Measuring Social Sector Franchise Impact
How Lean Data Measurement Can Help Improve Franchise Impact and Success

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Center for Social Innovation and Enterprise
Social Sector Franchise
Living Case Studies Social Sector Franchise Accelerator
Webinar Series
Today’s Speakers

Fiona Wilson, UNH CSIE

Greg Starbird, Starbird Consulting

Ashley Speyer, Acumen
Customers

Lenders

Franchisees

Subsidizers

Investors
Customers

Donors / Grantors / Subsidizers

Franchisees

Social Investors

Regulators

Impact
Evidence

Anecdotes
Photographs
Testimonies
Statistical trends
Scores v. indicators
Etc.
MDGs SDGs
IRIS
PRISM
GRI
GRESB
CDP
SASB
SROI
B Impact Assessment
+ GIIRS
GHG
UNPRI
DALYs
RCTs
Etc.
Limitations

Different audiences
Arbitrariness
Accountability
Effort and expense
Method v. reality
Outputs v. impact
WE’VE NOTICED SOMETHING

Talk of impact is everywhere but few people seem happy with the state of measurement practice. Genuine end-consumer data that truly helps to understand social value is few and far between.

That’s why we created Lean Data, and it’s transformed how Acumen & its investees approach impact.
Useful measurement infrastructure has been built. But the focus on ‘what’ to measure has ignored the ‘how’.

Without a playbook for how, that engages the context of social enterprises, the measurement challenge continues to appear too hard, too burdensome. Even too distracting...
AND THIS MEANS

INTERNATIONAL IMPACT INVESTORS CAN TYPICALLY TELL YOU...

# of farmers a company has reached
# of students attending new schools
# of new solar lanterns sold

BUT WHAT ABOUT...?

Are these farmers better off?
Who are the children attending these schools?
What’s the effect of owning lanterns on kerosene usage?
FROM TOP-DOWN COMPLIANCE...

WHAT DATA IS IMPORTANT TO THE INVESTOR / DONOR?

IMPACT INVESTING SECTOR

DONOR / INVESTOR

ACUMEN

COMPANY

END-CUSTOMER
TO BOTTOM-UP CUSTOMER ACCOUNTABILITY

WHAT DATA WILL HELP THE COMPANY BETTER SERVE THE CUSTOMER?
WHAT IS LEAN DATA?

Designed specifically for social enterprises and investors, Lean Data helps build more impactful businesses by providing them with data on their social performance, customer feedback and customer behaviour.

**Lean Data uses low-cost technology and methods to gather high-quality data quickly and efficiently.**
HOW IT WORKS

We are focused on delivering a value maximizing experience for the companies we work with. We return high quality data and analysis back to our investees and investing teams as swiftly as possible.

LEAN DATA USP

+ Mobile/technology-based survey design and execution.
+ Building standardized survey tools in order to collect data that can be benchmarked.
+ Swift project delivery typically 6-8 weeks.
+ Blending essential business and social performance insights.

OUR DATA COLLECTION PROCESS

1. KICK OFF CONVERSATION
2. ALIGN GOALS
3. CHOOSE PRE-DESIGNED OR BESPOKE SURVEYS
4. START DATA COLLECTION
5. ANALYZE DATA & PREPARE RESULTS
6. SHARE INSIGHTS & SUGGESTIONS FOR ACTION
7. CONSIDER FURTHER DATA COLLECTION TO GROW YOUR BUSINESS & SOCIAL IMPACT

ITERATIVE DATA COLLECTION

Repeat survey to track performance over time, or choose a different survey to learn something new.
WITH A GROWING NETWORK OF CLIENTS

Working with leading funds, firms, foundations and government agencies within the Acumen portfolio and beyond.
BRINGING ACUMEN UNPARALLELED INSIGHT

We’re now able to understand our portfolio’s social performance in more nuanced terms than ever before.

PORTFOLIO AVERAGE: **52% BELOW $2.50 / DAY**

**66%**
AGRI. AVG.

**58%**
ENERGY AVG.

**46%**
HEALTH AVG.

**38%**
WASH AVG.

**50%**
EDU. AVG.

**34%**
OTHER AVG.

Shading denotes that data represents a specific sub-set of customers not necessarily representative of general population.

Other includes FinTech & Housing.
DRIVING OUTSIZED VALUE FOR FIRMS

CEOs tell us that our approach to measurement has transformed what they know about their customers and changed the way they think about social performance measurement.

“This data was a real eye-opener… I was shocked by how honest the answers were.”
Willem Nolens, SolarNow CEO

“…We feel good about the positive results but even more excited about the things you pointed out that we can work on…”
Ella Gudwin, VisionSpring President

“…This was a great experience and yielded terrific insights.”
Hillary Miller-Wise, Esoko CEO

“What was most useful was the customer feedback and key recommendations on “bottle cleaning” and “delivery services.”
Hussain Naqi, Pharmagen CEO

“This is spectacular! Amazing insights again, and nice to have data we can use to understand our customers better. I cannot stress how helpful these surveys are for us.”
Fabio de Pascale, Devergy CEO

“…A third party like Acumen doing such study also improves the credibility of the report for all stakeholders.”
Manish Kumar, SEED Schools

“This is the most insightful report we have done with smallholders, period.”
David Ellis, Ethiochicken CEO

“[Lean Data] has already been exceptionally useful and gives us a great basis for work that we will do going forward.”
Project Isizwe [a Omidyar Network portfolio investee]
CASE STUDY: SOLAR NOW
TRANSFORMING A COMPANY’S APPROACH TO CUSTOMER DATA

1. BACKGROUND
+ SolarNow provides high-quality low-cost solar power solutions in Uganda.
+ They offer solar home systems (SHS) and appliances on credit to customers.
+ The market had seen increased competition and they wanted to see what was driving customer purchase decisions and impact.

2. LEAN DATA SURVEYS
+ **Our Core Insights Survey** revealed surprising results about customer opinion and behaviour
+ **Two bespoke Staff Surveys** explored sales staff motivations & effectiveness factors
+ **Lean Data Energy Essentials** provided insight into social performance

3. OUTCOMES
+ **Sales incentives were adjusted** to encourage long terms customer relationships, rather than one-off sales.
+ Management worked on initiatives to **address staff issues**. A follow up survey showed improvements to motivation and staff mastery of sales scripts.
+ **Marketing was adjusted** to emphasize benefits customers talked about most.

4. ENTREPRENEUR’S VIEW
“This data was a real eye-opener... I was shocked by how honest the answers were.”
Willem Nolens, SolarNow CEO

DATA & ANALYSIS

30% of SolarNow’s customers live below the $3.10 per person per day poverty line
97% of customers feel their quality of life has “improved very much”
96% of families are feeling safer
1.2 tonnes of CO₂e is being averted annually per household

KEY LESSONS

**Saving was a major motivator for purchase but may not be realized.** In the short term customers total energy spending increases. This is because loan repayment rates exceed baseline energy spend for 95% of new customers. There is an opportunity to emphasize the other benefits of SolarNow (quality, trust, customer service) to increase uptake.

**Lighting is significantly improved.** 90% of customers are experiencing improved lighting. However the SHS is not meeting all needs as nearly 40% of households still purchase other forms of lighting. One explanation may be lanterns which allow for task based lighting are still needed to complement the ambient light of the SHS.
Example:
Application of Lean Data to Social Franchising

1. Conduct asset surveys
2. Construct purchase incentives
3. Randomize distribution of incentives
4. Monitor results

(Multiple rounds)
CENTER FOR SOCIAL INNOVATION AND ENTERPRISE

Social Sector Franchising Initiative > Living Case Studies Social Sector Franchise Accelerator

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  - Social Innovation Events
  - Social Sector Franchising Initiative
  - Staff
  - Advisory Board
  - What is Social Sector Franchising?
  - Annual Social Sector Franchising

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![Group Photo]