

# What's Your Impact?

How to successfully define, track, and communicate good your brand is doing

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## How to successfully define, track, and communicate the good your brand is doing

By Erica Chan, Thomas Goerner, and Dominik Prinz

**Whether it's climate change, the fate of imperiled species, childhood illness or the scourge of poverty that fires collective passion and concern, today's consumers expect brands in both the non-profit and for-profit world to do something about the problems we face. In the past, building an image of one's organization as forward-thinking and socially responsible might have been as simple as meeting environmental standards or supporting a charitable cause.**

Today, however, the world's problems are more complex, awareness of them has grown exponentially, and expectations have risen accordingly.

While many organizations support causes or make claims about sustainability, consumers want to know that the efforts those organizations are making to give back or reduce their impact are actually making a difference. Specifically, they expect brands to have—and clearly communicate—a larger social purpose and explain exactly how they contribute to making the world a better place.

It comes as no surprise then that brands, foundations, and other mission-based organizations are relentlessly searching for the best ways to capture and communicate the positive impact they are having on society and the environment. In fact, dozens of conferences focus on what is considered the Holy Grail of Corporate Citizenship: "Measuring Social Impact." However, despite the good intentions of many, the search for the perfect solution to impact measurement has proven to be complex and difficult. Practitioners and pundits alike cite common challenges: the inability to identify the optimal framework and methodology, significant resource and cost constraints to putting measurement in place, and figuring out how to effectively use, learn from and communicate the findings,

Though the challenges can be discouraging at first, they are also the starting point of success—meeting them, in other words, is the first step toward beating them. As organizations take on more ambitious social causes and sustainability targets, and have a greater need than ever to chart and report their achievements, getting familiar with the bumps in the road ahead can be an advantage. Distilled from a series of interviews with thought leaders, heads of foundations, and managers of Corporate Citizenship programs across industries and different causes, we've identified five of the most commonly encountered challenges<sup>1</sup>.

<sup>1</sup>While these are commonly cited challenges, not all mission-based organizations share or experience all of the issues and challenges as described in this paper simultaneously.

## A. Social change is complex

Most organizations are confident about measuring the investments they commit to their programs as well as the immediate outputs they can observe. For example, a \$5M investment in a vaccine program in Central Africa will allow doctors to inoculate approximately 25M people. An easy equation. But quantifying the extended impact a healthier population might have on economic growth, political stability or quality of life improvements is trickier. The complex nature of social change means that impact, especially that which focuses on fundamental systemic change, often takes a long time to achieve and observe.

A multitude of confounding factors, agents, and forces makes it extremely difficult for a particular program or organization to keep track of and claim the direct, net impact of its actions.

## B. No one size yet fits all

Most of the time, programs and organizations differ widely in their unique mission and approach to creating change. This makes it very difficult to compare and benchmark the results they are achieving. For example, take two organizations that both intend to raise literacy in the developing world. One might choose to address the issue by providing on-the-ground training and education. The other organization might focus on creating awareness through campaigns and advocacy efforts that put pressure on local governments to increase investment into the educational system. Both organizations aim for the same goal, but go about reaching it in very different ways, requiring different milestones and measurement methodologies to capture and compare progress.

## C. 1 + 1 does not always equal 2

Foundations and brands that have defined a specific social mission often pursue it by funding various projects in different local contexts, each one encountering varying economic, political, infrastructural, environmental or sometimes cultural circumstances. This makes it challenging to aggregate project-level outcomes to an overarching portfolio or organizational level. As a result, the complexities and inconsistencies organizations encounter tend to limit their ability to compare and scale monitoring and evaluation efficiencies across projects.

## D. Resourcing is a roadblock

Important as it is, answering the question “What’s your impact?” can be a timely and expensive undertaking. Mission-based organizations often have to balance between dedicating staff time and organizational budget needed to capture and report their results, and spending scarce resources on program implementation to further their cause. Monitoring and evaluation generally costs mission-based organizations 5-10 percent of their operating budget, in addition to staff bandwidth—which makes proving the Return on Investment (ROI) for impact measurement that much more challenging.

## E. Measurement is only as good as the stories it tells and lessons it teaches

The benefits of tracking impact can only be fully achieved when the results are used and communicated effectively. To do so may require organizational behavioral change, especially in a sector that has traditionally focused on modestly doing good, rather than openly talking about their contributions to the world. Not every organization has yet recognized or activated the potential that lies within “branding one’s cause.” It is often still untapped territory and will require both a strong leadership mandate and a cultural shift in order to push it to the forefront of communication.

## DESPITE THE CHALLENGES, THE BENEFITS ARE MANIFOLD

Even though a fully unified and standardized approach to measurement seems yet to be defined, there are multiple upsides for organizations that take a closer look at the impact they are creating:

### Better Project Management

Understanding what drives results and impact will allow an organization to learn, improve efficiencies and make programs more effective.

### Resource Prioritization

Understanding which actions yield the highest results, and allocating budget accordingly, can help improve the “social returns” on investment.

### Strategic Refinement

Knowing where an organization can truly make an impact (and where it can’t) will allow it to fine-tune its mission and strategic focus over time, in order to maximize the positive impact it can have on target beneficiaries, society and the environment.

### Enhanced Fundraising

Being able to leverage acquired insights around the positive change an organization creates will put it in a better place to convince its endorsers, supporters, and donors to maintain or increase their support.

### Advocacy and Awareness

Once a credible case for successful change creation has been built, and proof is on the table, an organization is in a better position to expand its sphere of influence and win the public’s long-term support for a cause, creating a potent multiplier effect. The process of impact measurement, and the learning gained through it, will also contribute to society’s larger knowledge base, helping people understand what works best and what doesn’t.

## CRACKING THE CODE

The well-known saying “You can’t manage what you don’t measure” rings with truth in this context. Yet the process of aligning the numbers is only one piece of the puzzle. To provide some insight on a more holistic level, we have identified three steps that help brands better capture impact measures and put them to best use. Let’s take a closer look at each step and some of the self-evaluation questions you should ask yourself to make sure you are on the right track to success.



### Step 1. Define

... very clearly what you intend to change in the world; why and how you’ll do it; and what you aim to achieve

The journey of measuring impact and using findings effectively starts with a clear articulation of your organization’s mission. Within the overarching mission, you need to define specific, measurable, attainable, relevant, and time-bound (SMART) goals for each project and program in place. From there, a “Theory of Change” needs to be articulated to chart the flight path to achieving the goals and overall mission. The “Theory of Change” should answer important questions that will guide “how you do what you do”:

- Are you totally clear on what the mission of your organization is? What change do you aim to achieve, and why?
- Who are your audiences?
- Who are your agents of change, and who are you trying to influence?
- Have you defined specific goals for each program?
- Is there a clear strategy and commitment from the organization to mobilize the resources needed to achieve these goals?



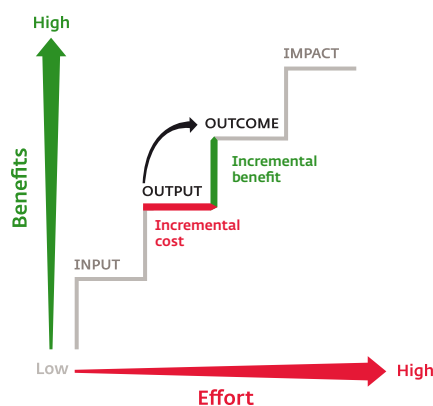
### Step 2. Measure

...how you are delivering against goals by applying the “right” metrics and methodologies

The potential measurement scope, or depth, spans a spectrum from: **input** invested in an activity (e.g., resources like time, money, etc.), to **output** (the direct and tangible results from an activity, e.g., number of people trained, trees planted, etc.), to **outcome** (the uptake and behavioral change resulting from the activity, e.g., increased income, improved stability in life, additional job opportunities, etc.), to, ultimately, **impact** (the net effect or contribution to changes in the lives of people, such as improved health status, improvement in literacy, lives saved, quality of life improvement, etc.).

The greater and deeper the scope of impact measurement, the higher the costs, the longer the time horizon, and the greater the complexity of methodology will be. On the other hand, as the depth of measurement and reporting grows, more of the previously mentioned benefits will be realized.

The key is to define what to track (input, output, outcome, or impact), and to carefully evaluate what incremental costs and benefits arise from that.



In order to define where you want your organization to live on this spectrum, a number of key questions must be answered:

- Where along the measurement spectrum are you today? Where do you want to be? Where do you need to be?
- What are the metrics, or KPIs, that you do (or could) measure against?
- Which methodologies might best help capture those metrics and generate the most relevant insights?
- What is the appropriate time horizon for measurement?
- What is the organization’s appetite for cost and resource allocation to measurement?



### Step 3. Use

... the results across a variety of touchpoints and in a way that provides transparency and improves brand perception

Once you have defined your goals, done the work, and captured the results, you need to package your success into a compelling story that stays consistent throughout all channels of communication. Letting your audiences know how you give back, what you achieve, what you have learned—and, most importantly, why they should join you on that path—is becoming increasingly important. If you fail in tell this story effectively, or make claims that can’t be backed up with evidence, communication efforts are either reduced to short-lived sensations or may be lost entirely on people who will turn their attention to organizations that do a better and more credible job of showcasing their accomplishments. However, as essential as it is to craft a great story, that is only the beginning. Spreading it successfully is another opportunity to create meaningful connections with your audiences.

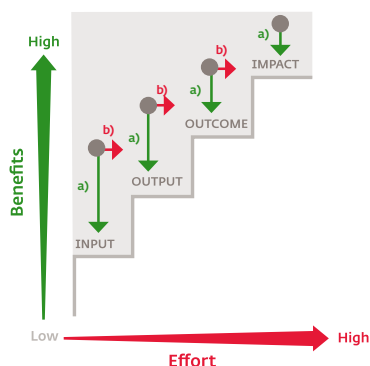
To make sure you’re on the right track, try answering these questions:

- What is the key story you are trying to tell? Are you telling it in the most compelling way that is relevant to today’s audiences?
- What aspects of the story are your different audiences most interested in (i.e., employees vs. donors)?
- What is the proof (numbers and anecdotes) that makes the story authentic?
- When and at which touchpoints are you planning to tell these stories?

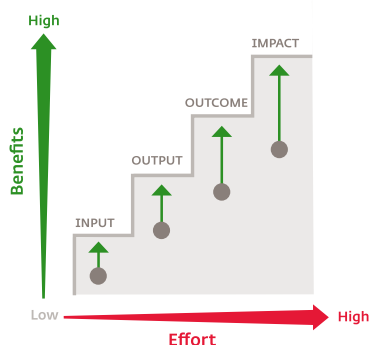
If you can answer all of these questions, you're on the right track. But beware of two mistakes organizations often make when they start telling their impact story.

**First (major) mistake:** Telling a story that is too big. Sometimes organizations fall into the trap of painting a picture that over-states their actual achievements, over-generalizes from ad hoc success stories, or fails to provide sufficient proof of concept. This puts the brand at risk in an age where people actually pay attention to what organizations do, follow up, background-check and easily expose organizations that exaggerate achievements or make claims they can't substantiate.

An organization has two choices in this case: either **a)** fall back to reporting success stories it can—without a doubt—claim; or **b)** decide to put in the extra effort to move to the next level of impact measurement in order to obtain the numbers that turn mere claims into real facts.



**Second mistake:** Telling a story that is too small. This happens when organizations have a clear understanding of the positive change they create, but fail to craft powerful reporting and engaging conversations around it. They need to optimize communications to avoid operating below their own potential and to maximize opportunities to improve the strength of their brand.

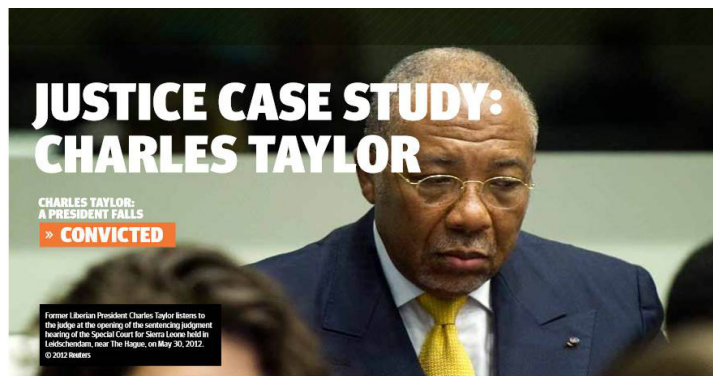


## DOING IT RIGHT BUILDS A STRONGER BRAND—SOME TIPS ON HOW

Organizations that have a clear understanding of the positive change they create can craft powerful and engaging conversations around it. These can then positively affect some of the dimensions that make up a strong brand, according to Interbrand's Brand Strength Model. We have included some simple examples from **Human Rights Watch** to illustrate how you can benefit from better impact storytelling.

### Authenticity

The better you can prove via impact reporting that the organization delivers against its mission and stated goals, the more authentic and credible the organization will appear to external stakeholders.



Despite Human Rights Watch's very high global media profile, the organization stays authentic to its mission (influencing and sustaining change, and promoting human rights and justice), and maintains that media exposure alone does not constitute impact.

### Relevance

Tracking and reporting on the issues that matter most to the organization's audiences, and being able to prove that its actions create positive change, increases relevance and ensures that an organization will remain a trusted and sought-after partner.



Human Rights Watch features only the most top-of-mind, impactful stories in its annual report and stays very current in its campaigns (e.g., human rights abuses around the Olympics).

### Differentiation

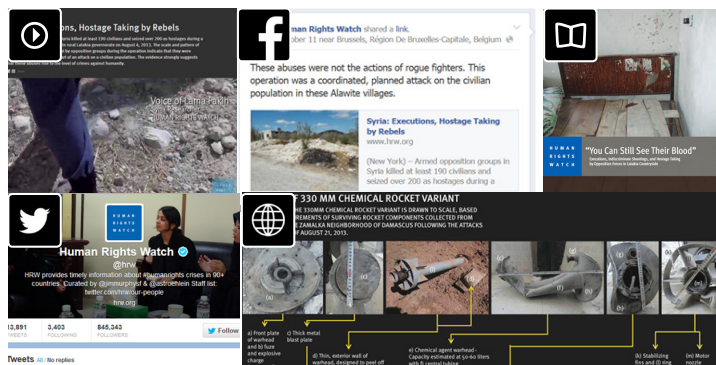
Telling a story and presenting information in a more strategic and compelling way than one's peers can help set a brand apart from other foundations or organizations that take a less advanced approach to proving their impact.



Human Rights Watch adopts a distinctive and emotionally charged photography and photo-essay style to tell its stories.

## Consistency

Your impact story must consistently tie in with all of your actions as an organization—from the core mission statement all the way down to reporting your results at the end of the year. This can convey and reinforce a holistic image of organization and show that you are “walking the talk.”



Across all touchpoints, from publications, film festivals, and multi-media campaigns to its annual report and donor communications, Human Rights Watch consistently ties what it does back to the organization's core mission and stated goals.

## DO WHAT YOU SAY—AND SAY WHAT YOU DO

Impact measurement and reporting is no black box. It might not yet be in a place where it can be standardized or compared across industries or programs at all times, but the three steps we have outlined apply to any organization tackling this 21st Century challenge. To reap the full benefits of measuring and better substantiating your organization's achievements, it is necessary to apply the branding principles used by some of the world's most admired companies when it comes to how they tell their stories, communicate their impact, and help further their causes.

## Presence

Showcasing success externally will allow for additional communication, advocacy and influence opportunities, and greater brand presence across a variety of touchpoints. Think “digital” or even “retail”—a static sustainability or “progress” report alone is no longer sufficient to raise awareness.



Human Rights Watch leverages multi-media channels and touchpoints to drive audience engagement: website, photo essays, podcasts, audio stories, project-specific reports, film festivals, and its rapidly growing social media presence.

As one of our interviewees put it: “Measuring impact is necessary, but not sufficient. Despite the relentless push for numbers, they don't tell the whole story and can often be unreal. We need to broaden the lens, and determine what really matters.”

Broadening the lens means that we need to start telling more relevant and authentic impact stories that incorporate both rational and emotional chapters. We have to make the facts more tangible and the narratives more compelling. This will not only build a strong case for the impact you are creating for society—it will also be the key that unlocks positive impact for your brand. And don't we all love a great success story?

## Understanding

By crafting a strong story around your organization's impact and showcasing measurable results, you will fundamentally help stakeholders understand your brand's mission, goals, distinctive qualities, and characteristics.

Spectacular reporting by @HRW abt bombings of civilians possible war crimes in Blue Nile, #Sudan bit.ly/JzRf7u -Nicholas Kristof April 2012, Twitter

I discussed for instance the letter written by Human Rights Watch, and the concerns in that letter. It's very important we have a frank dialogue. - British Prime Minister David Cameron, July 2013, Chicago Tribune

Through a clear articulation of its mission and pathway to change, and by being transparent in communicating its impacts, Human Rights Watch's mission, goals, and distinctive qualities are recognized by different audiences around the world.

## Thank you

We would like to thank representatives from the following organizations for sharing their invaluable experiences and insights on defining, measuring, and reporting mission-based impact:





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Erica Chan is on Interbrand New York's Strategy and Analytics team, where she applies a data-driven approach to developing actionable strategy recommendations to optimize organizations' and brands' potential. Prior to Interbrand, Erica held strategy and research roles in the corporate, public, and not-for-profit sectors, taking her from health clinics in the Golden Triangle to New York City Hall, and various airports and cities in between.



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Thomas Goerner is a member of Interbrand's Strategy and Analytics team. Thomas looks to apply data-driven strategic thinking to creating and managing brand impact. He believes that most successful strategies are grounded in robust analysis that deliver a keen understanding of stakeholder behavior: today's and tomorrow's. His consulting experience spans from Fortune 500 companies to advising some of the largest non-profit foundations. Prior to joining Interbrand, Thomas worked for L.E.K. Consulting, where he advised leading Private Equity funds on acquisition targets in a variety of industries.



**Dominik Prinz**  
**Director**

Dominik Prinz is a Strategy Director in Interbrand's New York office and combines more than 10+ years of experience in branding. Besides leading various brand strategy initiatives for Fortune 500 companies, he is a recognized thought leader when it comes to connecting an organization's business, brand, and Corporate Citizenship strategy.