- What are the barriers you have observed when asking projects and organisations to report impact? I'd love to hear about that process from the perspective of a funder who is thoughtful about these things.

At Firstport, we have been helping budding social entrepreneurs make their ideas happen for over 16 years. We work with individuals who are in the very early stages of developing their ideas or setting up their social enterprises. When it comes to reporting the impact that these social enterprises create, we have noticed some patterns in terms of challenges and barriers.

First of all, developing a robust way of measuring impact is hard work. When setting up a social enterprise, individuals have to think about the financial aspects of their business, as well as their social and environmental impact. The amount of work and skill required just to keep on top of the financial side of their enterprise, whilst also striving to deliver the change that they want to make happen, can make it difficult to find the capacity to add an extra layer of impact measurement and reporting on top. This means that often impact measuring and reporting falls by the wayside, or that it isn't embedded across the organisation at all levels – sometimes becoming the task of only one individual, or the kind of task that only gets done in order to meet funders' requirements. This can create patchy or inconsistent information which further adds to the confusion around the process and detracts from its potential value. Conversely, where impact reporting works well is when it is part of the core work of the organisation and where it is regularly reviewed and discussed at board level.

Another challenge we come across is that early-stage social entrepreneurs can sometimes struggle to differentiate between their customers and their beneficiaries, or direct and indirect impact. This makes it difficult to know what to measure, as there may be a 'ripple effect' of positive outcomes that their customers also derive from interacting with their business. But ultimately, the success of an enterprise should be measurable against its key objectives, which should clearly state who its beneficiaries are and what the intended social or environmental impact is.

Of course, there is also the barrier posed by the various impact reporting tools and terminologies. There are so many impact frameworks out there that it can become overwhelming knowing which one to pick. There is also sometimes a worry that you need to be able to use them all in order to evidence impact, when in fact it's better to use the tool that best fits the context of the enterprise and the preferred learning styles of the individuals leading the organisation. The jargon that is often embedded within these tools adds to the challenge, running the risk of making them inaccessible.

Last but not least, even if one has managed to overcome the challenges above (they prioritise impact measurement across the board, embed clear objectives within their business plans and have found the measurement tools that work for their intended purposes), translating their own story into a narrative that fits into reporting requirements can be another barrier. Impact reporting is not an exact science, it often combines quantitative and qualitative evidence and it is highly contextual. This can be awkward to fit into any kind of standard template. At the same time, with no standard to use as a guideline, this final step of translating an organisations' work into 'objective' reporting can be particularly daunting.

- Is it possible to find a way that transcends those barriers? Maybe you've been developing ideas or know others who are leading examples in this area?

At Firstport, we feel that the earlier an individual starts thinking about impact measuring and reporting, the better. In the start-up stages, people are often a bit vague about how they plan to do this, or they pick a tool too quickly, often one which doesn't give them the robust evidence that will truly back their aims.

As part of our application process for early-stage Start It awards, applicants have a one-to-one assessment meeting with a Relationship Manager. Thus, our staff are able to get a better understanding of the proposed idea, and help applicants define their beneficiaries and in turn also touch on how they could measure their impact. They are then encouraged to embed their impact measurement into their business plans. If they are successful, awardees track their progress and

social impact through mid-way and end-of-award Action Plan reports, which consider both financial performance and social impact.

Applicants and awardees at this stage also often access free Just Enterprise support, working on a one-to-one basis with a Start-up Adviser that can support them further. This is a highly personalised service, where applicants are helped to define their objectives and social impact, as well as their measurement and reporting tools, in a way that works *for them* specifically. Instead of dictating strict processes and methodologies, clients are encouraged to find the templates that make most sense to them and which will add value to their social enterprise aims. The ambition is that by making use of these tools, social entrepreneurs will get to a stage where they know their social impact and measurement framework inside out, thus being able to clearly articulate their plans in any context, adapting their narrative as needed.

However, this is not an easy process and as noted before, it takes time and dedicated effort from the social entrepreneurs. To mitigate this, at Firsport we don't ask for impact measurement and reporting to be done in a specific way and we try to accommodate different learning styles by accepting the applicant's chosen frameworks, whilst at the same time helping them ensure it is as robust as possible. We see the importance of creating common ground and a shared language between applicants, stakeholders and funders, that all sides collaborate on, as we are driven by shared goals: generating positive outcomes and long-lasting social impact.

A few additional points to mention are:

- Choosing a particular impact measurement framework does not mean it cannot be changed or adapted at a later stage. It is perfectly okay for social entrepreneurs to experiment until they find what works for them and often this work will forever be iterative, as social needs and contexts change.

- Some intended impacts are harder to measure than others (particularly when it comes to measuring behaviour change, wellbeing, confidence etc). However, funders also appreciate this and evidence of serious consideration around how to measure impact is sometimes more important than having found the perfect measurement methodology. But there are robust scientifically developed frameworks out there even for these purposes and training is generally available.

- Some funds have very specific criteria around impact, that individual organisations may not meet even if their work is highly impactful. In these instances, it is important to remember that a rejection for one particular fund does not de-value the entire work of the organisation, and that social impact is not measured by the success rate for various funding applications.

Resources:
- Just Enterprise have Social Impact workshops as well as a free online course developed by Social Value Lab. https://justenterprise.org/

- Evaluation Support Scotland have lots of free resources on their website. You can search by sector or theme, increasing your chances of finding a template that works for a particular set of circumstances. https://evaluationsupportscotland.org.uk/resources