



Access Foundation
The Impact of
Capacity Building

A Transformational
Index Analysis





About the TI

Most approaches to measuring impact start from a financial perspective – count the money; follow the money; act like it’s money. But the principles of finance do not apply easily to transformation. Transformation is deeper, longer-lasting and much, much more tied up with the complexities of communities and the unpredictability of human life. The Transformational Index goes to the heart of how an organisation can genuinely achieve transformation – the thing it exists to do.

We offer a way of combining data with stories in the context of a community of organisations learning from each other. This enables users to fundamentally improve the quality of all of their work – to the benefit of all of those people who need and use their services, and the sector as a whole.

We achieve this by providing a workshop that helps an organisation articulate the specific nature of its impact and helps develop an approach to impact measurement. The workshop results in a report and infographic that enables organisations to learn from and communicate the impact they are having. We help facilitate communities of learning and practice where organisations can learn from one another, collaborating around best practice for impact and transformation.

The TI Report Summary for Access: June 7th 2017. Developed by the TI Group with Access and its partners using the Transformational Index, used under licence. Please credit these sources if reproducing this in whole or part.

Introduction

Access – the Foundation for Social Investment, was created in 2015 with a ten year mission to help charities and social enterprises access the capital they need to grow their impact. Its model is to do this through (a) resourcing programmes that build organisations’ capability and resilience [the Capacity Building programme] (b) creating an ecosystem of small loans to support organisations’ growing impact [the Growth Fund] (c) intentionally learning and sharing the results as widely as possible, so that investment and resilience become the new normal in the market.

Access engaged The TI Group (TI) as its learning partner in 2017, to help design a model to infuse the market with the best of what it learns from the Capacity Building programme over the next five years. The first step, with the key partners in the room, was to define the transformation the Capacity Building programme was seeking, using the Transformational Index (a TI tool). The intention was to enrich Access’ existing learning strategy by adding leadership culture and values to the process and by allowing it to evolve into a collective endeavour, in harmony with learning at its best.

Session

DATE:	June 7 th , 2017
LOCATION:	London, UK
FACILITATORS:	Chris Wood & Andy Schofield
PARTICIPANTS:	Jessica Brown Abigail Rotheroe Anne Kazimirski Marcus Hulme Deborah Smart Helena Tuxworth Ed Anderton Seb Elsworth



Indicators

What does transformation look like for Access' Capacity Building programme? The following indicators were selected by the group and represent attributes that are central to Access' organisational DNA and that of the programme. These characteristics help describe who Access is, and the impact it exists to make.

The selection of these indicators and their relationships to others that were competing for inclusion in the model, is shown at Appendix B.

The quotes were created by the group as descriptions of what success might look like in the future, from the point of view of the people and organisations Access exists to serve.



TRANSFORMATION LOOKS LIKE:

for the Capacity Building programme, authenticity is about truthfully serving charities, social enterprises and their beneficiaries. Authenticity means demystifying and detoxifying finance, through vivid honesty when things don't work (as well as when they do); knowing when and why to say no; checking veracity with partners at every point in the value chain; and cross-pollinating the skills and knowledge of business with charities and social enterprises, so that social investment becomes self-supporting.

EXAMPLE:

"The charity were the first people to be interested in the problems I had, which got me into prison in the first place; so you can imagine I was devastated when the service closed because of funding - I began to find it hard to avoid the drug-pushers at my door and the calls from my Ex. The new funding they got was a lifeline to put my life back on track, and I now help other women to escape the same drug addiction, violence and poverty that haunted me."

[Service user of a women's rehab project]



TRANSFORMATION LOOKS LIKE:

social investment is the alignment of the social and the financial in the pursuit of impact. Inside that orbit, the Capacity Building programme's focus on organisations, means alignment is about alliances; the applicability of its work and acknowledgement across the network of organisations; and the infectious adoption of the best of social impact.

EXAMPLE:

"I admit that I was a skeptic and thought that the small charities and social enterprises we work with were unsuited to any kind of investment. I was wrong. But better than that, using impact as our way of looking at things has meant we have been able to focus our programmes and collaborate to take on bigger social challenges as a collective of organisations."

[Intermediary organisation]



TRANSFORMATION LOOKS LIKE:

tangibility in a model where Access has a sunset clause is connected to the visceral practicality of the Capacity Building programme and, therefore, the proliferation of its best features. Tangibility thus embraces both the test of evidence to satisfy other investors, and efficacy to engage as many & varied charities and social enterprises as possible during Access' lifetime.

EXAMPLE:

"You may be interested to hear that I am now back in work and have been able to get a roof over my head through the local housing association. Your gentle encouragement and patience has really helped me focus on what matters in life."

[Service user of an employment and housing social enterprise]



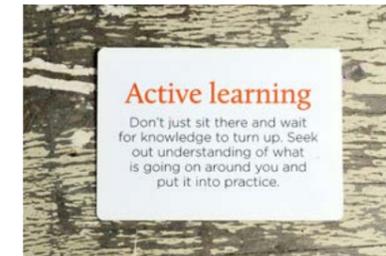
TRANSFORMATION LOOKS LIKE:

for the Capacity Building programme, equality based on need and opportunity is indispensable within each link in the value chain (for example: equitable treatment and equality of terms for all the charities and social enterprises eligible for Reach, or Impact Management). However, it is also about equalising some of the asymmetries between links in the value chain (for example, by socializing the capital in the market by giving it more socially-friendly characteristics as well as capitalizing the social through capacity building).

EXAMPLE:

"When I came into the post of CEO, I was very dubious about how social investment could be of use to this organization. Initially, I applied for an investment readiness grant thinking the work would be useful but that realistically I would not take on investment. What I have been most impressed by is that we have not been forced into a one-size-fits-all process but rather that our needs have been at the heart of everything. What was also refreshing was that social investors do want to understand our needs. I wasn't expecting that!"

[Charity Chief Executive]



TRANSFORMATION LOOKS LIKE:

The distinctiveness of Access' active learning model lies in its diffusion throughout the social investment value chain, as well as its application to the Capacity Building programme. By this method, Access will hear the signals of evidence from investors, intermediaries, charities and social enterprises; as well as wire-up learning feedback loops about its own processes. The programme will find an equilibrium between stories and data, success and failure, prevention and corrective action.

EXAMPLE:

"Being a veteran from the early days of this sector, I remember clearly the challenges we and our fellow investors faced to find the right organisations with the right business and give them the right kind of money to help them fulfil their potential. We have been encouraged and enabled to contribute to a 'collective intelligence' which has helped us all learn faster and make better decisions. Compared to 2016, the social investment market of 2026 now feels more responsive, collaborative, effective and influential."

[Social investor]



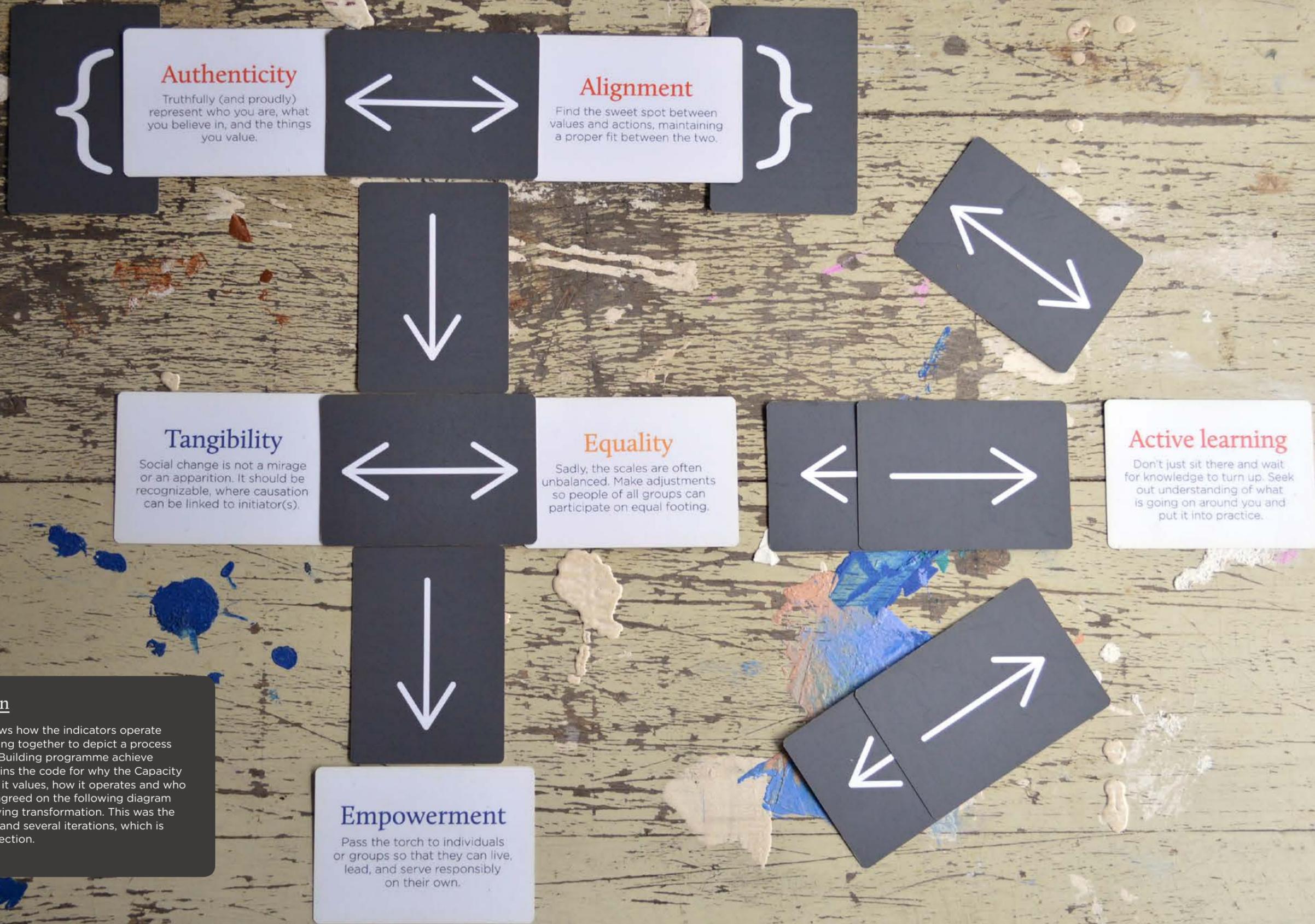
TRANSFORMATION LOOKS LIKE:

the Capacity Building programme recognizes the axis connecting money, power and impact. It will empower charities and social enterprises to determine their own destiny, based on impact needs and sustained by diversified income and investment; seeking to animate the market for money around demand rather than vice versa. The focus of empowerment is the disempowered, which is the natural gravity of the Capacity Building programme towards charities, social enterprises, and their beneficiaries.

EXAMPLE:

"Although [the social investor] previously thought our new social prescribing programme for diabetes prevention was too risky and untested; through the Reach programme both of our organisations have learned and improved our operations. The programme empowered us to more boldly design and communicate our business model for the new prescribing venture, which is now successfully launched and saving time and lives."

[Healthcare social enterprise]



Model of Transformation

The model of transformation shows how the indicators operate in relation to one another — coming together to depict a process of how Access and the Capacity Building programme achieve transformation. This model contains the code for why the Capacity Building programme exists, what it values, how it operates and who it wants to work with. The team agreed on the following diagram to represent the model for achieving transformation. This was the product of significant discussion and several iterations, which is explored later in the comments section.

Impact Statement

Combining these indicators into one statement might generate a description of the Capacity Building programme's intentional transformation as follows:

Access's **authenticity** is truthfully and effectively serving charities, social enterprises and their beneficiaries, by **aligning** the financial capital in its influence to their social purpose. This axis of alliances and practical application delivers **tangible** impact, **equally** available according to need. This combination of attributes is the origin of **empowerment** for charities and social enterprises to own their own destiny, based on impact and sustained by diversified income and investment. By continuously and **actively learning** how all of these features work best together, Access can entrust its legacy to the network and leave the social investment world with an inheritance that is the new normal.

Based on voting after the session, the group felt that Authenticity was particularly distinctive, in that it would be the hardest to clone or replicate, and that Alignment stood to have the most powerful effect on the model if it could be increased or decreased. (For the full questions and scores, see Appendix A.)



Measures

Remembering that 'What's measured becomes what matters' and 'what isn't counted, doesn't count', it is important to focus measurements on the transformation the Capacity Building programme hopes to achieve, expressed through the model. These measures can become vital for sustaining strategic focus and substantiating the assumptions and narrative of the programme; to help Access get better and to embed the best of what it learns in the social investment ecosystem. Using a similar process to choosing the indicator cards, various possible measures were considered and rejected. The group generated some new ones and revised earlier suggestions to create the full list below, in order to cover the different indicators of transformation in the model.

1. 360° FEEDBACK SURVEY

Access wants to listen to the views of the organisations it is aiming to serve. That is primarily the charities and social enterprises it is aiming to support through capacity building. This introduces a separate learning loop between Access and front-line organisations so that their voice will be heard directly as well as through the prism of intermediaries. It also extends the concept to the full 360 degrees, where Access will listen to the signals from each part of the value chain (investors, intermediaries, social sector organisations, people and communities) to check its authenticity. The content, design, sample, and communication of the results can naturally form part of the learning partnership as Access embarks on that trajectory.

2. OWNERSHIP OF IMPACT STORIES

The description of this measure from the workshop embodied the idea of honesty in sharing stories and that this required the leadership and blessing of Access in helping that to happen. The players at the workshop acknowledged the inertia in learning well, because of the cultural & career consequences of confessing failure. However, with a limited lifetime, the imperative to learn quickly and wisely is vital to Access. In common with the 360° feedback, this measure can be like a fractal - the same at all scales - applied to investors, intermediaries, social sector organisations, people and communities. This ambition for impact stories would mean a volume and richness to the narrative that is currently invisible, would mirror the way the legal system values testimony, and accelerate the process of learning. The application of this measure to the decision-making within the Capacity Building programme itself, by sharing stories of imperfections and reasons for saying no, would humanise the organisation, set the tone of leadership by example and validate its authenticity.

3. SUSTAINABILITY OF INTERVENTIONS

The alternative description of authenticity for Access might sound like: "be who you are" and it's that element that was most strongly reflected in this suggested measure. Sustainability of interventions was about the impact of the Capacity Building programme on its clients and their ability to act without Access' support. In the short term this could be a confidence measure, triangulated by asking the organisations concerned, their intermediary advisers, and their investors. Longer-term, this could be supplemented by empirical evidence on sustainability and resilience for charities and social enterprises. It's a measure that also lends itself to the value chain: testing the sustainability of subsidy levels with investors for example, or the sustainability of the intermediary market as an intervention.

Recognising the DNA of Fun as part of authenticity, as described above, would introduce some eye-catching techniques to both ask and listen to feedback, stories and sustainability.

4. ADOPTION, INTEGRATION OR REPLICATION OF BEST PRACTICE

The alignment of Access' work with need at every boundary in its value chain (investors and intermediaries, investors and enterprises, intermediaries and enterprises, Access and its peers, etc.) can be measured by the speed and scale of adoption of the best that is being thought, said and done within (and sometimes outside) its ecosystem. This measure was an expression of Access' desire to find, diagnose, and share excellence as widely as possible from wherever it is found. It was a measure that requires hard-wiring of listening, definition of goodpractice (for which the terms of what good looks like from this model of transformation are the foundation), and the use of communications strategy as a tool for sharing others' happiness and hazards in pursuit of system-wide changes. Giving some precision to this measure can be part of the emerging brief of a learning partner, including its cross-referencing to authenticity by being self-sustaining and reflecting the ownership of impact stories. There was an implied assumption that the alignment of demand and supply would necessarily lead to faster and wider adoption, integration and replication. It would be wise to test this hypothesis in practice.

AUTHENTICITY

ALIGNMENT

5. NUMBER OF CITATIONS AND CREDITS

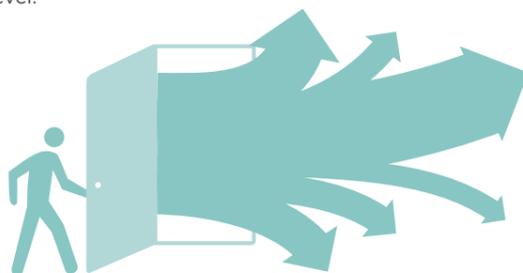
This measure borrowed some thinking from academic life, where citations are a proxy measure for the value of research to the academic community. In Access' case, published citations and credits would be proxy for the alignment of social investment work to the needs of those in that market. It can also be thought of as a precursor on the pathway to adoption, integration and replication in 4. A process of minimum viable measurement and de-duplication will reveal if Access wishes to keep citations as a measure of travel towards adoption, integration and replication, or simply measure the arrival at that destination; or indeed make an alloy by melting them together. Before selecting citation software or other methods, Access may wish to consider whether counting net positive and negative citations would best reflect authenticity.

6. MAP OF ALLIANCES

Alliances began life in the discussion as a route to enhance adoption, integration and replication of best practice. This was still true at the conclusion, however, it was also recognisably wider than that because alliances also represented a means to sustainability and resilience through collaboration and cooperation (part of the DNA of Alignment included Collaboration as described above). Building a network map of the players in the social investment value chain would visually represent the strength, diversity and extent of alliances and was the preferred suggestion for this indicator. A network map would reveal where self-sustaining and resilient connections are beginning to grow, as well as where Access might concentrate its future work on alignment to best effect, in pursuit of its legacy of self-sustaining impact in the sector.

7. INCREASINGLY DIVERSE TAKE-UP AND SHARING OF TOOLS AND MONEY

Connected strongly to a network map of alliances (in 6, above), this measure looked like a map and flow diagram of organisations and resources to represent the tangible use of what Access was offering through its programmes (in particular Capacity Building). It therefore makes it a good candidate for minimum viable measurement (nothing is measured that doesn't need to be, whilst leaving no gaps) by perhaps defining a network map with different layers to show alliances, adoption, integration, replication, diversity, and take-up from different sources: Access' programmes and elsewhere. This would, for example, answer the question about the reach of the Reach fund. The additional element in the discussion about tangibility was about the take-up of money, which was a debate about need, efficacy, evidence and efficiency. That meant that developing a different 'map' of resource flow would add significant value to the network map. For example, a Sankey diagram tracking the flow of resources from investors to beneficiaries, would be a powerful tool to use system-wide; with outflows at every link in the value chain to investors, intermediaries, social sector organisations, professional advisers, and others; at every scale from an individual deal to market-level:



8. FEEDBACK ON THE QUALITY OF PROVIDERS

This measure was driven from the strong professional judgment of those players in the room and the anecdotal evidence about the variable quality of intermediary market providers in the value chain. However, the discussion also acknowledged the variability in other links in the value chain and the connection was made to 360° feedback being as valuable as a tool for this as it was for Access and the Capacity Building programme itself, represented by the Authenticity indicators in 1 and 2, above. Deploying 360° feedback at every link in the value chain was therefore a possible solution. In this way, 360° feedback would be given on intermediary providers by Access and its partners, as well as by investors and others. For all links in the value chain, 360° feedback would be applicable: to investors; to intermediaries; and to charities & social enterprises; and fortified with better ownership of impact stories from all those sources. The extension of the design for all these links would be one of the tasks for a learning partner.

9. NUMBER OF CONNECTIONS BETWEEN PARTNERS

This measure was, in discussion, fused with the idea of network maps across the value chain, described in 6 and 7, above.

10. CHARACTERISTICS OF APPLICANTS TO, AND RECIPIENTS OF INVESTMENT FROM, ACCESS' PROGRAMMES; BY NUMBER AND VALUE

The debate in the room about measuring numbers of applications to programmes was that it was too one-dimensional to measure equality. The more valuable insight for the legacy of Access' programmes was to work with the unusual suspects based on social need. It meant that adding value was a marker for Access, which it might not do so successfully by encouraging more asset-backed secured property lending for example. Equality was therefore to be judged by needs-led accessibility to programmes (by applications and by investments made). In particular, new entrants to social investment could be weighted in this measure to give meaning to Access' intentions of equality. The definition of characteristics that Access wants to use, would naturally be part of the learning partner brief early on. By extension, the dimensions of equality in the other links in the value chain are worthy of exploration: equality of access to programmes by investors; similarly for intermediary providers. These dimensions, if driven by the needs from the charity and social enterprise applicants/recipients would help align the whole value chain to needs in the social impact market - with a connection to Alignment, above.

11. THE RIGHT PRODUCTS TO MEET NEEDS

This measure, like 10, raised the denominator of needs as the basis for equality and as a golden thread in the model of transformation (and, in particular, the Capacity Building programme). Certainly the wiring-up of the signals about need from the value chain through authenticity, alignment and tangibility, will give Access the information it needs to make intelligent judgments about product design. There is also some cross-pollination with adoption, integration and replication (Alignment, at 4, above) because of the links between adoption and the suitability of products. However, the players in the room recognised that this wasn't a linear relationship because the popularity of a product may not always be linked to need, or at least not the needs of end users (people and communities). Setting a design challenge for crowdsourcing products in the service of need might ignite some innovation and increase the participation of charities and social enterprises in the design process for example. It would very likely reduce the dissonance between products and needs by moving the design process closer to the source of need, which would show up in this measure and in the ones for sustainability, adoption, and sharing (3, 4, and 7 respectively).

12. EQUALITY OF TERMS

Judging needs-led accessibility to programmes (by number and characteristics of applications and investments made) had a potential blind-spot that players wanted to correct by this measure of equality. In an emerging market where transaction volumes are growing and Access is learning about comparable investments, it was mindful of protecting fairness in the terms offered through its network of intermediaries and their investors. Visibility of the commercial terms for each deal in which Access was a party in any respect, would allow intelligent judgment about the equitable treatment of organisations and the alignment with need. This would connect well with the current hypothesis about the role of subsidy in equalising the tendency of capital to (over) compensate for risk through pricing: the acknowledgement in the room was that rebalancing for risk was not the same as rebalancing for need. Finally, this measure could also contain a signal of equalising asymmetries between different links in the value chain. For example, the asymmetry of power between a large investor and a charity new to social investment would be rebalanced by the availability to the charity of data & stories about terms applied in similar situations. This normalising effect would serve equality well and links directly to empowerment in 13, below.

13. ORGANISATIONAL CONFIDENCE

In seeking measures of empowerment (which included the DNA of Entrustment of organisations as the agents of change in their world, whom Access was seeking to support), the players recognised that there was a cultural and structural element to this indicator. Culturally, those organisations had to feel empowered, measured by their confidence to engage. Structurally, the information, talent, and experience on which confidence could be built had to be made available to them. The market failure in this respect was discussed, where intermediaries and advisers were incentivised to monetise the protection of information and talent and not release it into the market. Reframing this to make it more valuable for information and talent to be shared, gifted, and replicated would be a big prize for empowerment of the social ecosystem.

Before-and-after (and longitudinal) confidence measures would be simple to collect and, with attribution, would give Access sight of the key factors.

Finally, in animating the market around social demand rather than capital supply, the players in the room were keen to extend confidence to all the links in the value chain and levels within them. For example, this measure could be extended to confidence levels amongst (especially retail) investors, intermediaries, people & communities; and include polling of staff at all levels in social sector organisations, similar to a state of social investment survey.

14. NUMBER AND EXTENT OF INCOME DIVERSIFIED ORGANISATIONS

Confidence measures have a purpose for Access and the Capacity Building programme: to create a more self-reliant, self-correcting, and resilient market of social sector organisations able to determine their own destiny based on needs, with available capital to sustain and grow the ecosystem over time. The latter measures of empowerment were centred on these purposes, including this one of income-diversified organisations (by number and extent). The hypothesis here was that income diversification based on need, rather than on revenue per se, was a measure of self-protection and resilience for charities and social enterprises.

15. INVESTMENT RAISED AND CONTRACTS WON BY VALUE, DURATION AND SOURCE, INCLUDING COST RATIOS

This quantitative measure, suited to aggregation, and contextualised by the extent of income diversification, was a hard-data measure that was familiar to many players in the room. In the context of empowerment, it was a proxy measure for the energy and appetite in the market for social investment, and the empowerment of organisations to take advantage of it. The important added value from the debate was the contextualising effect of the extent of diversification (for example, winning a £50k contract for an organisation with a £3m turnover would not materially improve its resilience); and the cost ratios, many of which are often invisible as outside the boundary of Access' grant/investment making (for example, the legal and due diligence costs to a social enterprise are typically invisible to Access but can be materially significant to the organisation, the impact on its beneficiaries and the empowerment it derives from the deal).

16. KNOWLEDGE OF HOW WELL SOCIAL SECTOR ORGANISATIONS ARE DOING AGAINST THEIR PURPOSE & MISSION

As well as hearing the signals from all the links in the value chain and wiring-up feedback about its own processes through 360° feedback, citations, and take-up of tools, the players wanted to clone the self-awareness gene and introduce it to charities and social enterprises (and, potentially, investors and intermediaries). This measure would imply two parallel components: organizational clarity about their social purpose, mission & impact; and evidence connected to ownership of impact stories in 2, above (honesty and permission to share mistakes, failures and inaccurate assumptions) with a sprinkling of organization-specific data. In summary, this measure would take some of the self-questioning culture from Access' model of transformation and diffuse it into the market. The result, in tune with the Capacity Building programme' s strategy, would be more resilient and sustainable organisations better able to adapt to changing circumstances by having acute early-warning radar systems and deep understanding of their unique ability to respond through preventative or corrective action. By this measure, Access would, in effect, become the sector's learning partner.

17. DATA TO IMPROVE PROGRAMMES

This measure was debated as part of the discussion about Access' own self-awareness and its ability to become a learning organisation, with wired-up signals from the market. The measures coded into the rest of the model of transformation were agreed to provide the right data from the right sources at the right scale. This was true especially of volume data that is becoming more manageable with digital technology. However, the debate reflected the fact that more data does not automatically equate to better information, knowledge, or wisdom and in some circumstances it can obscure or paralyse it. The challenge remaining in designing volume data flows to improve Access' programmes was therefore as much about interpretation as it was about methodologies, digital tools, or algorithms. Measurement creates meaning and the players in the room were careful to want to preserve meaningfulness in a sector that is about the humanity of social impact.

18. SHARING STORIES OPENLY

At the end of the discussion, it was agreed that this measure, proposed independently at first, was covered by measure number 2: ownership of impact stories. The underlying thesis was that the natural gravity towards numbers in a sector connected to economics and investment was only half the story. The other half was social and therefore bound up by complexity, context and human behaviour; for which story-telling, like legal testimony, was the only reliable tool by which to learn.

As can be seen from the discussion of the measures, the group saw opportunities to consolidate the long list. This has the potential to increase clarity and optimise resources for measurement – a good fit with the principle of “minimum viable measurement”. A suggestion as to how this might be done is provided in the comments section and will be fully refined during implementation of the model.

Comments

The Transformational Index functions as a type of open-ended psychometric test for teams and organizations (think Strengthfinders for impact). The process reveals the level of unity amongst the players around the vision and purpose of, in this case, the Capacity Building programme in particular.

There was a healthy amount of conversation and debate during the selection of indicators, ending with a coherent and compelling model of transformation. This revealed a strong sense of unity over the purpose of the Capacity Building programme and Access as an organisation.

Selection of Indicators

The players quickly narrowed down the 56 indicators to 12:

- Authenticity, Fun, Collaboration, Tangibility, Constructive Disruption, Empowerment, Entrustment, Equality, Active Learning, Regular Reflection, Storytelling, and Recovery.
- Alignment, initially on the discarded pile, was later returned to the model after featuring in many people's description of Access' role.

Whilst many of these indicators were recognized as important, the players quickly reduced the number by recognizing concepts that made some indicators a part of others, or not core to the transformation, or an ethical value and not specific to the context of their core purpose. This process is discussed in multi-layered indicators, in Appendix B.

Development of the Model of Transformation

The model of transformation developed during the workshop shows visually how all the indicators cohere together to make a difference. This exercise was powerful because it created some breakthrough moments of discussion about ends and means, flow and feedback.

The model didn't begin in its final form, as these iterations show:



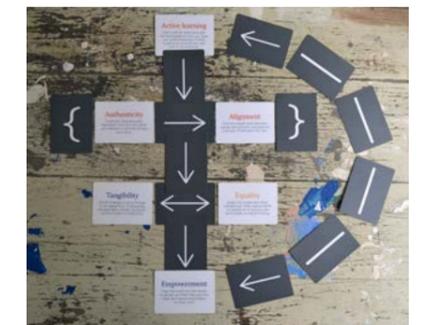
FIRST ITERATION

A flow process with tangibility as the destination at the bottom



SECOND ITERATION

A flow process with empowerment as the destination and active learning at the centre



THIRD ITERATION

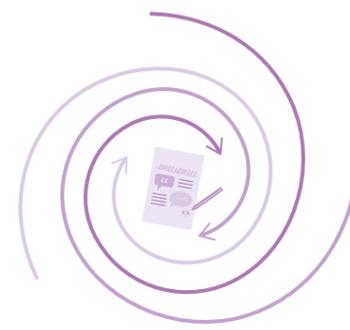
A flow process with empowerment as the destination and active learning as a feedback loop from bottom to top

The debate that informed this development towards the final model was:

- That empowerment was a better representation of the destination for the model because it best captured the self-reliance and self-determination that Access was seeking to create as a legacy from its work, inventing itself out of existence by 2025;
- That active learning should be central to the model as the best way to accelerate every part of the process of creating empowerment, to try to get to critical mass of a healthy self-reliant market for social investment as quickly as possible;
- That active learning should be connected to every other part of the model as a feedback loop to and from each element, in order to cross-pollinate the learning from every action and make sure that accelerating empowerment has a direction and quality as well as speed.

At the conclusion of the debate, the players intentionally challenged the model and tried to break it with questions including: “does it adequately represent Access’ exit from the market, as well as its behaviour within it?” and: “as the well dries up, will we be able to tell if we have opened up new sources of water?”

The model proved resilient to these and other challenges, giving players confidence that it was robust for Access’ role in the current social investment market. And the players were also confident that the model was adaptable to the changing social investment environment because of the hard-wiring of Active Learning into every part of the process.



Authenticity
360° feedback survey



Alignment
Map of alliances



Tangibility
Feedback on the quality of providers



Equality
Characteristics of applicants



Empowerment
Investment raised and contracts won by value, duration and source



Active Learning
Sharing stories openly

Measurement Framework

Currently the measurement framework covers all the indicators, showing a good balance in the model, with evidence to support each element. Qualitative and quantitative measures are present and there is a strong equalization of story and data, culture and process. There may be too many measures to be manageable at the moment and the debate in the section on measures highlighted where there are obvious overlaps. Subjecting the measurement framework to a rigorous test of “minimum viable measurement” (a measurement framework in which nothing is measured that doesn’t need to be, whilst leaving no critical gaps), we think that the measurement of the programme’s transformation could be summarised like this:

MEASUREMENT THEME	IMPORTANCE AND CONNECTION TO TRANSFORMATIONAL INDICATORS	DEFINITION
A. 360-degree feedback at each link in the value chain: Access to lead by example.	Authenticity requires stories from multiple perspectives and necessarily includes listening to others. Recognising that people have their own voice, sharing honestly and encouraging others to do likewise shows that it is as much about the process of sharing as the process of listening. This also relates to tangibility and equality, because the stories describe the experience. This would encompass measures 1, 2 and 8 from the long-list.	How would you rate your experience of working with... ? When were they at their best? What could have been improved? What did you learn from their mistakes? What would you have done without this support? These and other questions could be very valuable in creating the feedback that Access and others need to hear in order to influence practice and the wider market.
B. Good practices shared by Access and others as learning from their work is discussed and adopted by peers	Alignment should increase over time if Access is succeeding in changing conversation and practice. This would also be strong evidence of active learning. The aim is to measure whether the market has moved and the correlation with Access’ actions. This would encompass measures 4, 5, and 18 from the long-list.	This combines the exchange of ideas, proliferation of good practice and honesty of debate essential for learning to be effective across the networks in the market.
C. Network map(s) of connections, uptake of tools and money, information flow, characteristics of organisations, and other dimensions	Tangibility – Access’ programmes have had an effect on a range of organisations in different ways in every part of the value chain across the market. These effects can be traced through network connections on a map to show the part Access played in them. This would encompass measures 6, 7 and 9 from the long-list.	Who accesses what? It cannot be satisfactory if tools or money are unused or do not reach those that need them. The positive measurement of them is therefore a both/and equation: uptake happens amongst diverse organisations across the market. Mapping the demographics of the value chain and seeking patterns could be an important part of the learning partner brief. Organisations tend to see themselves at the centre of the universe. Mapping will help them see their relative position and how they are connected; to generate collective effects too.
D. Appropriate financial products to meet the range of needs	Equality was less about doing the same in every respect (geographically, for instance) and more about demonstrating and encouraging helpful diversity in the social investment ecosystem. The needs-basis of this was defined by direct social need (not necessarily represented by the prevalence of organisations in the market). This would encompass measures 10, 11 and 12 from the long-list.	This is a composite measure, requiring knowledge of the alignment of demand and supply, and thus showing the relationships between partners and the terms of deals offered. Pushing product design work as far along the value chain as possible might produce solutions that are closer to needs. Tracking resource flows, especially subsidy, at all scales will reveal the match and mismatch of products and needs across the market.

MEASUREMENT THEME	IMPORTANCE AND CONNECTION TO TRANSFORMATIONAL INDICATORS	DEFINITION
E. Increased financial resilience of social sector organisations	Empowerment is the converse of fragility or dependence – independent control over resources and the choices that come with this is a desirable state for social sector organisations to achieve. This would encompass measures 3, 14 and 15 from the long-list.	Diversifying income, including winning new contracts, are good examples. It is highly complementary to the next measure, as social impact without financial resilience or vice versa are both undesirable in this market. It also includes the degree to which organisations can decouple themselves from dependency on others for knowledge and resources.
F. Organisations are more confident in their own impact purpose and have the data to back this up	Active Learning and <i>empowerment</i> are both present where organisations understand their own impact and how practice contributes to this. It is a theme that would encompass measures 13, 16, and 17 from the long-list.	This requires all of the key elements of understanding an organisations' purpose and how well they are doing against it. It applies at each link in the value chain and includes owning the highs and lows of the challenges of social investment-driven impact. It means that confidence is unlikely to be naïve or misplaced.

Compressing the number of measures into themes is an exercise in simplification without becoming simplistic. It helps avoid measurement becoming an industry in itself and keeps it focused on management because it insists on measurement leading to action and change.

In this case, Access takes the exciting role as an influencer of practice and thinking by showing what can be done, adapting quickly, sharing learning, and moving the market; so that the new normal is a world where success is measured by its own obsolescence.

Developing and testing this further with Access and capacity building partners can be an early part of the implementation phase of working with a learning partner, to quickly wire-up the data and stories from the value chain and begin using the intelligence that will flow from it. This is discussed in Next Steps, below.

Cross-Check

Before beginning the process of designing a model of transformation, the Access team shared their earlier strategy, assumptions and evidence framework for learning.

The two main reasons for building a model of transformation on that foundation at this stage was because:

- The key players in the architecture for delivering the Capacity Building programme were now in place and were present in the room as players in the Transformational Index workshop;
- The previous work acknowledged a focus on process, and this was balanced by the use of the Transformational Index as a leadership culture and values-based tool for describing and building consensus about the intended transformation.

It has been possible to cross-check the model of transformation against the pre-existing strategy, assumptions and evidence framework, as shown in the table below. There is an excellent match in every respect and the model of transformation adds value to this by connecting the dots into a flow model with feedback loops; and by refining in detail the measures that can be made to check if the model is working – answering the question raised by the original strategy: “how will we know”.

ORIGINAL STRATEGY	MODEL OF TRANSFORMATION
Overall, charities and social enterprises are managing to sustain their impact or achieve greater impact because they are more financially resilient and self-reliant. They have readier access to the finance that they need when they need it, to sustain and develop income generating activities (whether this be small loan, loan with grant or quasi equity). And, more charities and social enterprises who have not received this sort of investment before are accessing it.	Empowerment of charities and social enterprises to determine their own destiny, based on impact needs and sustained by diversified income and investment Tangibility embraces both the test of evidence to satisfy other investors, and efficacy to engage as many & varied charities and social enterprises as possible during Access' lifetime Equality of access to finance and support based on needs The Capacity Building programme's focus on organisations, means Alignment is about alliances; applicability of its work and acknowledgement across the network of organisations; and the infectious adoption of the best of social impact
Charities and social enterprises are diversifying their incomes, trading more successfully, taking advantage of a wider range of investment opportunities and crucially building stronger balance sheets. They have been able to make this shift because they have improved knowledge, systems, processes, skills and governance.	Empowerment of charities and social enterprises to determine their own destiny, based on impact needs and sustained by diversified income and investment Authenticity is about truthfully serving charities, social enterprises and their beneficiaries... cross-pollinating the skills and knowledge of business with social sector organisations, so that social investment becomes self-supporting
This shift has occurred because there are now more places for charities and social enterprises to go to access smaller affordable loans and blended finance products together with more appropriate capacity building support.	Tangibility in a model where Access has a sunset clause is connected to the visceral practicality of the Capacity Building programme and, therefore, the proliferation of its best features. For the Capacity Building programme, Equality based on need and opportunity is indispensable within each link in the value chain (for example: equitable treatment and equality of terms for all the charities and social enterprises eligible for Reach, or Impact Management). However, it also about equalising some of the asymmetries between links in the value chain (for example, by socializing the capital in the market as well as capitalizing the social through capacity building)
There is a strong evidence base about what works to underpin the development of capacity building and investment programmes by other funders and other foundations have been encouraged to pursue a total impact approach to investment.	The distinctiveness of Access' Active Learning model lies in its diffusion throughout the social investment value chain, as well as its application to the Capacity Building programme. By this method, Access will hear the signals of evidence from investors, intermediaries, charities and social enterprises; as well as wire-up learning feedback loops about its own processes. The programme will find an equilibrium between stories and data, success and failure, prevention and corrective action Tangibility embraces both the test of evidence to satisfy other investors, and efficacy to engage as many & varied charities and social enterprises as possible during Access' lifetime.

Next Steps

- Review the report to confirm the contextualized descriptions of the indicators/ model reflect the meaning and language from the workshop discussions. Or, please provide any edits and the TI team will update the report
- Schedule a debrief with Andy Schofield and Chris Wood from the TI Group
- Refine the minimal viable measures that Access will start measuring in the next phase of work with its learning partner. Prepare a plan to implement over the first 3 months of that phase, including:
 - » A wiring diagram to crystallise the precise mathematics of each measure, visualize where data is coming from and what systems are used to collect and analyze it
 - » A roles and responsibilities table to identify who is responsible for which element of the measurement framework
 - » An impact dashboard to represent the minimum viable measures on an infographic that can be used to powerfully communicate Access' model and be regularly updated to show progress and change over time

A full action plan will be produced separately, integrating these actions with others.

Appendix A – Sensitivities in the Impact Model

Alien Thought Experiment

The players in the room for the Capacity Building programme thought about what an alien species would find it hardest to replicate, were they to attempt to clone this model of transformation. The independent votes for each indicator were:



The inability to clone Authenticity was the most prevalent answer, which is perhaps a function of the cultural values of the personnel leading the Capacity Building programme and indeed the organization as a whole. What is interesting about this response is that the DNA of the programme is indivisible from the DNA of the people leading it. This is perhaps unsurprising since any job, over time, becomes the shape of the person doing it to some degree. However, it does focus attention on the personality of Access as an organization and the vitality of recruiting to a values-base and preserving that with succession planning. Otherwise, it is interesting to see several other characteristics the players think are hard to clone, which defines the programme as highly distinctive.

Impact Dials

The players also thought about a control panel for this model of transformation, and which dial would have the greatest effect on the model if it were turned up or down. The independent votes for each indicator were:



The emergence of Alignment and Active Learning as the two most sensitive dials to turn, illustrates the power of alliances and openness to ideas, as the most likely pathways to widespread adoption of social investment. This characterises the Capacity Building programme, and Access, as a collective, network-connected, learning organization. The openness of this design to ideas and learning from any source, with the choreography of Access to wire it into the network as well as collectively develop new models, is very apposite. It takes advantage of the fact that, like any network, the number of connections and the flow of information, is proportional to the square of the number of participants.

Appendix B - Multi Layered Indicators

The final constellation of indicators chosen for the model of transformation, held the DNA of other indicators discussed by the players. These are shown here as testament to the multi-layered richness of the model and to acknowledge the weighting given by the group to some of the concepts:



WHY:

Because the players recognized that part of Access' authenticity lay in playfulness and humour. As well as it being a value of the organisation and the Capacity Building programme, it was a tool to equalize some of the asymmetry of power in relationships involving money; and a way of engaging people and learning more deeply.



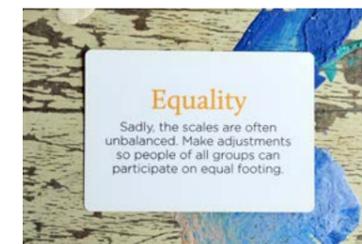
WHY:

Collaboration represented alliances as a tool for aligning the social and financial through impact investing; and the fastest way to rapid and diverse adoption of new ways of working in this sector, in pursuit of a self-sustaining market at the end of Access' lifecycle.



WHY:

Constructive disruption was the method by which tangibility could be delivered. This was a self-evident truth to the players because of the link to the creation of Access – designed to correct market failure. By definition, the market had not self-corrected, so required some constructive and deliberately disruptive solutions to produce practical results for wide application.



Equality was selected singularly.



WHY:

It was clear that entrusting charities and social enterprises as the sovereign agents of change in the market was a prerequisite and a cultural norm for Access and the Capacity Building programme. However, the players argued that it was a means to best deliver empowerment, which was the end-state that would ensure organisations could survive and thrive without Access' programmes in future.



WHY:

For the key players in the room, Active Learning embraced regular reflection as a (more passive) method of learning; storytelling as a vital (but not the whole) technique of hearing present and absent voices across the value chain; and recovery as the tool to give permission, blessing and encouragement to sharing failure (and therefore taking risks to generate social solutions).



The Transformational Index
www.thetransformationalindex.org