



## Spring Activator Impact Measurement Guide

Welcome to Spring's Impact Measurement Guide. This Guide is designed to help navigate the often contentious world of impact investing. It's designed to give you a basic introduction, and guideposts for you to decide where, and how, to dig deeper on impact measurement to help you to know you're achieving the impact you want to support through your investments.

### Part 1: The Spectrum of Impact Measurement

Impact Measurement is one of the most hotly contested topics in the world of impact investing and impact entrepreneurship. This is due to a couple of factors:

Impact as a continuum, not a pyramid:

Investors, as individuals and as firms, have different perspectives on what is considered an impact investment. Often, this results in one of two approaches to impact investing that create tension.

The first is the pyramid approach. This approach gives a view that the world of impact is stratified. While some investments yield greater impact, it often leads to measurement approaches that can be perceived as judging and excluding many impactful, though lesser impact, projects and companies.

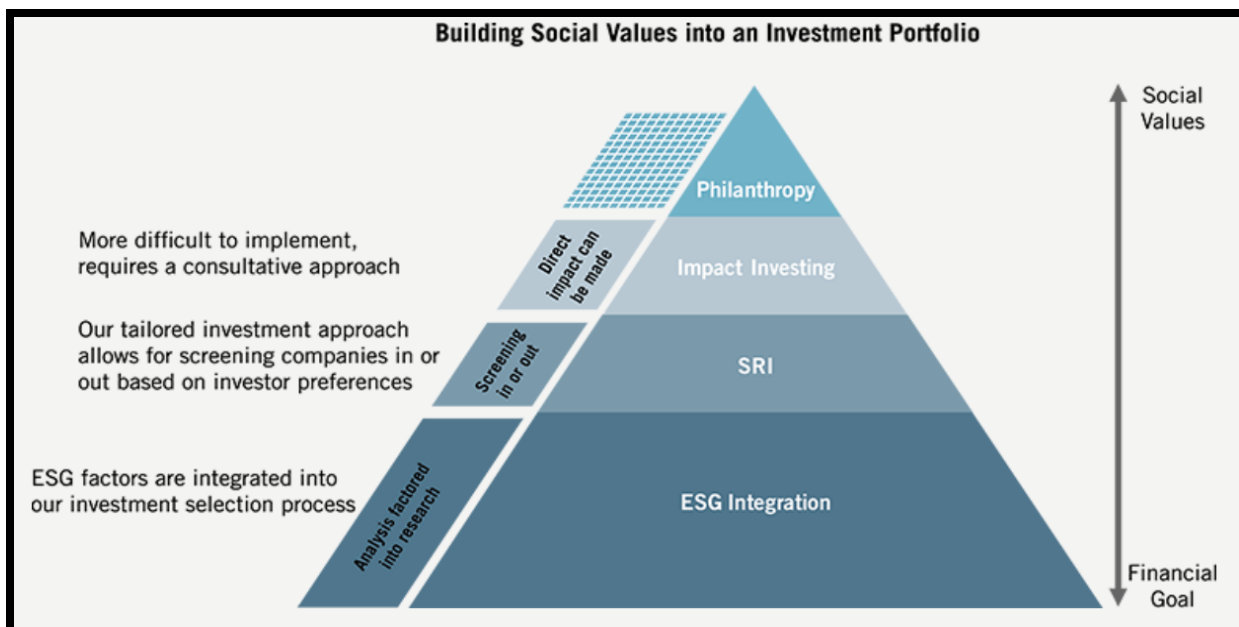
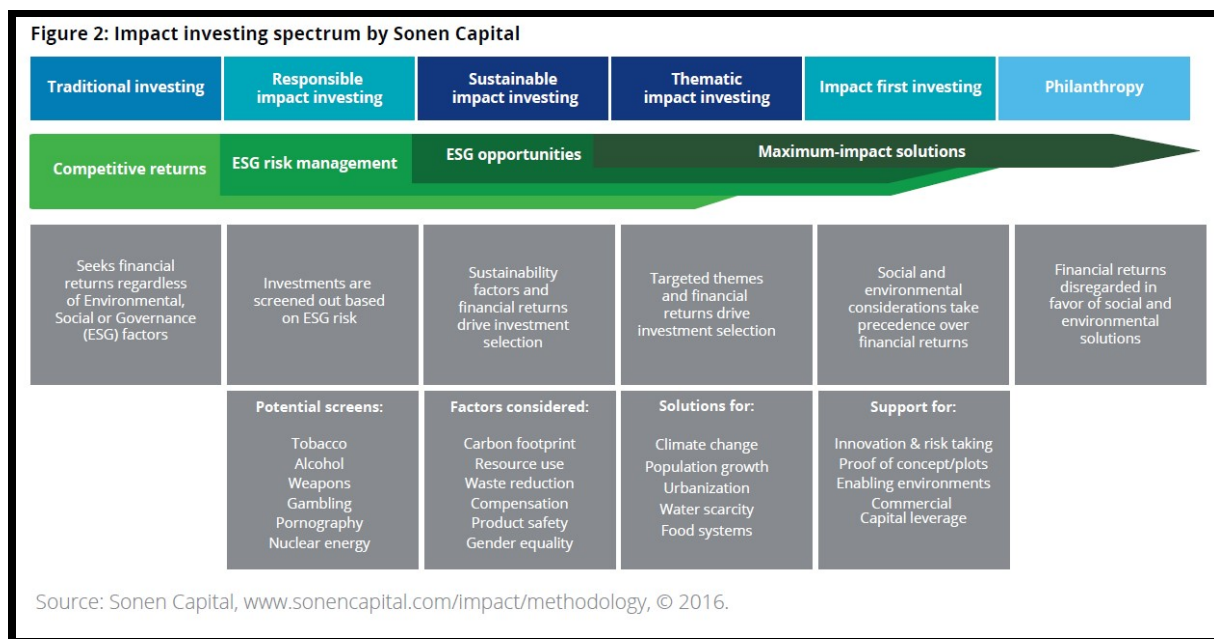


Image: Fiduciary Trust

Another approach is to view impact as a spectrum that can grow over time, reflecting a human-centered approach to learning how to increase impact as more is learned and revealed, as visualized below



Impact investors will also often screen potential investments based on a ranking, or score, at a moment in time while some will look at the trend line.

We at Spring believe in a continuum, learning approach to impact measurement and scoring that considers vision, where companies have come from, where they are today, and where they are going.

Where do you fit in this discussion?

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## Part 2: Your Starting points: 3 Pillars

### Step 1: What They Do - What impact Does it Create?

An easy starting point is to look at what the business actually does. It's an opportunity to focus on the product and or service they are providing and to whom.

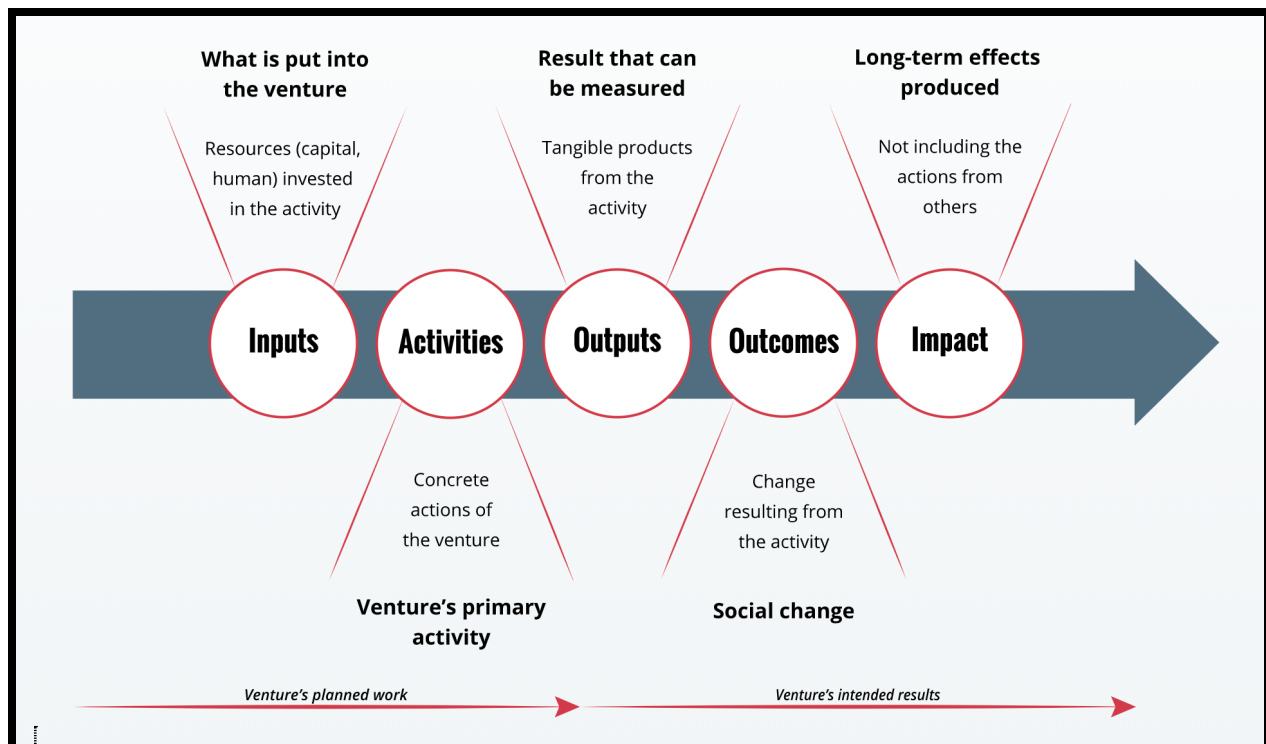


Image: 360 Impact

When you look at a company, you can start at a very simple place - giving a score on a 10 point scale (10 being highest impact) across each of the categories. This is a good "gut feel", or litmus test that you can use to begin the process.

This is a score you can evaluate pre-investment, and then post investment on a regular basis.

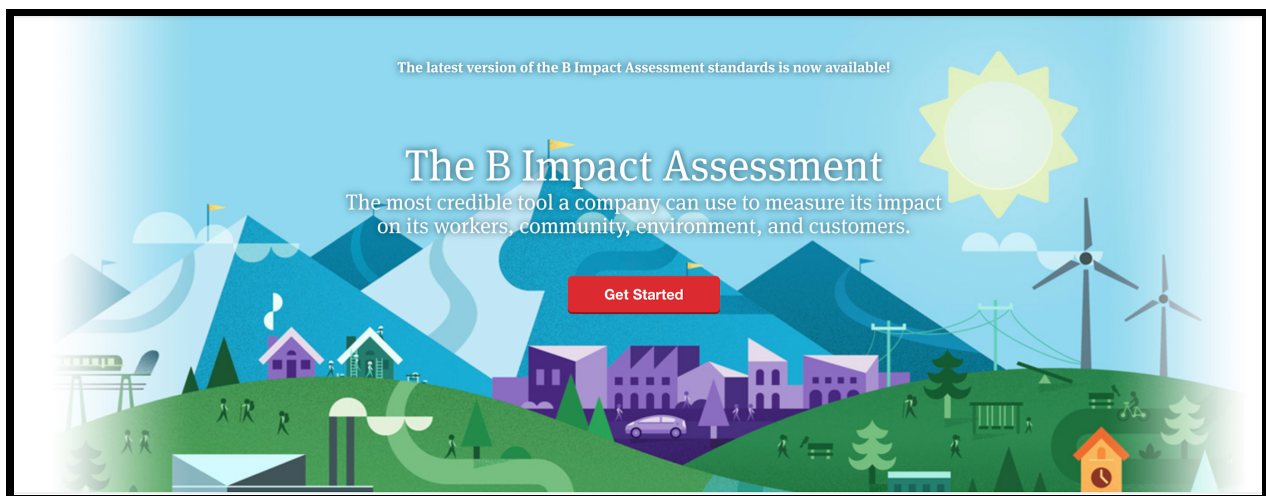
<b>SDG</b>	<b>Inputs</b>	<b>Activities</b>	<b>Outputs</b>	<b>Impact</b>
1. No Poverty				
2. Zero Hunger				
3. Good Health & Wellbeing				
4. Quality Education				
5. Gender Equality				
6. Clean Water & Sanitation				
7. Affordable & Clean Energy				
8. Decent Work & Economic Growth				
9. Industry, Innovation, & Infrastructure				
10. Reduced Inequalities				
11. Sustainable Cities & Communities				
12. Responsible Consumption & Production				
13. Climate Action				
14. Life Below Water				
15. Life on Land				
16. Peace, Justice, & Strong Institutions				
17. Partnerships for the Goals				

Remember to reference back to your Impact thesis to reference what is important to you, and to what extent. Where are you on this journey?

## **Step 2: How Do They Run Their Company?**

How they run their business can be just as important as what they do, and can often be overlooked or under emphasized by investors. It can, however, be a critical place for creating impact.

So where to begin? One of the easiest places to start is with the B Corp Assessment. B Lab has really helped organizations to define how they are being intentionally impactful in how they run their business, and their Assessment is a fantastic and free tool to help you, and investee businesses, to understand the impact they are creating within their organization.



It also directly speaks to Inputs and Activities in the prior step. But, what if you want to start with something simple?

Well, here's a handy way to get going:

<b>Categories</b>	<b>Leading thoughts</b>	<b>Scoring (1-10)</b>	<b>Comments</b>
<b>Team</b>	DEI; policies, practices, results		
<b>Community</b>	DEI in the community, Giving, Civic Engagement, Suppliers		
<b>Customers</b>	Ensuring they are served well		
<b>Governance</b>	Clarity, commitment, independence		
<b>Environment</b>	Are they focused, and tracking their impact?		
<b>Summary/Totals</b>	What does their trend look like to you?		

### Step 3: People, planet, profit

A commonly known term, and perhaps better shared as People + Dignity + Justice, Planet, and Prosperity.

Look at how your investee company stacks against the SDGs when they are combined under the big 3 foundations of impact?

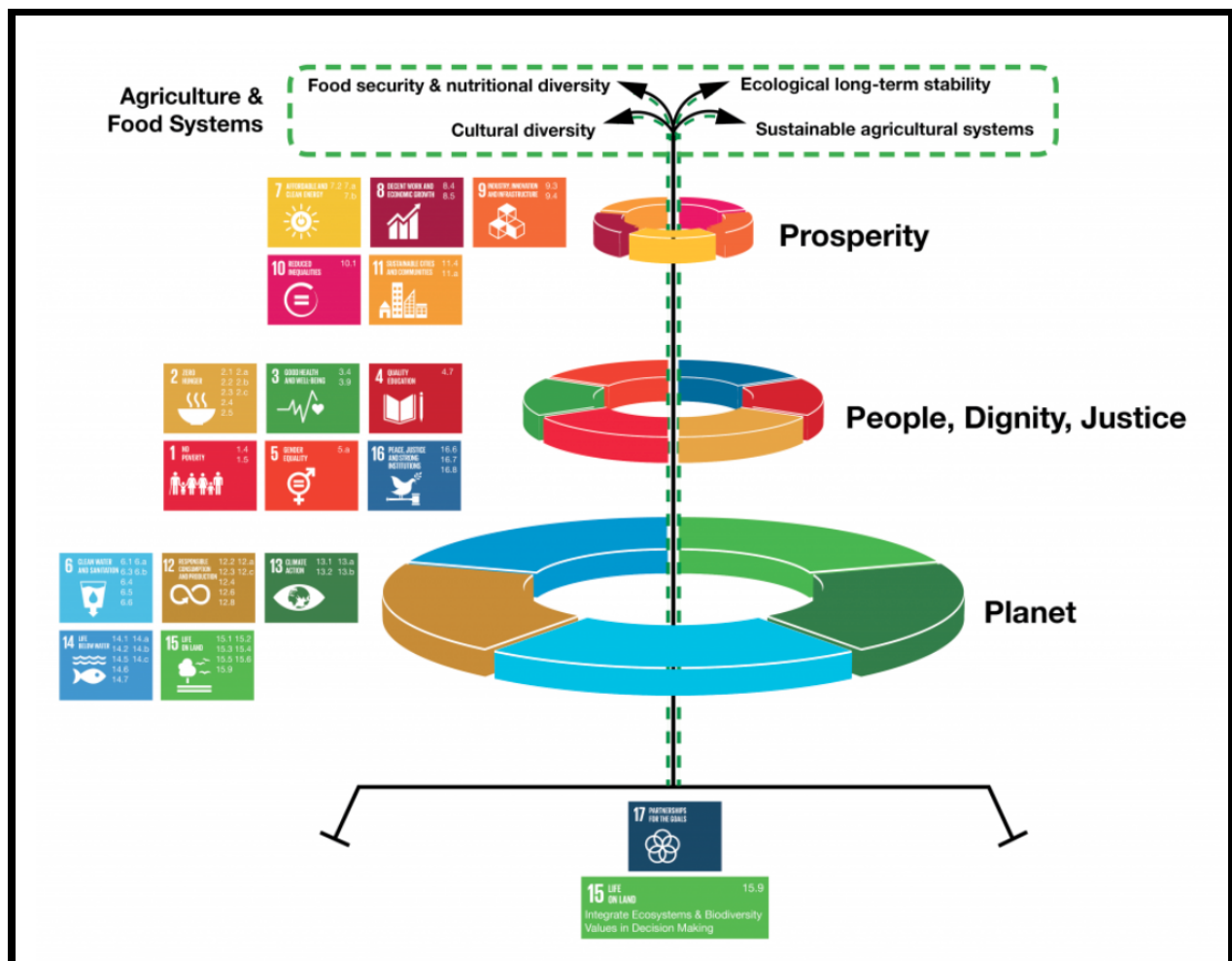


Image: Tarang Foundation



Now, you can come up with a bit of a summary scoring system:  
 Use a 10 point scale for each of the two types (what/where and how)

<b>SDG</b>	<b>Where are they on the continuum (1-10 highest impact)</b>	<b>How (from Step 2)</b>	<b>P,P,P (add up)</b>
1. No Poverty			People
2. Zero Hunger			People
3. Good Health & Wellbeing			People
4. Quality Education			People
5. Gender Equality			People
6. Clean Water & Sanitation			Planet
7. Affordable & Clean Energy			Prosperity
8. Decent Work & Economic Growth			Prosperity
9. Industry, Innovation, & Infrastructure			Prosperity
10. Reduced Inequalities			Prosperity
11. Sustainable Cities & Communities			Prosperity
12. Responsible Consumption & Production			Planet
13. Climate Action			Planet
14. Life Below Water			Planet
15. Life on Land			Overall
16. Peace, Justice, & Strong Institutions			People

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17. Partnerships for the Goals			Overall
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## Reflection

What are my questions, challenges, and uncertainties?

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Where do I want to dig deeper?

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## Digging Deeper on Impact Measurement

One of the most common questions is the actual process of companies measuring impact and how we as investors look to measurement to determine the actual results we create.

The following are some resources that you can use as starting points to consider specific approaches and methods to impact measurement.

Global Impact Investing Network (GIIN): [Getting Started with Impact Measurement](#)

B Lab: [The B Corp Assessment and Certification](#)

Project Drawdown: [The Drawdown Framework for Climate Solutions](#)

Stanford Social Innovation Review: [Counterpoints to Impact Measurement](#)

[Additional Supporting Resources](#)

As you move through this process, you want to consider how detailed you want to see impact measurement reported, and engage with founders, leaders, and other investors to determine the approach that works best for you and the company, and what is the minimum threshold for you.

What are my questions, challenges, and uncertainties emerging from exploring these resources and tools?

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