals that one of these (project 3) has shown greater improvement in participants' families' living standards than has BIP. In considering this fact, it is first necessary to determine whether the approaches really are comparable, whether the project operates in the same region or one with comparable conditions, and whether the results of the other project are consistently this good, or if perhaps instead a particularly strong group of recent participants has skewed the results. As a next step, the BIP project team should contact the other project to learn about any factors contributing to its success (e.g., additional training and coaching sessions, or longer and more intensive individual support from the coaches). BIP organizers should then consider whether these factors could be integrated in their own project strategy.

Be careful of false conclusions!

The data-analysis process should be as objective as possible.

Therefore, when carrying out the analysis and evaluation, it should be made very clear what basic assumptions and value judgments underlie the interpretation of the data. For example, a youth's decision to become a hair stylist might be regarded as an unsatisfactory outcome in a career-oriented project by someone who attributes higher worth to an academic course, even though this may be a dream job for the young woman.

Case Study BIP

In some cases, an analysis will make it clear that you need to gather additional data (possibly using other instruments).When one of the regular BIP participant questionnaires showed an unexpected lack of satisfaction with the training courses, organizers decided to get to the bottom of the issue by conducting a qualitative focus-group survey with the participants.

Questions for *data processing*	Questions for the *plausibility check*	Questions for the *data analysis (comparison)*	Questions for the *data analysis (conclusions)*	Questions when developing *recommendations for action*
Step 1	Step 2	Step 3		Step 4
How many of the participants apply their newly acquired bookkeeping skills in daily life? How has their expenditure behavior changed?	Was the evaluation subject to quality controls?	How do the results achieved compare with expectations?	Why is that? Is it possible to identify causes and/or connections?	How can changes be made? Should the project be adapted? Should the plans be adapted? What should be done?
60% of the participants are applying their bookkeeping skills 3 months after the end of the training. Since this time, they have been calculating their expenditures.	The data was collected by the trainers and subjected to random checks by the project manager. The results are discussed in the evaluation meetings.	The project remains behind its target of 75% of participants applying their bookkeeping skills outside the courses. Participants' bookkeeping is only of moderate quality.	Participants without primary school education in particular fail to apply the bookkeeping skills, or apply them poorly. Formal schooling is evidently a key factor in the successful application of bookkeeping knowledge.	In addition to the project's existing elements, participants should be given more support in applying the skills they have acquired. Therefore, BIP decided to offer an additional course for participants with particularly low levels of education attainment.

Fig.: The four steps of data processing are illustrated with the BIP example.

Step 4: Conclusions and recommendations for actions

Even the most careful data collection and analysis is pointless if the findings aren't put to use. The aim in the fourth step is therefore to derive recommendations for actions from the findings of the data analysis. These recommendations mark the first point at which the findings of the social impact analysis are used. This is a key step for impact-oriented project management, and can produce substantial benefits if implemented carefully.

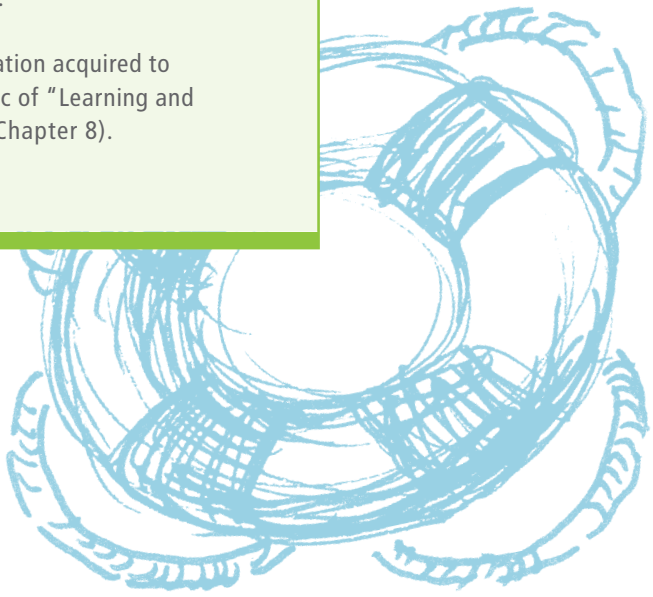
Developing recommendations for actions without engaging in robust discussion is a sure way of impeding their implementation. As in the other phases of the impact-oriented project cycle, a participatory approach is the key to success here. The findings should be presented to the relevant stakeholders for discussion in the context of a workshop. It may also be appropriate to invite experts to take part. The recommendations should then be formulated *jointly* on the basis of the discussion's results, so that stakeholders can identify with them and be prepared to implement or support the next steps.

What can you do about "poor" results?

Even if you have done excellent work in your project, the results may not live up to your expectations (or the expectations of the stakeholders). What should you do in such a case? First, you should look for reasons for this disjunction during the course of the data analysis. These could lie either within the project or outside it. In addition, results should always be placed in the broader context of the overall project, making it possible to understand how they should be interpreted. The problem tree is a useful instrument in this regard (→ Chapter 1).

Systematic monitoring throughout the project should help to prevent any surprises due to "poor" results. Make sure to maintain regular contact with stakeholders and keep them informed about developments. Explain clearly why results are lagging behind expectations, and what counter-measures you are planning. Ideally, funders will appreciate this and will actively support your process of learning and improving, rather than withdrawing their backing. The findings of a BIP analysis, for example, identified low education levels among several participants as a hurdle to financial literacy. BIP management, together with the program's primary sponsor, a foundation, developed a project module tailored specifically to this issue that is now financed by the foundation.

In any case, you should endeavor to use the information acquired to learn lessons and introduce improvements. The topic of "Learning and Improving" is the subject of the next chapter (→ Chapter 8).



PART 3: IMPROVING RESULTS

Everything can always be done better than it is being done.

Henry Ford (*1863 – † 1947)

The contents of Part 3 are as follows:

In Chapter 8, you'll discover how you can learn from the findings of the social impact analysis, enabling you to adapt and improve structures, processes and strategies in your project work.

In Chapter 9, you'll learn how to use the findings of the social impact analysis for your reporting and communications work.

In Chapter 10, you'll learn to determine whether and how you can scale up your effective project, using the positive results of the social impact analysis as a basis.

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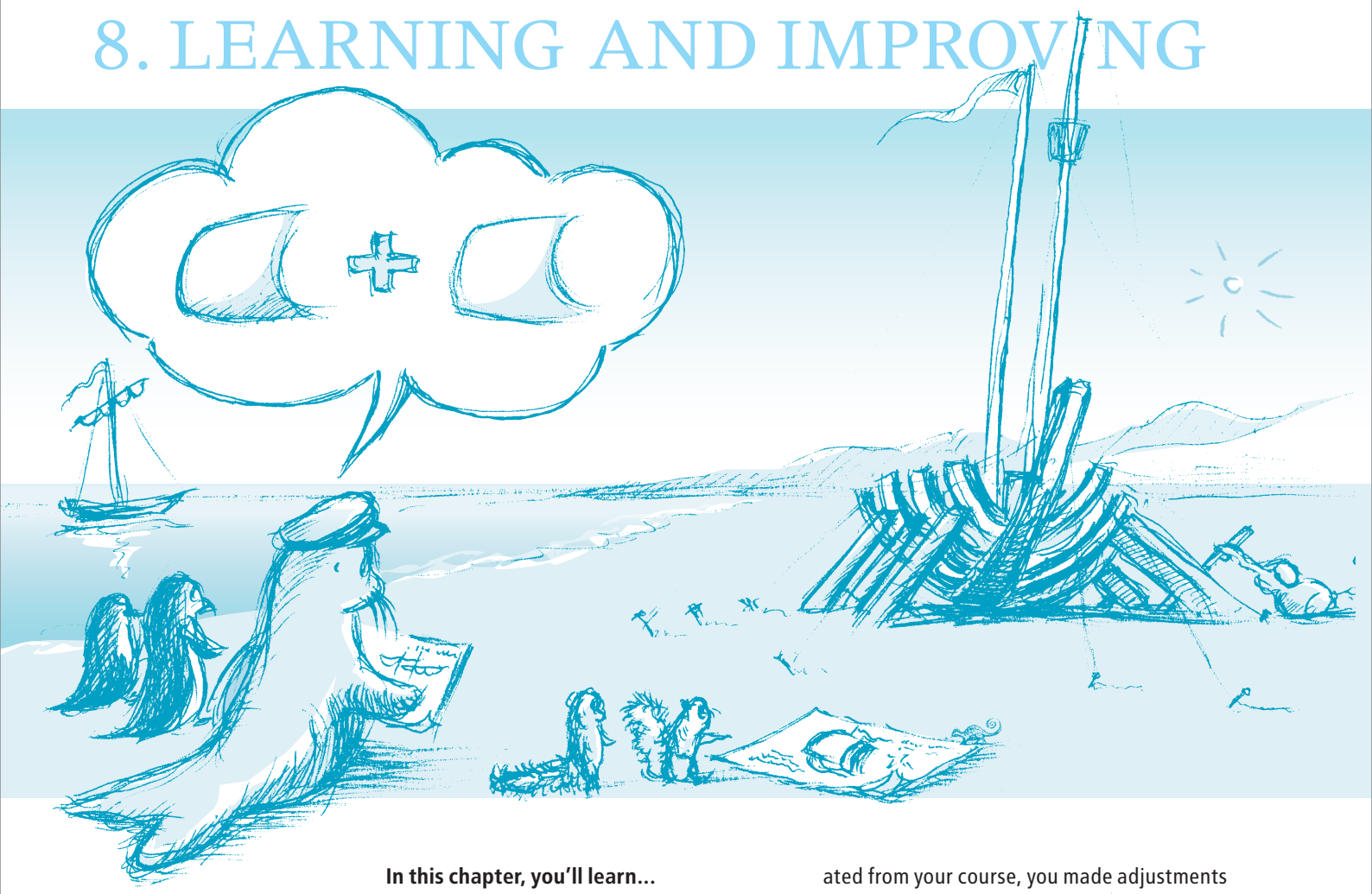
You've now experienced quite a bit on your sea voyage. After completing your planning, you set out to sea, and following a lovely, at times adventurous trip, you are approaching your destination. In this process, you adjusted your course from time to time, kept a logbook and wrote up a report on your travels. Given your considerable success and the passengers' positive feedback, you're considering how still more people can be given the pleasure of such a journey.

In managing your impact-oriented project too, you've already accomplished a great deal: You've formulated project objectives and a logic model, implemented your monitoring and evaluation system, collected data on the basis of indicators, assessed the results and derived recommendations from them. Now it's time to use the results. The social impact analysis makes little sense if you don't ultimately use its findings – this would be like running a marathon, but congratulating yourself on a job well done just before the finish line, and going straight off for a nice cup of coffee.

Part 3 of this guidebook thus addresses the use of the social impact analysis' findings.

Learning, improving and communicating shouldn't be viewed as wholly separate tasks – indeed, they complement and overlap with one another. Keep in mind as you read the following sections that these aren't linear tasks, to be implemented one after the other. Rather, they're part of an interlocking process.

8. LEARNING AND IMPROVING



In this chapter, you'll learn...

- **Why learning is important for impact-oriented project work.**
- **What defines a learning organization.**
- **How you can learn and develop improvements on the basis of your social impact analysis findings.**

After your sea voyage, you sit down with your crew and reflect on whether and to what degree you reached your destination and the objectives of your journey, and how the trip went overall. You discuss what you could do differently the next time around in order to better achieve your goals, and note this in your final report on the trip. But even during the voyage, you conducted regular conversations with your crew and the passengers, which allowed you to react as quickly as possible to problems and complaints. If your navigation information showed you had deviated from your course, you made adjustments accordingly. And when a bit of feedback in combination with unfinished dinner plates let you realize the guests weren't enjoying their food, you brought this up at your regular crew meetings. It emerged that some passengers were seasick, but also that the cook didn't have sufficient time or the necessary ingredients to prepare special light meals for them. You considered together how to improve the food despite this situation.

Learning involves a regular review of the findings of the social impact analysis, guided by the overriding question of whether and to what degree your project is moving toward achievement of your objectives. In the course of the learning process, you can identify strengths, weaknesses and untapped potentials, and where necessary you can draw conclusions about possible improvements.

In this regard, learning is a precondition for the quality, results and further development of your project. An organization that carries out monitoring and evaluations but neither scrutinizes nor learns from the findings runs the risk of stagnating and simply carrying on business as usual, even if the desired results are not being achieved, or the project context and target-group needs have changed. The analysis of the social impact analysis data (→ Chapter 7) provides the foundation for learning.

How does impact-oriented learning work in practice? The next section will look at the requirements for learning at the organizational level. Then we'll show how learning works both within an organization and between organizations.

8.1 REQUIREMENTS FOR A LEARNING ORGANIZATION

Learning effectively from a social impact analysis requires that data be available and the presence of certain conditions that promote learning within an organization. In this regard, the organizational leadership, the resources available for the learning process, a culture of learning and tolerance for failure, the organizational structure, effective knowledge management, and a transparent style of information-handling are all important. Learning is not a one-time task or isolated outcome; rather, it's a dynamic process that takes place throughout the project cycle. To facilitate this, the *organization's leadership* must promote learning and ensure that a learning culture is an essential part of the organization. In a learning-friendly environment, information will be made accessible and incentives will be provided for learning. At the same time, the organization's leadership must make the necessary *resources* available, in order that learning can actually take place. An essential requirement is that sufficient time is set aside to enable staff members to meet together and reflect on potential lessons. Learning can also involve expenditure, for example if a knowledge-management system has to be established, or if external experts have to be called in.

The learning culture goes hand in hand with a *culture of learning from mistakes*. This means that errors and weaknesses are accepted, with the aim of learning from them and making improvements. The organization's staff members must be encouraged to contribute to discussions and must feel able to speak openly. If the errors and weaknesses identified in the course of the impact analysis are used to find people to blame and punish, open exchange will be virtually impossible. It will waste the opportunity for learning, and staff members will come to regard the impact analysis solely as an instrument of control. A further component that promotes learning is an *organizational structure* with defined roles and responsibilities for collecting, using and sharing knowledge.

Particularly in non-profit organizations with large numbers of staff members (including volunteers) who are not always present or who frequently change, it is important to document processes and results in order to avoid the loss of knowledge. In order to ensure that the lessons learned are available for the organization in the longer-term, it's helpful to have a *knowledge-management* system in place that simplifies access to the relevant information and makes the

Good to know: What are the benefits of learning

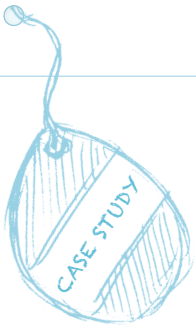
Learning together from the findings of your social impact analysis…

- Continually improves processes, and ideally your project's results.
- Builds knowledge within the project and the organization.
- Provides the foundations for important decisions.
- Helps to motivate personnel by making successes visible and contributing to a stronger identification with the work of the project.
- Promotes understanding among staff members of the need for a social impact analysis, and acceptance of the decisions taken on the basis of the impact-analysis findings.

Case study BIP: When the BIP project began, the underlying knowledge and ideas were rooted in the minds of only a few people. There was no need to discuss many issues, because everybody knew what was involved and how procedures were organized. However, as the number of participants, trainers and coaches grew, it became clear that it was no longer possible to assume that everybody knew everything and was up to date on the latest developments. The management therefore decided to focus on learning. Regular workshops enabling exchanges between full-time personnel and volunteers have now been institutionalized. As part of the knowledge-management system, decisions are now systematically documented and archived.

Important changes and/or decisions are sent out to all trainers and coaches by text message or e-mail. Documentation for the training courses is kept in the project manager's office, and can be accessed by all those involved.

As part of the culture of learning and of learning from mistakes, trainers and coaches are encouraged at the workshops to speak about failures and to discuss these in the group. Staff members can submit topics, questions and problems that arise in the course of their activities for inclusion on the workshops' agendas. At the beginning of each meeting, each participant also makes a short comment on events related to their project activities since the last meeting. This usually includes points such as: "I particularly liked ... / That went very well" and "Here I / we were unsatisfied / That did not go well / Here there was a problem / A challenge for me is..." The staff members thus learn to speak about failures as well as successes, and this leads to a culture of learning from and along with one another.



collection, documentation and storage of knowledge easier. In many cases, this an be achieved with simple tools.

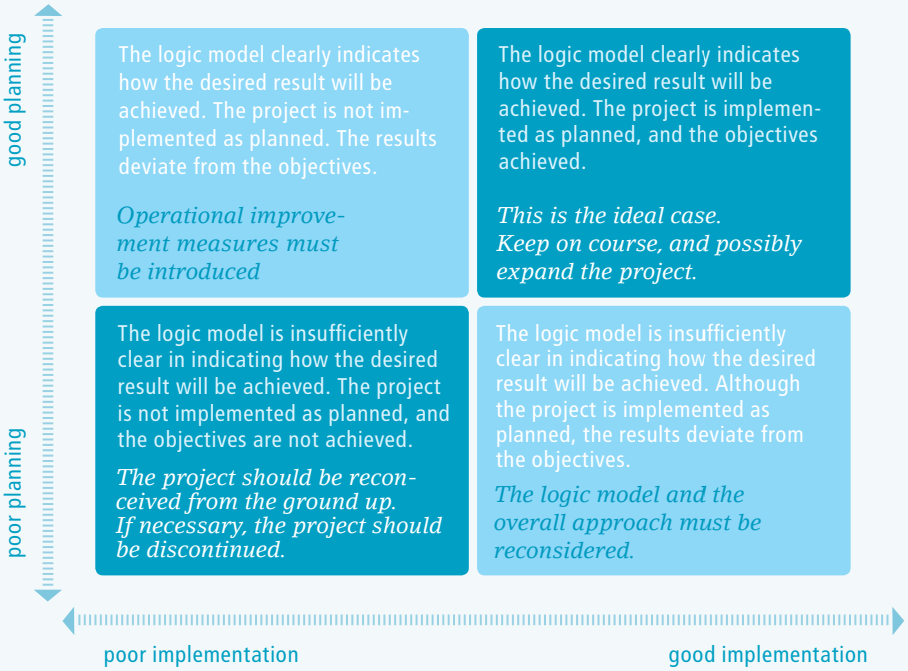
Another central principle of a learning organization is *transparency*. An organization must be ready to disclose its processes and results to the stakeholders and to make information accessible. This makes it possible for the organization to develop further. A distinction can be made between internal and external transparency – that is, transparency within an organization on the one hand, for example with regard to staff members and management, and toward external stakeholders or the public on the other hand. Transparency encourages mutual dialogue and the ability to learn from one another. At the same time, it fulfills a legitimating function, as it shows clearly what you have achieved with your work and how the provided funds have been used (→ Chapter 9).

8.2 LEARNING WITHIN THE ORGANIZATION

One way to provide concrete opportunities for learning is to hold regular meetings. The questions of when and how often they should be held, and who should attend, should be guided by the evaluation of the impact-analysis data and the topics that you want to discuss. A fundamental distinction can be made here between learning on the basis of monitoring data and learning on the basis of evaluation results.

Monitoring data are collected regularly, and thus offer a basis for regular discussion meetings. Regular meetings primarily provide a forum for the discussion of current progress on the basis of the available monitoring data and the perceptions of those involved. This takes place mainly at the level of the project team. Specifically, this means discussing regularly whether the project is on the envisaged course and moving toward the intended results. This will allow adjustments to be made at an early date if needed. In these regular exchanges, refer to the monitoring

Examining the logic model and its implementation



data with questions such as: Where have we achieved or not achieved our objectives, and why? To what extent have we deviated from the planned results? Where must we scrutinize the results more closely (e.g., with an evaluation) in order to identify the reasons for our findings?

Evaluations take place less frequently, so that learning sessions and meetings relating to their findings can be arranged as and when necessary. An evaluation addresses the causes of and interrelationships between observed developments. For this reason, evaluations can enable deeper discussions and learning processes. In other words, when learning from the results of evaluations, you will not only be looking at whether activities are proceeding according to plans, but also and even more strongly at the plans themselves. Conclusions can be drawn and recommendations considered for the work's future orientation, and the project objectives and the social impact analysis itself can made the focus of scrutiny. For example, do the conclusions make it clear that objectives need to be redefined, and that the direction of the work needs to be realigned? Has the social impact analysis proved practical, and has it led to the findings that you wanted? An exchange is possible and lessons can be learned when the findings have been assembled and evaluated. For example, a draft report can provide a good basis for discussion before the final version is produced. Possible questions for the group could include: What was most successful? Were errors made or opportunities missed? Where should the activities be adapted? Can best practices be identified? Is the logic model working in practice? Should it be further developed? Is the project based on the right assumptions about the probable results?

Regular reviews of the monitoring data and drawing lessons where appropriate, are particularly important for project team and its ongoing work. Where appropriate, other stakeholders should also be involved. In particular when it comes to addressing the evaluation results, relevant stakeholders should be included as participants.
The stakeholders contribute the diversity of their experiences and points of view,

The illustration above will help you in critically scrutinizing your logic model and its implementation.

Illustration based on Stiftung Zewo (2011: 107)

Tips for learning-oriented meetings

- Make specific plans for learning events, for example with a "learning calendar" in which you schedule the various types of meetings and exchanges.
- For meetings, decide in advance on the agenda and goal.
- Make attendance compulsory, and ensure that people are given time off to attend.
- Focus on solving problems and learning for the future rather than a backward-looking search for those responsible for errors.
- Make joint decisions and be specific about future steps. The questions contained in the Action Learning Cycle at the end of this chapter can be helpful here.
- Keep records of the decisions and the "lessons learned," and make these available.
- At subsequent meetings, check how much progress has been made with the implementation of new actions.
- Finally, don't forget to use the meeting to celebrate successes!

Case study BIP: At the regular meetings to analyze the monitoring results, the current monitoring data is reviewed, discussed and compared with staffers' experiences, and provisional conclusions are drawn.

There are signs that the participants are becoming overall less satisfied with the training courses, but the monitoring data also shows that more requests are being received from people who want to take part in the program. Some participants have indicated that the timing of the training sessions did not fit well with their working hours. The two trainers commented that with the increasing numbers of participants, they had less time for individual coaching sessions.

The group discusses together how to improve the situation, and decides that that the timing of future training courses should be better matched with the needs of the participants.

It is also decided that additional trainers should be hired as soon as possible in order to meet the growing demand.

which can qualitatively improve the learning process. But they will also have to support the changes introduced on the basis of the learning process, and may also have to contribute to financing the necessary steps; this is a further important reason for including them in the decision-making process.

8.3 LEARNING FROM AND WITH OTHER ORGANIZATIONS

In addition to learning within an organization, monitoring and evaluation results can also be used for learning-oriented exchanges between organizations. Particularly when organizations have similar project strategies or share target groups, such an exchange can be very beneficial. It can help them confirm or identify essential criteria for success and quality within their target group, and can also make clearer what expectations and objectives are realistic. In addition, contacts and exchanges with other organizations can also help to identify possible gaps in the services being offered, and develop additional targeted measures as a consequence. Although a personal exchange with other organizations working on a similar issue area is the most direct way of learning together, it is also possible to learn indirectly from other organizations. The transparent reporting of results and experiences provides a foundation for this (→ Chapter 9).

Tips for learning from and with other organizations

- Be familiar with your project's general context: First, study the organizations that are operating in the same issue area, but also investigate your target area. What organizations and actors are active there? How do they complement one another, or do they overlap? A context analysis, like a needs analysis, should have already been implemented in the project's planning stage, but both should also be carried out again at regular intervals (→ Chapter 1).
- In order to make use of the learning potential, make contacts with other organizations! In most cases, these will have similar questions and problems. Report on your experiences and ask them for feedback. There might also be scope for cooperation with another organization.
- Make your own results transparent and encourage other organizations to be transparent too. This helps make criteria for success and quality, as well as best practices, both accessible and potentially replicable, and encourages mutual learning within the sector.

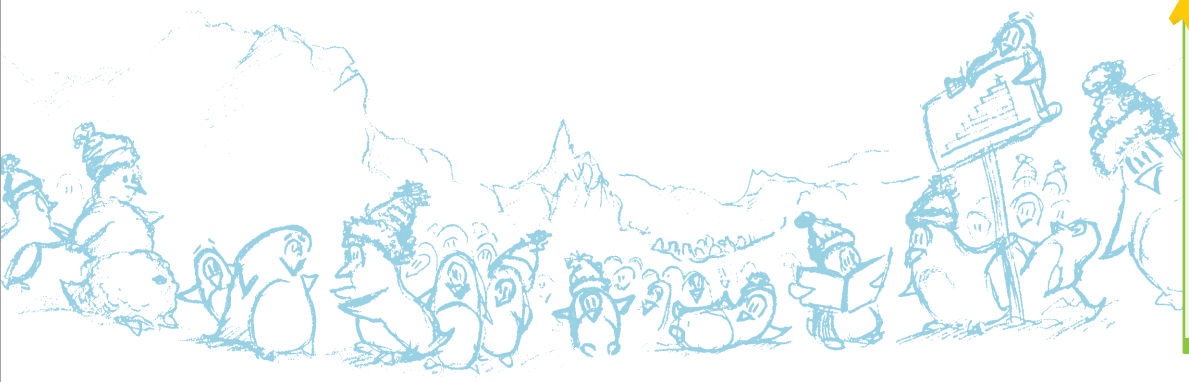
8.4 MAKING GOOD DECISIONS

A key benefit of a learning-orientated social impact analysis is that it can help you to steer your work in the direction of your project's objectives. If you determine during your sea voyage that you're deviating from your course, you naturally don't wait until you've arrived at some other island instead of your destination – instead, you bring your ship as quickly as possible back on the right course. Maybe you decide on the basis of current weather conditions that you'll take a short detour. On the basis of the information you've collected up to this point, you change your course for a short period of time, but without losing sight of your ultimate destination.

Your impact analysis can indicate where you stand in relation to your project objectives, and studying the findings can enable you to make informed decisions. However, the reflection process will only show results if the insights are transferred into actions – that is, if improvements are actually implemented! The conversion of findings and insights into specific actions and plans forms the last stage of the impact-oriented management cycle. But this shouldn't be regarded as the conclusion of the process. Once the processes, activities and objectives have been adjusted, a new cycle begins in which the activities and results will again be examined, reflected upon and adapted. Repeated cycles of planning, review and adaptation will help you come gradually closer to your objectives.

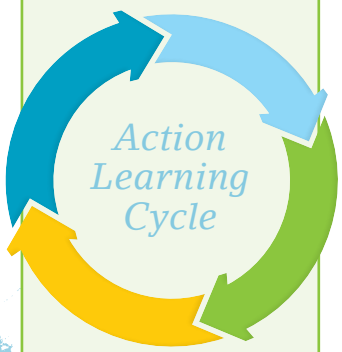
The choice of steering mechanisms will depend on the size of your organization and the resources that are available. Small organizations with limited resources may collect no more than the essential monitoring data. In contrast, large organizations might have a well-developed internal auditing system and / or quality-management system (→ page 106). But whether large or small, all non-profit organizations can use the findings of their social impact analysis to steer their projects and their organizations. To be sure, the complexity and depth of detail of the available information will depend on the scope of the monitoring and evaluation, but even decisions made on the basis of limited M&E data will be sounder than those formed more or less on the basis of gut feelings.

The following checklist can help you determine the degree to which your organization is already a learning organization, and where there is still room for improvement.



Learning and improving belong together!

Learning and improving are inseparably linked! Nothing is more frustrating than knowing something isn't working, and seeing that nothing is changing.



Learn more about the Action Learning Cycle on page 107.

Checklist: Is your organization a learning organization?

	Yes	No	Comment
In our organization we take time to reflect on our work and its results (using the findings of the social impact analysis as a basis), and discuss this subject. Openly.			
We use the findings of the social impact analysis to learn lessons.			
We accept that we'll make mistakes, but we use this as an opportunity to learn lessons.			
The organization's management supports learning and learning processes, and provides incentives for learning.			
Learning processes are an integral part of our work procedures.			
Responsibilities for learning and knowledge management have been clearly allocated.			
There are specific processes for recording results and sharing knowledge.			
We have sufficient resources for the learning process.			
We use available opportunities to exchange experiences with and learn from other organizations.			

Case study BIP:

BIP holds an annual strategy meeting, with its content based on the evaluation of monitoring data. The agenda includes the extent to which previously set objectives have been achieved, and a consideration of possible improvements for the future. In addition to the BIP team and members of the advisory board, the meetings are also attended by the trainers, some participants, and funders. The results are presented to this expanded group, and all stakeholders' experiences and wishes are discussed. For example, at the strategy meeting it was decided that it would make sense to focus more strongly on the additional individual coaching sessions, and thus to create more capacity for these services.

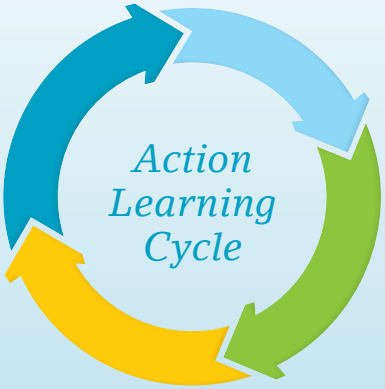
A short detour: Quality-management systems

Quality-management systems, like evaluations, have the goals of quality assurance and quality improvement. In most cases, they are used to obtain an ongoing view of the entire organization, its structures and its processes. Evaluations represent one aspect of quality management, delivering information that enables quality management to be conducted at the project-management level.

You can find more information about quality-management systems used within the non-profit sector online, for instance at *www.efqm.org* or *www.iso.org*.

1 ACTION:

Describe the project or event. Helpful questions include: What happened? Who was involved? Who did what? How did the people feel and what did they want?



2 REFLECTION:

Look back and reflect on the project or event. In the context of a social impact analysis, monitoring and evaluation will produce information relevant to this task. Useful questions in this process of reflection include: Why did things happen the way they did? What caused this? What was helpful? What was a hindrance? What expectations did we have and what assumptions did we make? Were these confirmed? What surprised us (positively or negatively)? Can previous experience help us to calibrate and organize our impressions?

3 LEARNING:

Reflection alone has little influence on how we act or implement things in the future. To take this step, it's necessary to draw lessons and conclusions. The following questions can be helpful in this regard: What have we learned? What new insights have we gained? What assumptions have been confirmed? What new questions have emerged? In retrospect, what could we have done differently?

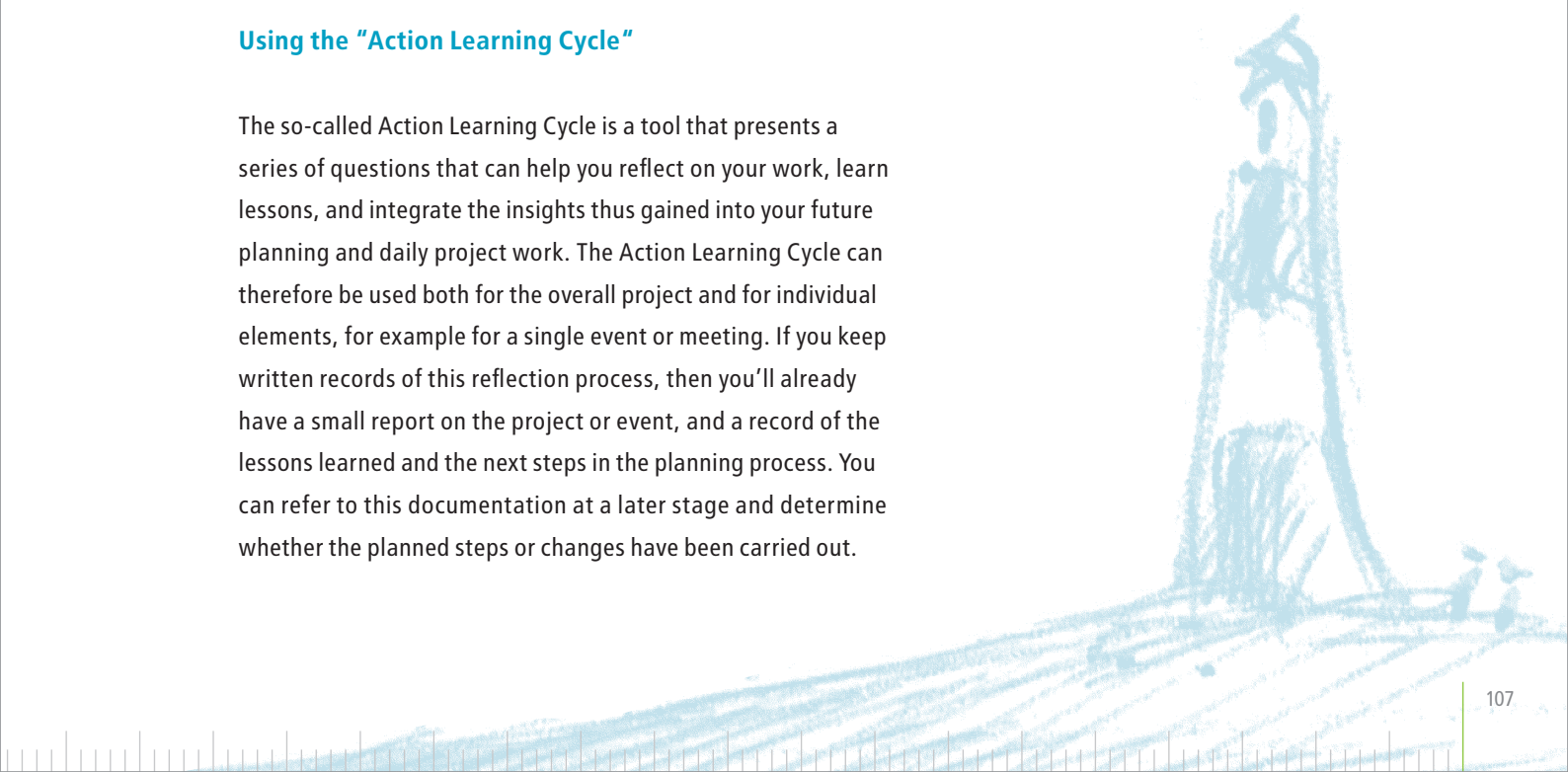
4 PLANNING:

Planning is the link between learning and what should be done in the future. Using this examination of past experience as a foundation, consider what must be done in order to attain your objectives. Helpful questions include: What are the practical implications of the results of the reflection and learning process? What do we want to do? What should happen? What should we change? How can we avoid repeating the same mistakes? How can we integrate these insights into our daily project work?

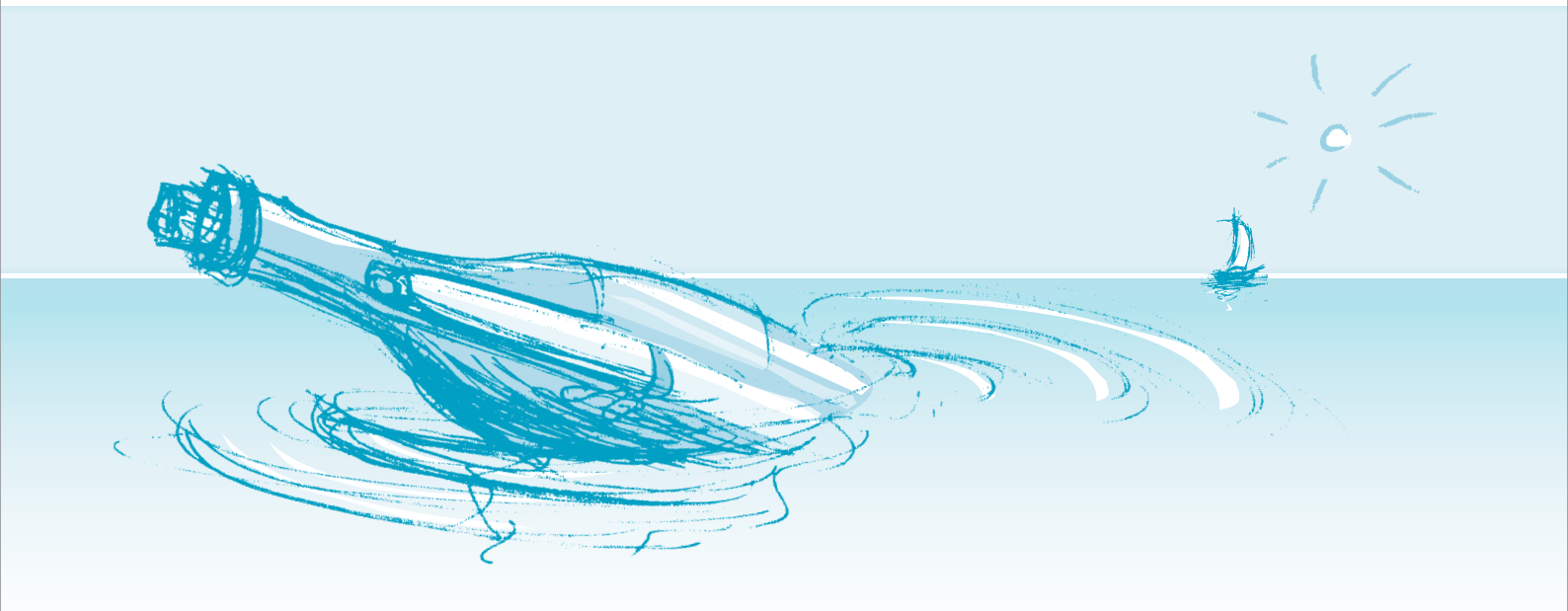
Source: see Barefoot Collective (2009: 109)

Using the "Action Learning Cycle"

The so-called Action Learning Cycle is a tool that presents a series of questions that can help you reflect on your work, learn lessons, and integrate the insights thus gained into your future planning and daily project work. The Action Learning Cycle can therefore be used both for the overall project and for individual elements, for example for a single event or meeting. If you keep written records of this reflection process, then you'll already have a small report on the project or event, and a record of the lessons learned and the next steps in the planning process. You can refer to this documentation at a later stage and determine whether the planned steps or changes have been carried out.



9. REPORTING ON RESULTS



In this chapter, you'll learn ...

- **What questions you should ask in order to develop an effective communications strategy for your project.**
- **What you should pay close attention to when creating a written project report.**
- **How to deliver a compelling report on project results.**

You've experienced a great deal on your travels. Even during the course of the trip, you regularly sent interim reports home. Now at home, you look back at the journey and report on it. The content and form of this report will vary depending on who you're speaking to. While some recipients will want only a short summary, others (such as your colleagues, for example) will be interested in a more detailed report. Some will want to know what was on the menu, or how the weather was. Others will instead be interested in the course you sailed, and whether you effectively reached your destination.

Moreover, others will want to know whether there were difficulties underway, and what you would do differently on your next trip.

As with these experiences from your trip, you should also report on the results of your project work. This helps you learn along with your stakeholders, and enables you to develop improvements. However, it also serves to legitimize your work and supports your communications efforts.

9.1 DEVELOPING A COMMUNICATIONS STRATEGY FOR THE PROJECT

In order to be able to report effectively on your project's results, you first need a communications strategy.
Develop this at an early stage (ideally during the planning phase) in order to clarify what aspects of your project results will be interesting to whom and at what point. You'll need various forms of report tailored for the vari-

Defining report recipients: Who receives what information and why?

The following questions can help you produce focused reports:

Readers'/recipients' characteristics:

- Who are the readers/recipients, and how much knowledge of the subject do they already have?
- What is their position with relation to the project (internal / external; influential / influenced) ?
- What is their function with regard to the topic of the report (decision-maker, cooperation partners, target groups)?
- How much time will they have to spend studying the information?
- What requirements do they have with regard to language and design?

Readers'/recipients' interests:

- What do the readers/recipients expect?
- What contents are they particularly interested in?
- What results are they interested in?
- What conclusions are they interested in?
- What expectations do they have regarding the level of detail for the various topics addressed?

Readers'/recipients' attitudes:

- What hopes and fears do the readers/recipients have regarding the topic of the report?
- What is their attitude toward the authors of the report?
- In what sense are the results personally relevant to them (e.g., will it produce more/less work; limit/expand their scope for action)?

Source: see BMFSFJ (2000: 86).

ous report recipients and goals. You should therefore take into account:

- Who you intend to report to;
- What you want to achieve with the report in question;
- What content will be relevant and interesting to specific recipients;
- How often and on what occasions you should produce reports; and
- What form of report is most suitable for each case.

Recipients and reporting goals

As a first step, consider who will be receiving your reports. These may be various stakeholders such as funders who you are obliged to report to, managers and staff members within your organization, or even the general public within your project's target location. Consider what information is relevant to your report's target groups, as well as what form of reporting will be most appropriate for them. This will provide a foundation for effective communications.

Frequency of reporting

In deciding when and how often to offer reports, take internal and external factors and constraints into account.
Funding providers will usually state how often they require reports and will specify deadlines. An executive board that meets at the end of each quarter will need any findings relevant to its work in time for this meeting. While much of this is fairly obvious, it's important that these processes are taken into consideration, as they influence the time-

What makes a report useful?

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Stakeholders	Goals of the communication	Relevant data and contents	Timing and frequency	Appropriate format
Internal reporting				
Executive board	• Information about an ongoing project as the basis for decision-making and project steering • Reporting obligations • Legitimation • Joint learning • Celebrating achievements	Comprehensive content and background information	Interim reports, based on monitoring data, as warranted; for example following a new evaluation report, special events, for board meetings, etc.	A written report (possibly with executive summary for the executive board) and oral presentation, for example by the evaluation team or the project leadership, along with a discussion of the findings at the management, section and team levels
Management				
Project staffers/ volunteers				
External reporting				
Funders	• Reporting obligations • Legitimation • Basis for acquiring further funds • Highlighting challenges and how these are met • Celebrating achievements	Contents tailored to meet the interests of each target group as appropriate.	Interim reports on the basis of monitoring data, when warranted; for example following a new evaluation report or special event; dependent in part on the reporting requirements of the funders	Written report with executive summary, or a format that takes into account the interests and reporting requirements of the funders
Target groups	• Credibility • Reporting obligations • Legitimation			Oral presentation and/or a summary document with suitable tables, graphics and illustrations
Cooperation partners	• Reporting obligations • Legitimation • Highlighting challenges and how these are met • Joint learning • Celebrating achievements			Written report, personal exchanges, seminars, conferences
General public	• Reporting obligations • Legitimation • Generating interest			Articles, websites, social media, annual reports, press releases

Overview of communication plan for M&E results

frame for data collection and evaluation. You should also consider how frequently various kinds of findings can be communicated. For example, it's usually possible to report on the outputs relatively quickly, whereas outcomes and impact often become evident only after some time.

Formatting your report

Communication formats can vary from informal reports over the telephone, faxes, e-mail, or individual or group discussions, to more formal formats such as briefings, presentations, or written reports and publications. Depending on the objectives and recipients, it can also be appropriate to combine various formats, for example by linking a written report and presentation, or by preparing a report for the general public and summarizing the key results in a press release.

9.2 WRITING REPORTS

A written report is the central element in a reporting strategy. But what is required for transparent reporting? What is the best structure for a report? What should you pay attention to when writing your project report? The following section includes helpful tips.

Transparent reporting of results

In order to report on your outputs, outcomes and impact transparently, you must at the minimum present your project's specific results. However, transparent and impact-oriented reporting involves more than this. It's also necessary to place the results you've achieved in the overall context of the logic model.

A project's results can only be appropriately assessed in the context of previously set objectives and the activities that have been carried out.

What should the project achieve?

Presentation of
- Societal challenges
- Target groups and their needs
- The project's vision and objectives
- Project strategy

What is the project doing to achieve its objectives?

- Presentation of the project approach
- Presentation of the activities, products and services developed by the project

Transparent and impact-oriented reporting

What results has the project achieved with its work

- Presentation of results at the outcome and impact levels

How can the results be identified

- Presentation of the methods used for the social impact analysis

Case study BIP

BIP reaches its stakeholders in the following ways:

Participants
Information at the training sessions, notices in the community center, phone calls, text messages, information on local radio broadcasts.

Trainers
Regular meetings, e-mails, phone calls

Funders
A regular four-page newsletter providing information about the activities of the community center and news about BIP; this newsletter is displayed at the community center and distributed as a PDF file. Individual reports as requested by the funders

Regional press
Regular press releases, invitations to important events

Partner organizations
Regular personal conversations at meetings, phone calls and e-mails

General public
Newsletter, website, social media, press

Good to know: Transparency in the non-profit sector

Discussions about transparency in the non-profit sector focus primarily on public reporting on finances and governance. To date, however, there is no shared understanding of what should be publicly reported and the extent of reporting.

Donors demonstrate considerable trust by giving money to charities. Growing requests to track the course of donations is therefore understandable. Donors should be given the opportunity to follow not only what their funds have been spent on (e.g., teacher salaries or schoolbooks) but also their achieved outcomes and impact (e.g., the increasing numbers of educated children, declining unemployment). In practical terms this involves reporting on both finances and achieved results.

PHINEO recommends organizations be diligent with transparency in the following areas:

- **Project work:** Provide information on activities, objectives, beneficiaries and the social issue addressed by the project; report on the logic model, outputs, outcomes and impacts.
- **Organizational structure:** Provide information regarding the organization's vision, strategy, human resources, governance and accountability measures.
- **Finance:** Provide a revenue and expense statement revealing funding sources and allocation, as well as a balance sheet.

Further information

Organizations such as **New Philanthropy Capital** have established **Principles of Good Impact Reporting** to help charities and social enterprises share their narrative on impact.
http://www.thinknpc.org/publications/the-principles-of-good-impact-reporting-2/

The **Global Reporting Initiative (GRI)** provides sector-specific guidance for all reporting organizations in the NGO sector, enabling them to measure and report their sustainability performance:
https://www.globalreporting.org/standards/sector-guidance/sector-guidance/ngo/Pages/default.aspx

PriceWaterhouseCoopers (PWC) Netherlands established the **PwC Transparency Awards** in 2004 to recognize the quality and transparency of reporting by non-profit organizations. The Awards have since been adopted by other PwC firms around the world. PwC Germany has also worked with local experts to develop Transparency Check, a globally accessible online tool which provides NGOs and social enterprises with a free self-assessment report containing valuable insight into the transparency of their reporting.
http://www.transparency-check.com

Developing countries face huge challenges in accessing up-to-date information about aid, development and humanitarian flows – information that they need to plan and manage those resources effectively. Similarly, citizens in developing countries and in donor countries lack the information they need to hold their governments accountable for the use of those resources. **The International Aid Transparency Initiative (IATI)** aims to address these allenges by making information about aid spending easier to access, use, and understand. *http://www.aidtransparency.net*

Structuring your report

When composing your report, you should explain both the background to your project (what the project is supposed to achieve, and what you are doing to fulfill this objective) as well as the results (what was achieved by the activities, and how the results can be identified), and then present the conclusions that can be drawn from these factors, structuring the report accordingly.
The *Social Reporting Standard (SRS)* (→ page 113) offers a useful structure and a template for transparent reporting. You can use this both for reporting on your project and as the basis for your organization's annual report.

Presenting information clearly and comprehensibly

While the overall structure of your report is important, you must also pay attention to the way you prepare and present your information and data, as well as the quality of the text. If readers find the text too long or too hard to understand, then it is unlikely to be read at all. As a rule, a report does not present all the data you've collected in detail. If you want to include additional detailed information, this can be placed in an appendix at the end of the report. Take care to express things in a comprehensible way and provide a useful summary of the results. Avoid long sentences, jargon and the excessive use of statistics, while highlighting key points. Use graphics or diagrams for an effective visual presentation of information.

The Social Reporting Standard (SRS)

Why is the SRS recommended?

The SRS provides a reporting framework for non-profit organizations and their projects. The standard helps particularly in documenting and communicating a project´s logic model. In addition, it also encompasses and presents other important reporting elements such as organizational structure and finances, using the SRS can therefore produce a comprehensive picture of the reporting organization. Users of the SRS can more clearly demonstrate their results to supporters, thus presenting more convincing arguments when seeking additional funding.

A report using the SRS offers a clear advantage with donors and funders, as the SRS report proactively answers many of the questions that funders typically raise.

The precise documentation of the logic model is also helpful for internal project management, as a range of questions relating to activities' results are considered in the process of using the SRS. The SRS also provides an effective basis for a transparent external presentation. By means of the SRS, you will be able to compare your documentation materials from various years (comparability), and much less work will be involved (efficiency) when you are applying to or reporting to funding organizations.

The SRS helps you report on one or several projects and your entire organization. The reporting standard consists of three sections:

A Overview and introduction

- State the vision driving your organization and/or project
- State the report's subject by providing an overview of what the report is (and is not) about

B Your work and its results

- Define the social issue addressed and your approach to it by presenting problems, what's driving them and how you aim to mitigate them.
- Present societal results by describing the resources deployed, work performed and achieved results
- Provide planning and an outlook by stating future objectives, main opportunities and risks, and examining potential developments.

C Your organization

- Provide general information about the organization
- Present governance structures
- Present ownership structure, memberships and associated organizations
- Document environmental footprint and profile of workplace culture
- Present your organization's assets, income and expenditures, integrating your own financial reports or using the suggested template.

The Social Reporting Standard is available in the following languages:

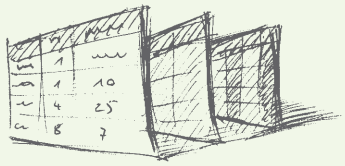
- English
- French
- German
- Greek
- Spanish
- Polish
- Portuguese

And: It´s free!

For current information on guidelines, examples of use, and a report template you can use to directly enter the contents of your project, visit: *www.social-reporting-standard.de*

SRS is a *joint project* of: Ashoka Germany, Auridis GmbH, PHINEO gAG, BonVenture Management GmbH, Schwab Foundation, Universität Hamburg, Technische Universität München, Vodafone Germany Foundation with support from the German Federal Ministry of Family Affairs, Senior Citizens, Women and Youth (BMFSFJ).

Visualizing results

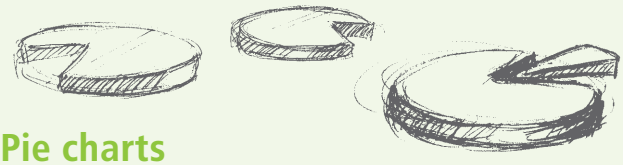


Spreadsheets

are useful to present quantitative data ordered by category.

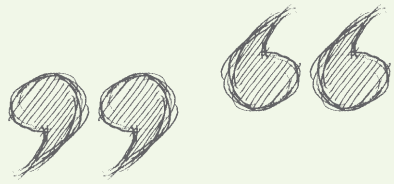
Bar graphs

are useful in presenting distributions by category.



Pie charts

are useful in presenting the distribution within a single indicator.



Quotes

"BIP HAS HELPED ME TO IMPROVE MY BUSINESS. OUR TRAINERS WERE VERY SUPPORTIVE"

Fast Facts

Key facts concisely offered, for example a percentage value prominently presented with a two-sentence description.

Stories / case studies

"Since Mr. Robert attended the training program, his family's economic situation has significantly improved."

Put yourself in the position of the readers when you're producing the report. What can you do to help outsiders understand your work and what you have achieved? How can you make the report interesting and varied? Try to achieve a good balance between facts and entertainment as well as between appeals to the head and heart. Various tools and presentation forms can be used to achieve this. Along with the depiction of your results using graphics and diagrams, you can also integrate positive feedback from the target groups. Success stories from the target groups have a particular emotional appeal. For example, you can provide a project participant's account of how the project helped them. You should also include pictures and photographs to enhance the overall visual appearance.

Publishing information

- Once you've written your project report, make it available to your stakeholders.

- Make your report or the results available on your website, so that interested parties can have easy access to the information.

- If your organization produces a written annual report, this should also include the results of your project work. The annual report should also be made available on the organization's website, and should report transparently on the project's work, results, organizational structures and finances.

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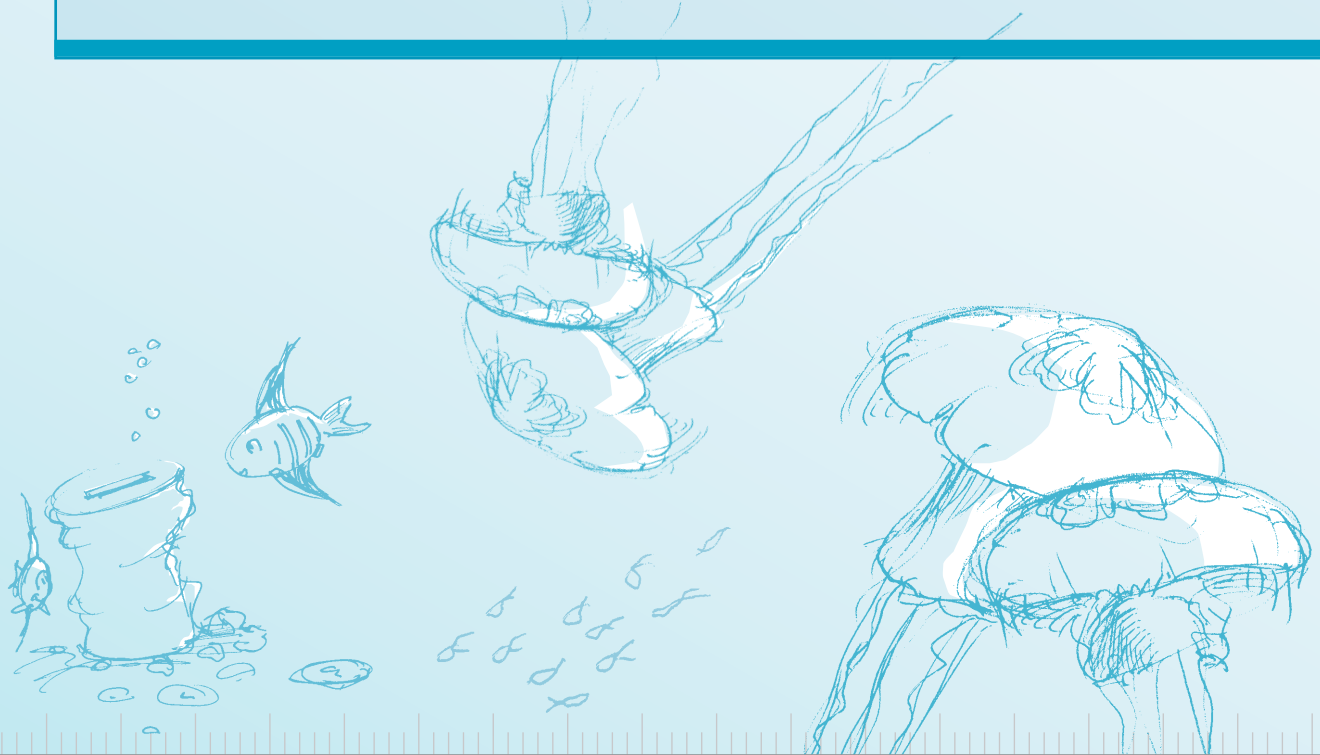
Checklist: Criteria for good reports

Our reports are ...	Explanation	Yes	No	Comment
RELEVANT AND USEFUL	Reports should serve a specific purpose. The information should therefore be prepared with reference to the needs of the various stakeholders.			
TIMELY	Reports should be prepared early enough for their intended uses. Results that are communicated too late or too irregularly are of little use.			
COMPLETE	Reports should include sufficient information. However, it is also important to avoid drowning readers in a flood of information.			
ACCURATE	Evidence should be included to support the results. This can range from anecdotal evidence and feedback from individuals to the results demonstrated by an external evaluation.			
SIMPLE AND USER-FRIENDLY	Reports should be adapted to their target public. The language and format must be clear, precise and easy to understand.			
CONSISTENT	It's important to use a uniform format and structure (e.g., in annual reports), thus enabling comparison over time.			
COST EFFICIENT	The amount of resources used for the reporting should be reasonably related to the expected benefits.			
TRANSPARENT	The report documents should be made available to the stakeholders and be posted on the organization's website for other interested parties.			



10. (EVEN) BROADER IMPACT – SCALING SUCCESS

In this chapter you'll learn ...

- **What advantages are obtained through the scaling of effective project concepts.**
- **How to identify projects suitable for scaling.**
- **What opportunities exist for scaling.**
- **What role the social impact analysis plays in supporting scaling.**

Inspired by the successful sea voyage, you spend time following your return thinking how you can reach more passengers and take them to their destinations. You would love to carry out more trips, set off for more ports and offer additional destinations. You think about expanding your fleet and growing your crew, and look for ways you can finance and achieve this.

If, with the help of your social impact analysis, you've determined that your project has achieved the intended results, implementing the project in other regions can also contribute to reaching more people and thus ultimately achieving greater impact.

In this way, social challenges can be solved on a broader basis than if effective projects limit their impact to just a single location, and the wheel continually had to be invented all over again.

10.1 CRITERIA FOR SCALING PROJECTS

Transferring a successful project to other regions can be a reasonable goal for your organization. But replication is not an end in itself. You should ask yourself three key questions: Is there need in other places for a project like yours? Are you willing and able to scale the project? And finally: Can your project in fact be replicated in other regions? (→ Checklist page 119)

Tip

More information on the issue of scaling

The issue of strategies and success factors in the scaling of effective projects is a broad one. For this reason, only a short overview can be presented in a guidebook of this scope. However, you can find more detailed information in "Scaling Social Impact in Europe", Bertelsmann Stiftung (Eds.), Gütersloh 2015.

Another good source of information is the Social Replication Toolkit, published by the International Centre for Social Franchise (London 2015), which can be found at:

http://toolkit.the-icsf.org

Good to know: Three good reasons for scaling successful projects

1. Achieve greater impact within the target group(s)

For many societal problems, approaches that have already proved their success exist. Rather than reinventing the wheel at every new location, it makes sense to scale these project concepts. In this way the greatest possible number of people can be reached using a strategy that has proved its potential, providing a basis for the greatest possible effects.

2. Achieving more together

In many cases, only limited resources are available for tackling societal problems. This makes it all the more important to use these resources as efficiently as possible. By adopting approaches that have already proved their value, organizations can reduce the costs of project development and avoid the lengthy process of trial and error that can be encountered when developing new projects.

3. Shared learning within a network

When replicating effective projects, best practices can be implemented in conjunction with partners at multiple locations, and can be further developed through exchange and shared learning. In the interest of the target group(s), non-profit organizations should cooperate and promote a culture of exchange.

The final question concerns the project itself. Not every project is suitable for scaling. A key requirement is that you have a clear understanding of your project's logic model. What's the problem you're trying to solve? How do you solve that problem for your specific target group? And finally, how can you demonstrate that your project has the potential to be successful and effective in another location?

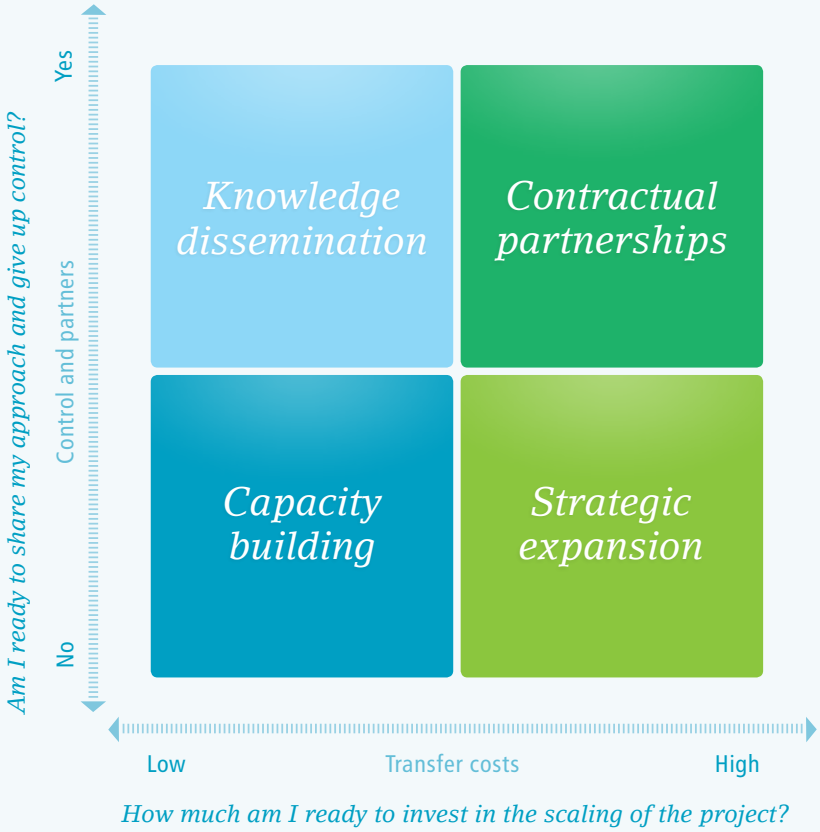
The logic model you've developed provides a framework indicating how the project must be implemented in other regions in order to be successful with or without your direct assistance. The context and conditions in other regions may be very different from those you faced in your initial location. You should therefore have a clear idea of which quality standards are essential for the project's success and which can be adapted to suit the new requirements. In general, the simpler and more standardized a project is, the more suitable it will be for scaling.

If you decide that a project is suitable for scaling, the next step is to decide which of the various methods you want to use to achieve this.

10.2 SCALING STRATEGIES

If you want to ensure that as many people as possible can benefit from an effective project, a number of paths can lead you to this goal. The simplest way of promoting scaling is certainly to disseminate the relevant knowledge, for instance by making a manual available via the Internet. Alternatively, you could make the project materials available to partner organizations by means of contract-based partner agreements, or you might decide to establish the project in other regions on your own.

The four-field matrix of strategy types[1]



[1] Source: Based on Bertelsmann Stiftung (2013: 23)

Two important questions can help you choose the right strategy for your organization:

1. Are you willing to share your approach with others and thus to give up control? Or is it important for your organization to retain complete control of the project concept and its implementation?

2. How much time and money are you prepared to invest in the scaling of your project? Every scaling strategy has its costs – a manual might have to be written, new partners have to be found and convinced, and in many cases contracts will have to be drawn up and their outcome subsequently made subject to some oversight. Even if it's impossible to work out the exact transfer costs in advance, it's vital that you have a clear idea of whether you wish to minimize the costs or are prepared to commit yourself to higher levels of investment.

Answering these two questions will help you to decide on the appropriate strategy for your organization, as depicted in the accompanying matrix. Whereas "knowledge dissemination" and "contractual partnerships" are directed toward transferring the project and the lessons learned to other organizations, the "capacity building" and "strategic expansion" strategies relate to scaling within an existing organization.

Knowledge dissemination

If you want to replicate your project using a strategy of knowledge transfer, this means that you'll make your project concept freely available to other organizations, who will in turn implement the concept themselves in comparable or somewhat adapted form at their own location. As the originator of the project you may provide early-stage support for the project recipients, for example by providing information, (technical) assistance or implementation advice. However, as a rule there will be little cooperation afterward. This form of scaling is quite common in the non-profit sector. It involves the lowest costs, while allowing for rapid replication and the optimum ability to adapt the concept to local conditions. However, it offers little ability for the originator of a project concept to exert further control.

Key questions: Criteria for the scalability of a project

The following questions can help you decide whether a project can be successfully replicated elsewhere:

Need

Is there a need for the project in other locations and the willingness to invest time and money in implementing it?

Readiness

Is your organization ready and willing to transfer your project, and do you have the necessary experience?

Does your organization have the necessary human and financial resources for a transfer?

Successful model

Are you aware of what factors are most important for the success of the project?

Is your project concept "simple" and standardized enough that it can be implemented by other people in other regions?

Do you have enough evidence to convince others that your project is effective and successful?

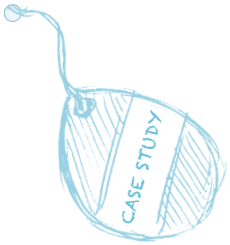
Contractual partnerships

You can also scale up a project with the aid of partnership contracts signed with other independent organizations. These then implement the project at their location, while you as originator of the project continue to have some control. The rights and obligations of the originator of the project and the project recipient will be specified in the contract. For example, the contract might include details of the resources and know-how to be provided by the project originator, as well as the project recipient's reporting obligations, license fees, conditions for the use of brand rights, and required quality standards. While the project originator can exert more influence under this model, a contractual partnership also leads to increased costs and standardized procedures, while offering less scope for local adaptation than would be the case with an open transfer.

Coming together is a beginning; keeping together is progress; working together is success.

Henry Ford (*1863 – † 1947)

There are four main contractual models for this type of project transfer. These include transfer within group networks or associations, a social franchise, a licensing, and a joint venture.



Case study BIP

News spreads about the success of the BIP project. As it turns out, successful ideas for empowering small businesses are in demand in other areas too.

More and more requests for cooperation reach the BIP office. Together with the BIP team, the project organizers consider how to respond to the inquiries. On the one hand, they would like to see BIP offered independently in as many regions as possible. On the other hand, it is important to the BIP team to ensure the quality of the project and its implementation.

Money and time constraints lead the BIP team to decide to start by writing a manual in order to disseminate the knowledge. Thanks to the social impact analysis, they already have written documentation of the experiences and quality-assurance aspects most necessary for planning and implementing the BIP model.

Thanks to this manual, the BIP is now being offered in numerous locations, helping to improve the lives of small-business owners. Once a year the BIP team invites all those who have taken over the project model to meet and exchange experiences.

In a next step, the BIP team plans to work with the foundation providing the bulk of its funding to develop and offer a "train-the-trainer" program for financial-literacy training and coaching.

Capacity building

Scaling up a project need not always involve transferring the approach to another organization. Perhaps you would like to increase the impact of your project in the region where you're already active, and thus help more people, but without getting involved in expansion into other regions. You can achieve this by expanding your own organization regionally – generally at one location – or by optimizing your existing processes and structures so as to enable you to reach more people with the same resources. Many pilot projects begin with optimizing the actions within a region, and only afterward address opportunities for expansion into other regions. This scaling strategy offers broad scope for influence and control.

Strategic expansion

In order to reach more people and other regions, you can open new branches or offices for your organization in other locations. The branches are not independent but remain legally part of your organization. This also means that your organization will have to bear the costs for the expansion on its own. However, you'll retain control over implementation, as the project concept has not been handed over to other organizations. A strategic expansion of a project can also mean that you can extend your activities to cover additional target groups or to include a complementary set of activities or services.

10.3. SOCIAL IMPACT ANALYSIS AND THE SCALING OF PROJECTS

The social impact analysis plays an important role in the scaling of projects, both providing a foundation for the expansion and contributing to quality assurance within the replicated project. How can your M&E system help you in scaling up a project?

Social impact analysis as a basis for scaling impact

The social impact analysis tells you whether the project is in fact achieving results, and whether greater effects can be expected if the project is expanded. If you're considering scaling up your project, it's therefore a good idea to commission an external evaluation. This will be able to confirm the effectiveness of your project, identify gaps in the concept, and indicate points at which adaptation might be necessary if the project is to be successfully replicated. Clear social impact analysis findings will also make it easier for you to convince other people and organizations – particularly potential project recipients and funders – that your project is worthy of being scaled up. The unbiased opinion provided by an external evaluation increases the project's legitimacy and reputation.

Developing quality

In the course of the original project's social impact analysis, you'll be collecting and documenting data, drawing conclusions and learning lessons about how and why your project creates outcomes and impact.

This not only helps you to review your progress toward your objectives, but also to identify criteria by which to judge success and quality. Knowing these success and quality criteria and being able to propagate them is an important factor for the successful scaling of results.

Assuring quality

In order for partners to be able to implement your project concept in another location with a comparable level of quality, you'll have to provide them with information – particularly in the early stages – about the project's structure and procedures as well as about the social impact analysis and means of assuring quality. You can use the lessons learned from the social impact analysis when producing materials such as a manual or even training programs for those seeking to implement the model. When a project has been transferred successfully, the social impact analysis continues to play an important quality-assurance role. For a contract-based partnership or the establishment of branch offices, a standard reporting system and uniform quality-assurance criteria are usually used. This means that all those who have taken over the project model are required to submit reports to the project originator in a standard format and with the same delivery deadlines. In the case of an open distribution to independent organizations by means of knowledge transfer, there are fewer opportunities for exchange once the initial phase of support has been completed. In such cases it is all the more important that those taking over the project comcept are made aware of the importance of the social impact analysis, and that they are offered suitable materials and training opportunities for its implementation.

Exponential learning

Learning from the findings of the social impact analysis is just as important for the replicated projects as it is for the original project. A standard reporting procedure can make it possible to compare results across projects at various locations and to draw conclusions. What are the most important general and location-specific factors for a successful project? Which criteria are decisive in enabling the project has the desired outcome for a specific target group?

If you want to build a ship, don't drum up people to collect wood and don't assign them tasks and work, but rather teach them to long for the endless immensity of the sea.

Antoine de Saint-Exupery (* 29.6.1900 – † 31.7.1944)

What lessons can be learned from the successes of other project teams? Consolidating and comparing results helps to show what is most effective so that best practices can be identified. The insights gained will not only help those who have adopted the model, but will also provide a basis for the improvement and further development of the original project concept. A learning network can arise in this way that contributes to the scaling of effective work through joint learning and a continuous process of development and improvement.

CONCLUSION

Unless you are one of those readers who start with the end, you will by now have worked your way through more than 120 pages of text and graphics exploring the full cycle of impact-oriented management.

In Part 1, you will have read about how to incorporate intended results during a project planning phase and how to use needs analysis in developing impact-oriented project objectives and a logic model.

With the project's objectives in mind, you will need to determine periodically whether and to what extent implementation is effective in advancing the project to meet targeted goals. Part 2 therefore provided an overview of the range of possibilities in monitoring and evaluating results, and introduced a variety of data processing methods.

Part 3 outlined how you can use the information you've collected. Learning and improving were presented as central elements of the impact-oriented management cycle, and ideas were presented as to how to effectively communicate your impact analysis findings to a broader public.

The case study featured throughout the guidebook illustrates how impact orientation can be integrated into the daily operations of even a modest project, provided that activities and measures are carefully tailored to a project's context and needs.

In effect, you've navigated a long voyage as you work to achieve deeper social impact. And now, having gathered experience, you will soon begin yet another journey. At the end of each impact-oriented management cycle, a new one begins as your organization continues its work. If you and your organization are new to the world of impact orientation, you will likely have found the first steps to be the most difficult. But once the impact-oriented management cycle has been integrated into your organization's ongoing work, the benefits will soon outweigh the efforts involved in applying this form of management.

But regardless of your experience with impact-oriented management cycles, whether you are new to the subject or experienced and have focused on areas of special interest to your project, we hope that this guide proves helpful for your project work and that you have enjoyed reading the material presented here. Above all, we hope that the guide has motivated you to explore the outcomes and impact of your work. Impact-oriented projects bring benefits for everyone: target groups benefit from measures tailored to fit their needs, project staff are motivated by being part of an effective project, funders have the satisfaction of seeing their money be well spent, other non-profit organizations can take advantage of sectoral improvements deriving from the exchanges that take place during impact-oriented work, and finally, society as a whole benefits from a better and more just society.

We wish you every success with your project and much pleasure in achieving greater social impact!

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GLOSSARY[1]

B Baseline

Information about the situation of the target group before the beginning of the project or program. This can serve as a reference point for evaluating future progress or for other comparative purposes.

Benchmark

A reference or standard against which outputs or results can be assessed. Examples of benchmarks may include results achieved in the recent past by other comparable organizations, or simply a level of output that might be realistically anticipated under the given circumstances.

C Context analysis

A context analysis examines actors in the region and possible means of interfacing with them, while also analyzing actors with similar objectives and target groups, actors whose concepts might be usefully adapted to the current target region, and actors with similar projects from whom lessons can be learned. Goals of a context analysis may include avoiding duplication of other projects' work, coordinating with other organizations, or establishing useful cooperation agreements.

D Data-collection methods

The means employed for acquiring data for the purposes of monitoring and evaluation. This may include written questionnaires or interviews, observations, interviews with experts, case studies, the collection of anecdotal evidence, or the analysis of documents.

E Effectiveness

The extent to which the objectives of a project have been achieved or can expected to be achieved. The concept is also used as a general measure (or standard of judgement) of a project's benefit or value – that is, the extent to which a project has attained or can be expected to attain its objectives.

Efficiency

A measure of how economically inputs or resources (funds, expertise, time, etc.) are converted to outputs.

Evaluation

The systematic and objective assessment of an ongoing or completed project or program, its implementation, and its results. Goals of an evaluation may include: a determination of whether objectives are relevant, have been fulfilled, and provide an efficient development mechanism, as well as an assessment of objectives' effectiveness, long-term results and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the project's decision-making process.

G Goals

The higher-order objective to which a development intervention is intended to contribute.

I Impact (societal-level results)

While project results at the target-group level are here designated as outcomes, impact refers to social or economic changes at the societal level. Impact objectives are the project's desired changes at this level. Because the reference to the entire society is in most cases neither useful nor possible here, impact generally refers only to a portion of society, for example the population within a specific municipal district or region.

Impact orientation

This indicates that a project is planned and implemented with the aim of achieving the result. Desired results are formulated as concrete objectives that serve to orient and guide the overall work.

Indicator

Marker or inherently partial sign of the existence of a set of circumstances that are not directly measurable. Indicators are indispensable for the measurement of complex circumstances in the course of monitoring and evaluation procedures.

Inputs

The financial, human and material resources used for a project.

M Monitoring

A continuous process of systematic data collection during the course of a project, with the goal of obtaining current information for project-management purposes. In this regard, mainly information on progress achieved, objectives attained and the expenditure of available resources will be collected.

N Needs assessment

A needs assessment is an empirical consideration of the societal challenges (in terms of degree, urgency, etc.) faced in a specific local situation (e.g., in a municipal district), along with the needs and requirements of target-group members (e.g., educational status, cultural background, family context). Project or program requirements can be derived from the findings of the needs assessment.

L Logic model

A tool to develop and describe how an intervention (e.g., a project or program) is understood to contribute to the (intended) results. Other approaches and terms are "theory of change," "results framework," "logical framework (logframe)," "results chains" or "program theory."

Objectives (of a project)

A project's intended results, which contribute to improving physical, financial, institutional, social, environmental or other conditions for people, groups, organizations or elements of the broader society.

Outcomes (target-group level results)

Outcomes are the project's results at the target-group level, and represent a core element of the logic model. Similarly, outcome objectives refer to the positive changes the project intends to produce among the project participants. Outcomes can be expressed at three levels (levels 4-6 in the logic model): changes in knowledge, attitudes or skills (level 4); behavioral changes (level 5); and changes in the target individuals' living conditions or status (level 6).

Outputs

The services and products produced by a project – thus, a project's activities or offers, as well as the target group's utilization of the products or services. Outputs are the basis for a project's ability to achieve results on the outcomes and impact level.

Results

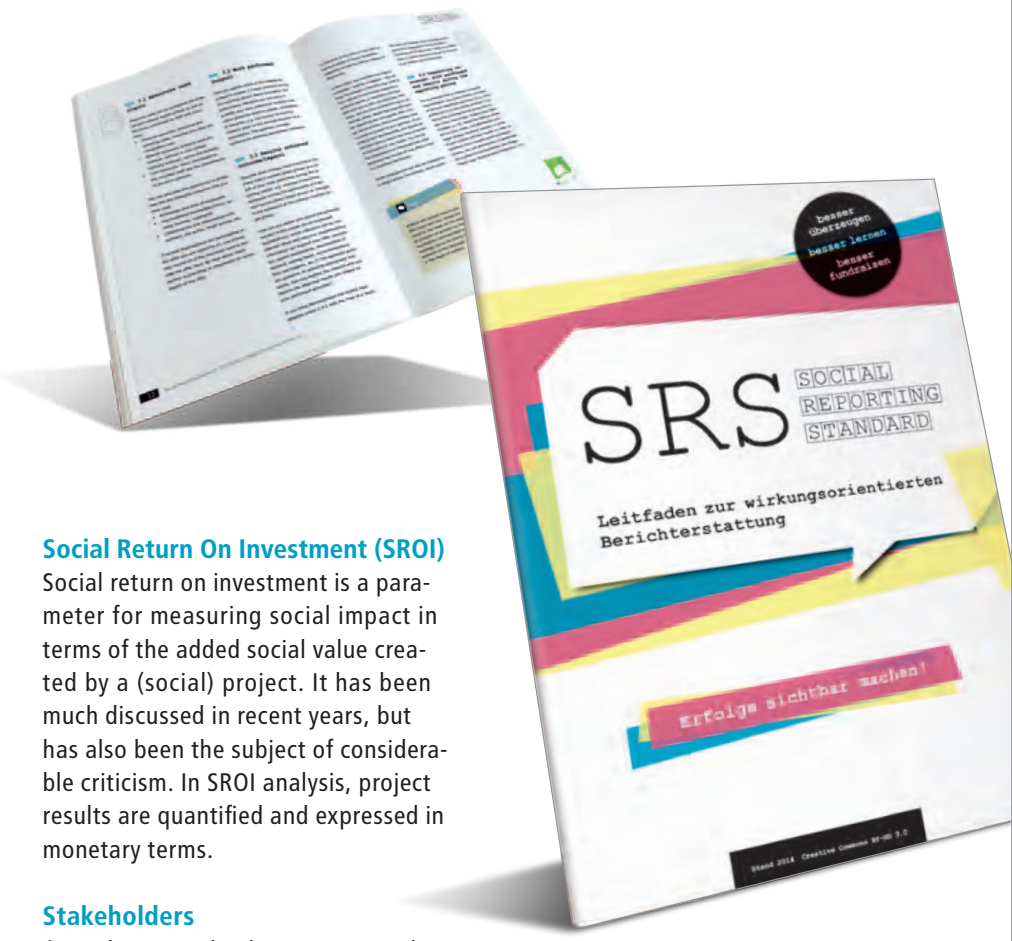
The output, outcome or impact (intended or unintended, positive or negative) of a project or an intervention.

Social impact analysis

Used in a narrow sense, this term covers the analysis of data specifically relating to a project's intended outcomes and impact. However, a more expansive view of social impact analysis is useful in the context of impact-oriented project management. Here, it is important to ask not only whether a project has obtained results, but also to determine which specific factors have been crucial in producing these results. Social impact analysis used in this broader sense includes an analysis of the project's outcomes and impacts and of the project's outputs and their quality, as well as an examination of the project's underlying assumptions.

Social Reporting Standard (SRS)

The SRS offers a reporting framework for organizations and projects. It is particularly helpful in documenting and communicating projects' or service providers' logic models. An SRS report also provides systematic details of the organization's structure and finances. Thus, the use of an SRS offers a comprehensive overview of the reporting organization.



Social Return On Investment (SROI)

Social return on investment is a parameter for measuring social impact in terms of the added social value created by a (social) project. It has been much discussed in recent years, but has also been the subject of considerable criticism. In SROI analysis, project results are quantified and expressed in monetary terms.

Stakeholders

Agencies, organizations, groups or individuals that have a direct or indirect interest in a project.

Target group

The specific individuals, groups or organizations for whose benefit a project is undertaken.

Theory of change

→ Logic model

Source: [1] Prepared with reference to: OECD Glossary of Key Terms in Evaluation and Results Based Management, Paris 2009, and Univation: Eval-Wiki: Glossar der Evaluation, Cologne 2010, under: *www.wiki.org/glossar/Kategorie:A_bis_Z*

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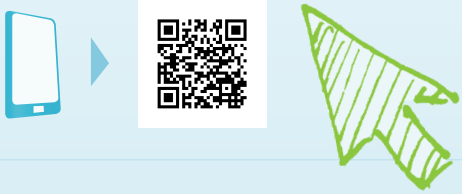

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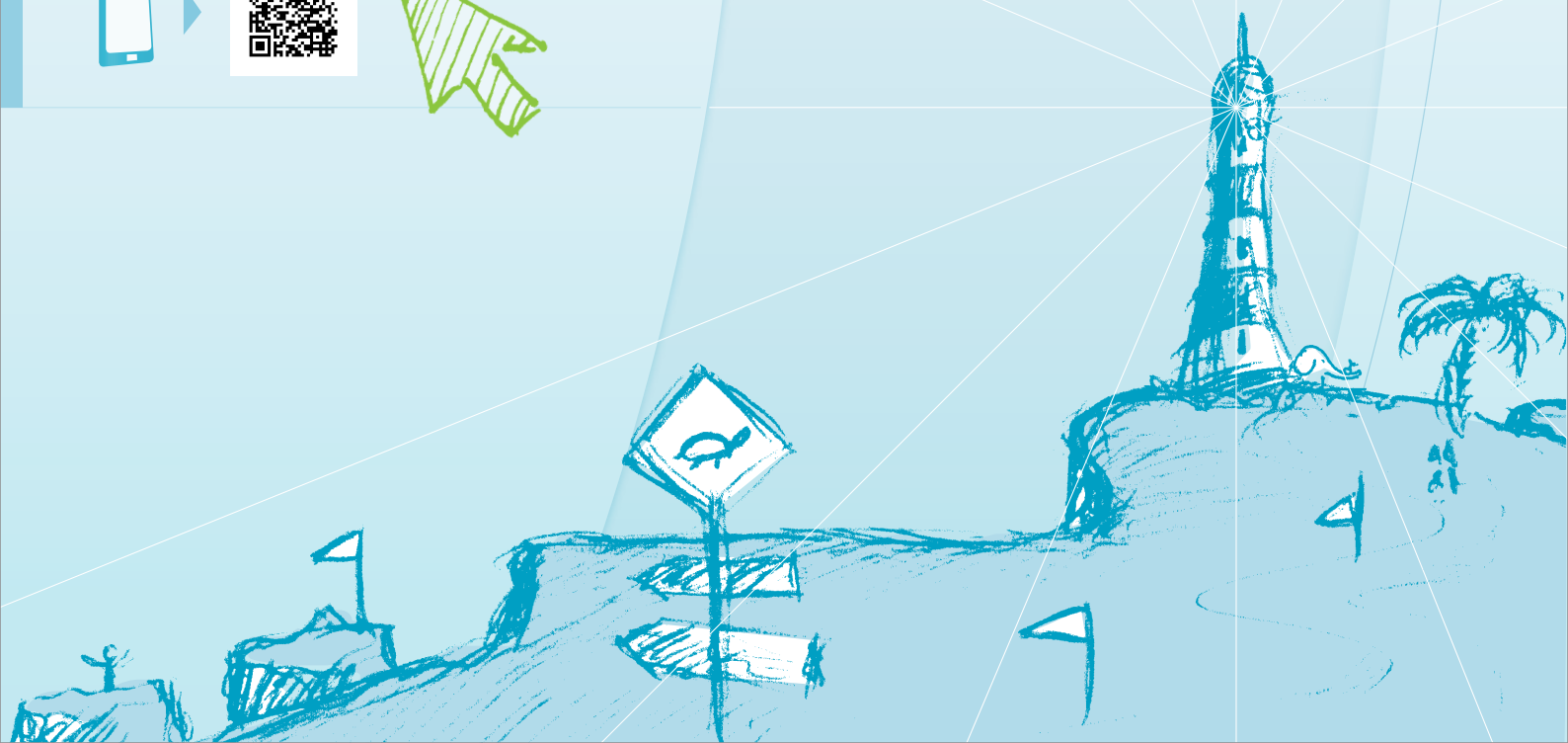

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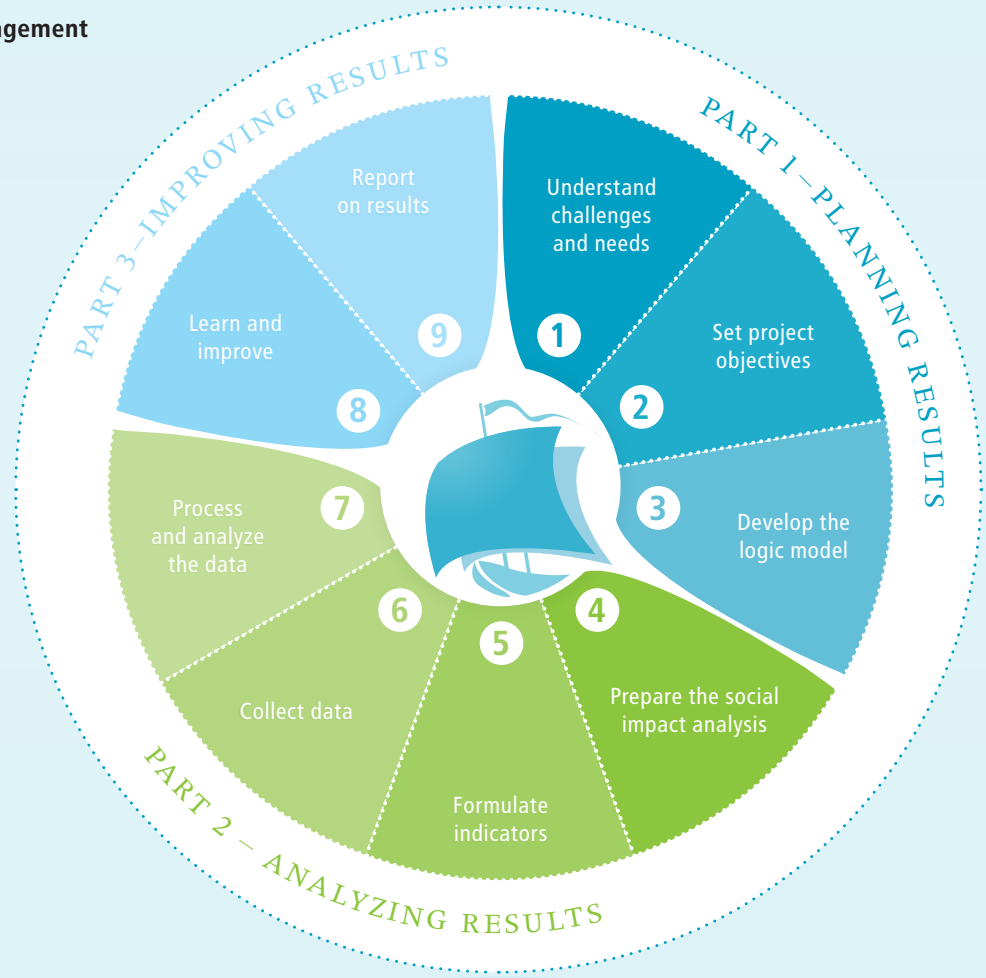

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