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Purpose-led, Impact-driven: how to define and demonstrate success

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Matt founded Trust Impact in January 2019 to help organisations tackle the important question of how to measure and report impact from a more transparent, strategic and pragmatic viewpoint. Prior to Trust Impact, Matt was CEO of three charities in the UK over a 20-year career. He is currently Chair of Football Beyond Borders, a charity using football to engage young people in secondary schools and help them stay in school to achieve better GCSE results. He is also a trustee of People's Postcode Lottery Children, Support and Care Trusts and in 2020 was made a Member of the Venerable Order of Saint John for his service as a trustee of St John Ambulance.

Purpose-led, Impact-driven: how to define and demonstrate success

The process of measuring a third-sector organisation's social impact should always begin with a simple question: what do you do? It is a more important and complex question than it first appears. It's important partly because the Covid-19 lockdowns gave many employees time for introspection and re-evaluation about their careers. Reports suggested as many as 25% 'pivoted', quit their jobs and did something completely different. Others, of course, were laid off as the economic impact of the crisis hit. It left millions searching for a sense of purpose.

Charities and social enterprises in Southampton are ideally placed to benefit from this mass fleeing from the corporate 9-5, as long as their core purpose is clearly and confidently defined. Organisations that are both purpose-led and impact-driven will usually be more focused, streamlined, motivated and successful... and will ultimately attract and retain the best staff

– essential for the future of work. Of course, the charity and social enterprise sector would say it has been 'purpose driven' for centuries, but this isn't always the case. Organisations rarely stop to ask why they exist, why they 'do what they do'. Post pandemic, the question feels even more essential – especially as third sector organisations and having to deal with ever increasing demand and ever decreasing resources. The question of 'what is your purpose' is critical now.

However, whenever I sit down with the leadership team of an organisation, I often find that they each have different perceptions of what precisely their core purpose is. This is often a result of different funding streams coming into the organisation over time, driving different priorities and leaving each member of the management team and board with a different view of what the organisation is there to achieve. Divergent views of an organisation's

purpose mean that within the organisation there are different definitions of what success looks like – and that makes measuring success a difficult process.

Since founding [Trust Impact](#) in 2019, we have worked with 58 charities and Community Interest Companies (CICs) to help them demonstrate what they do and clearly evidence their impact. It is a crucial process to build trust with beneficiaries, funders, and other stakeholders. I find that mission statements from some charities and businesses can be very broad. 'We support young people' might be one example. It is helpful to unpick that. What do you actually do to support them? Where do you add real value within the sector? What are the outcomes that define your success (or lack of it)? Eventually, through a focused and pragmatic process, we help the organisation 'funnel' down to a clearly defined core purpose.

We have developed a free ['Purpose Alignment'](#) tool which asks colleagues to describe the

organisation's purpose in eight words, then compares the responses using [Natural Language Processing](#). The average alignment across the sector is only 45%. On occasions I have experienced an organisation's Chair and CEO giving totally different answers, while on other occasions the differences are more subtle.

The next stage is to identify between three and five things that the organisation needs to know to understand how well they are achieving that purpose. This allows you to focus on the things that will truly tell you whether you are achieving your core purpose, rather than spending resources on trying to measure everything. I'll give you an example from my previous role as CEO of [Street League](#), a charity using the power of sport to support young people into employment.

Our work had all sorts of benefits on its participants, including wellbeing, confidence, teamwork, communication skills, physical and mental health and reducing offending, but in





achieving our defined core purpose, only two things really mattered: did the young person come from a disadvantaged background? (i.e. were we working with the right person, or would they have got a job anyway?); and at the end of the process, did they get a job and stay in it for six months? That was really all we needed to know to measure our success.

In 2016 we used our relentless focus on core purpose to publish a transparent annual report which talked up front about what we didn't get right before going on to talk about our successes. A year later we presented monthly data on our website direct from our database which effectively put our annual report out of date. Both helped us engage new supporters, increase funding and build trust.

Street League became very focused on measuring a small number of indicators rather than trying to measure lots of things. Presenting too much information can be a real problem. One charity's beautifully presented annual report had 64 dials showing different outcomes – an overwhelming barrage of information which was almost impossible to process. Measuring impact often comes down to telling a good story. It'll be a much better story if you are great at measuring three to five things, rather than mediocre at measuring 64 things! Identifying how to measure those three to five things is the

speciality of Trust Impact's research team. We use a process called 'Measure What Matters' to help organisations focus on the 3-5 things that really matter, rather than attempting to measure everything. This saves precious resources and enables the organisation to tell a much clearer story about the difference they make.

For example, the aim of one local charity we work with is to get under-represented groups into sport. To measure their impact against this purpose, we first needed to assess how representative local sports groups were of their local community, so we 'funnelled' the measuring process down to a set of three measures: gender, ethnic diversity, and disabilities among local sports participants, then three with the equivalent data from the local Office for National Statistics census. Immediately we could show a snapshot of their success.

This brings me to an important point: you won't always be successful! The data may highlight areas of weakness. This is excellent news. It means you have learned lessons from your impact measurement process. Too often, impact reports consist of cherry-picked statistics, glossy photos and a nice case study about your best beneficiary, but you actually learn more from what you don't get right. Being transparent about gaps and



challenges drives more constructive internal conversations and ultimately better data-driven processes and results. This process is the bedrock of any successful purpose-led and impact-driven institution.

At Trust Impact, our team has helped the likes of YMCA, Help for Heroes and Teenage Cancer Trust develop data visualisation and a data-driven culture. We use Microsoft's [Power BI](#) to help charities present their impact pragmatically and digestibly ([YMCA example here](#)) while our new [Connect Mix Share](#) platform allows organisations to connect their database to produce reports automatically, saving days of staff processing time.

Effective monitoring and evaluation help organisations across all sectors evidence their positive impact, but more intriguingly to pinpoint and improve their areas of weakness. It is a rigorous and thorough process of self-analysis,

and it all starts with that initial, crucial, alignment of core purpose.

Thinking about the future of work post pandemic, the charity and social enterprise sector has incredible potential to lead the way in terms of purpose driven workplaces, playing a key role in mainstream service delivery and economic activity. There is no better time to attract new talent and drive the growth of purpose driven, impact led organisations in Southampton.

However, to get there we need to be more impact led, more clearly focused on core purpose, more transparent about what we don't get right and how we can learn from it, and more willing to use focused data to both drive decision making and engage wider stakeholders.

That journey starts now.

This article was commissioned by Southampton City Council. Head over to their [GROW business pages](#) for further information on growing your business and the support on offer

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