

2025

Navigating Impact Measurement & Management

A *Handbook*
for Social Enterprises &
Enterprise Support Organizations

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Introduction



Measuring and managing social impact is an essential part of how social enterprises (SEs) demonstrate their value, improve their practice, and communicate with stakeholders. Yet for many practitioners, the journey of impact measurement and management (IMM) remains complex and resource-intensive.

There are also varying expectations from different stakeholders when it comes to IMM results. In the midst of these differences and shrinking funds in the impact space, SEs are in need of strategic guidance to help them find the best IMM practice fitting their organizational needs without creating unnecessary work or expenses for their teams (Laub et al., 2025).

This handbook was created to support SEs as well as enterprise support organizations (ESOs) in navigating this journey. It is designed to respond to real-world challenges and to help practitioners make sense of the growing expectations around impact data— from funders, partners, and broader ecosystems—while staying grounded in their mission and work on the ground.

Rather than proposing a one-size-fits-all solution, this handbook highlights actionable insights, frameworks, and case-based learning that can help SEs strengthen their approach to IMM on their own terms. The insights and recommendations in this handbook are derived from the Social X-Change project, a European initiative that ran from September 2022 to August 2025. It was developed under the KA220-HED call for Cooperation Partnerships in Higher Education and was supported by the ERASMUS+ program.

About Social X-Change

Social X-Change is a collaborative initiative led by five founding members: Esade Center for Social Impact (Spain), ESSEC Center for Social and Environmental Innovation (France), European Center for Social Finance, Munich Business School (Germany), TED University (Türkiye), and the Impact Hub Network. The project aims to strengthen the capacity of higher education institutions, business school students, social enterprises and their support organizations by making academic research on social innovation and impact more accessible and actionable for practitioners.

Through deep engagement with enterprise support organizations, transitioning enterprises, and social investors, Social X-Change has created a platform for learning, dialogue, and co-creation. At its core, the project is about connecting knowledge with practice, ensuring that research insights lead to real-world improvements in how we support social impact.

Learn more about Social X-Change on [our website](#).

Partners



The [Esade Center for Social Impact](#) (Barcelona, Spain) is an academic think tank dedicated to advancing understanding and solutions for complex global challenges. It conducts rigorous and relevant research to drive social impact, aiming to foster innovation, knowledge, tools, and leadership that enable social change.



Since 2003, [ESSEC](#) (Cergy, France) has built expertise in impact assessment and measurement through its Social Innovation Chair and its Evaluation and Social & Environmental Impact Measurement Lab (E&MISE). Part of ESSEC's Center for Social and Ecological Innovation, the E&MISE Lab generates and shares knowledge, along with practical tools, to foster a culture and practice of impact evaluation through action-research projects, publications, and training.



Impact Hub is a global network made up of 120+ Impact Hubs worldwide, with 500,000+ Impact Makers driving change through impact entrepreneurship. We do this in 65+ countries across five continents. Impact Hub Network enables inclusive and sustainable innovation at scale by building locally rooted and globally connected ecosystems and connecting those large organizations, investors and public institutions.



The [European Center for Social Finance](#) (Munich, Germany) was created to help establish best practices and distribute knowledge in financing the provision of social services and social innovations. It works at the intersection of theory, practice and policy and views social finance as a process which encompasses among others selection criteria, financing structures and impact assessment.



[TED University](#) (Ankara, Türkiye), founded by the Turkish Education Association, emphasizes problem-oriented research and collaborative, skills-based education to promote active citizenship and social innovation. Since 2016, it has hosted İstasyonTEDU, a Center for Social Innovation that fosters collaboration and offers training and consultancy in social impact fields. TEDU is also involved in impact investing through its GIIN membership and TEDUTECH's partnership with the 500Annex VC Fund, supporting socially and environmentally impactful SMEs.

About The Handbook

This handbook—"Navigating Impact Measurement & Management: A Handbook for Social Enterprises & Enterprise Support Organizations"—is grounded in research and practitioner engagement carried out during the core phases of the Social X-Change project. These phases focused on how social enterprises (SEs) and enterprise support organizations (ESOs) implement impact measurement and management (IMM), and how these practices are influencing their relationships with various stakeholders including the capital providers.

The handbook was developed to bridge a common gap: the disconnect between the impact data that SEs and ESOs are collecting, and the evolving expectations of those who support them.

While our broader research explores both sides of that relationship, this handbook is written for IMM practitioners in SEs and ESOs.

This open-source handbook is:

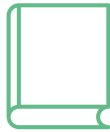
- Structured around real-world challenges and tensions in IMM.
- Focused on practical, flexible solutions drawn from the field.
- Built on case examples, tools, and insights from organizations across Europe.

It is a practitioner-first resource designed to support SEs and ESOs in strengthening their impact practices, telling their story, and navigating the changing landscape of impact with greater confidence.



Research Methodology

This handbook benefits from Social X-Change research which adopts a mixed-methods approach, combining quantitative and qualitative data collection and analysis to investigate various dimensions of social impact, IMM, and the evolving landscape of legal frameworks and financial instruments supporting SEs across Europe and beyond.



1. Literature Review and Desk Research

A comprehensive review of existing literature was undertaken by multiple partners to establish a theoretical and contextual foundation for the study. All partners drew on academic and practitioner-oriented sources to identify existing frameworks, trends, and gaps in knowledge related to IMM and impact accountability.



2. Quantitative Survey Analysis

Quantitative data was primarily sourced from [the European Social Enterprise Monitor \(ESEM\) 2023–2024](#), which captured responses from 1,533 SEs, ESOs, and investors across Europe. The ESEM dataset offered valuable insights into patterns, benchmarks, and practices related to IMM, enabling cross-country comparisons and trend analysis.



3. Qualitative Interviews

To enrich and contextualize the survey findings, qualitative data was gathered through in-depth interviews with a wide range of stakeholders:

- 45 interviews were conducted by the Esade Center for Social Impact (ECISI), involving:
 - Social enterprises (n=21)
 - Enterprise support organizations (n=10)
 - IMM consultants (n=5)
 - Capital providers (n=4)
 - Policymakers (n=2)
 - Higher education institutions (n=3)

These interviews explored the lived experiences, challenges, and strategies of practitioners involved in IMM implementation. The geographical scope included Hungary, Spain, Switzerland, the United Kingdom, the Netherlands, Türkiye, Croatia, Portugal, France, Denmark, the United States, Austria, Poland, Ireland, and Germany.

An additional 12 interviews were conducted with impact investors, SEs, and ESOs to further explore the operational realities and perspectives within the impact ecosystem.



4. Case Studies

The European Center for Social Finance complemented its literature review with six in-depth case studies, offering granular insights into real-world applications of social finance mechanisms, organizational models, and investment strategies within the sector.



5. Impact Reporting and Certification Analysis

ESSEC Business School focused on the legal and transparency dimensions of social enterprise by analyzing how organizations transitioning toward impact orientation engage with certification frameworks and impact reporting obligations. This was done through:

- A desk-based review of the impact reports of 33 Sociétés à Mission¹ and 30 European B Corporations.
- 16 semi-structured interviews with representatives from Sociétés à Mission to assess how these organizations interpret, adapt to, and communicate their impact in alignment with regulatory and certification expectations.

¹Sociétés à Mission in the French legal framework refers to the concept of "mission-driven company". Such companies aim to contribute positively to society and the environment by achieving the objectives it sets for itself.

Commonly Used *Terms*

Throughout this handbook, readers will encounter these terms repeatedly.

We think it is valuable to share our understanding of these terms:

“Social Impact”

Positive or negative changes experienced by people or the planet as a result of one or more activities (Impact Management Norms). Social impact is usually defined in reference to four key elements (Clifford, 2014):

- The value created as a consequence of someone’s activity (Emerson, 2000);
- The value experienced by beneficiaries and all others affected (Kolodinsky et al., 2006);
- An impact that includes both positive and negative effects (Wainwright, 2002);
- An impact that is judged against a benchmark of what the situation would have been without the proposed activity (Hehenberger & Harling, 2015).

“Impact Measurement and Management”

Impact measurement refers to assessing the social changes, both positive and negative, that occur within a targeted population as a result of the actions taken by a social enterprise/actor over a specific time period. This process also involves accounting for any unintended outcomes caused by these actions (Hehenberger & Buckland, 2023). Impact management has been interpreted as fine tuning individual activities according to results of impact measurement work, however in this toolkit, management refers to the broader theme. Organizations can learn a great deal about their work thanks to impact measurement and benefit from these learnings in steering their strategy.

“Social Enterprise”

According to the European Commission, 1) an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders; 2) which uses its profits mainly to achieve these social goals; and 3) which is managed in an accountable, transparent and innovative way, in particular by involving workers, customers, and stakeholders affected by its business activity (Barnier, nd).

“B Corp”

B Corp Certification is a designation that a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials (About B Corp Certification, nd). In order to achieve certification, a company must: 1) demonstrate high social and environmental performance, 2) make a legal commitment by changing their corporate governance structure to be accountable to all stakeholders, not just shareholders, and 3) exhibit transparency.

“Impact Investor”

An impact investor is an individual or institution that invests capital into organizations, enterprises, or projects with the intention of generating both a financial return and measurable social or environmental impact. Impact investors operate across various asset classes, including private equity, debt, and venture capital, and typically apply IMM principles to evaluate the effectiveness of their investments (What You Need to Know About Impact Investing, 2025).



Understanding

Impact Measurement and Management

IMM's *Value* for Organizations

IMM helps organizations define what success looks like, determine how to measure it, and use those insights to make better choices. At its core, IMM is both a measurement tool and a strategic management process. **Here is a list of reasons why IMM is core to creating and refining organizational strategy:**

1

Clarifies Purpose and Direction

IMM helps social enterprises (SEs) and enterprise support organizations (ESOs) articulate their mission and the specific social or environmental changes they seek to create. It supports goal-setting through tools like Theory of Change and logic models (Epstein & Yuthas, 2014).

2

Improves Decision-Making

By generating relevant data, IMM enables organizations to adjust strategies, improve service delivery, and prioritize high-impact activities (Vermeulen & Maas, 2021).

3

Enables Learning and Adaptation

IMM is not a one-time task, but a cycle of learning. It promotes internal reflection and continuous improvement, which strengthens both operational efficiency and mission alignment (Vermeulen & Maas, 2021).

4

Enhances Stakeholder Accountability

IMM allows organizations to demonstrate impact to funders, beneficiaries, partners, and the public. It supports transparency and builds trust (Epstein & Yuthas, 2014).

5

Increases Funding Opportunities

Effective IMM can strengthen an organization's case for support. It allows funders to see a clear link between resources invested and outcomes achieved, making SEs and ESOs more investable (Brest & Born, 2013).

6

Helps Prevent "Impact Washing"

A rigorous IMM process helps organizations avoid exaggerated or unsupported impact claims by grounding communication in evidence and stakeholder perspectives

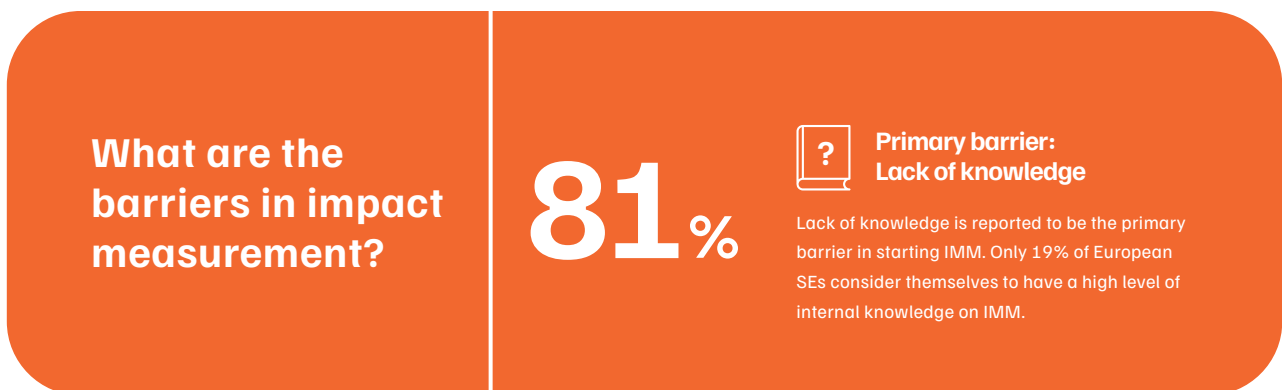
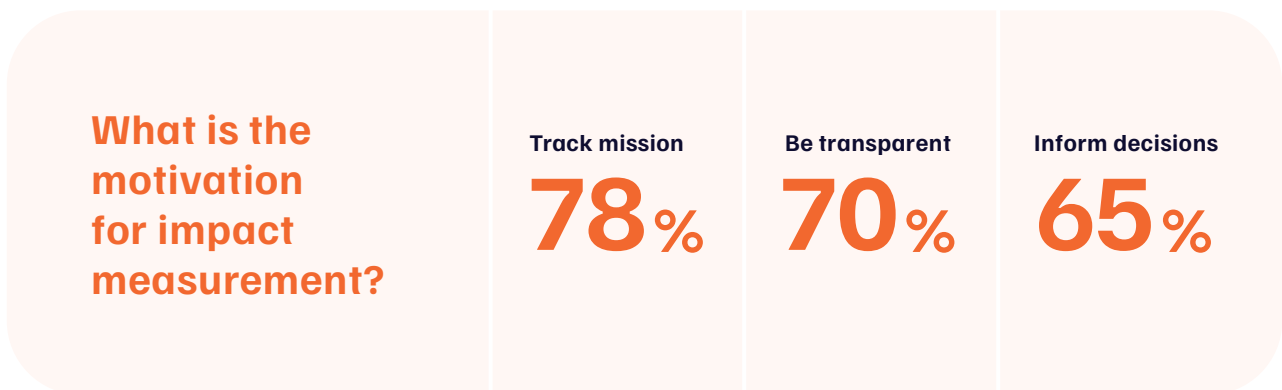
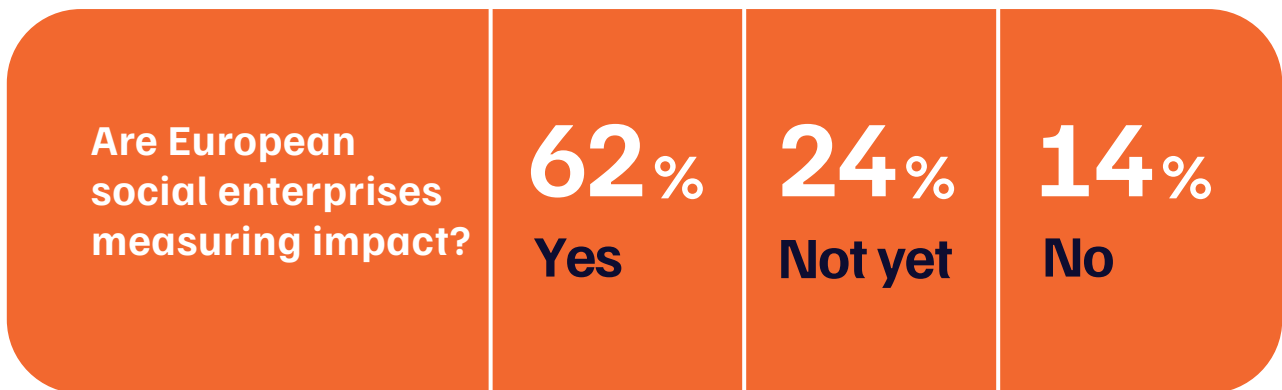
7

Navigates Changing Expectations from Capital Providers

IMM is increasingly reshaping the relationship between social enterprises (SEs) and funders, creating opportunities for stronger alignment, while also introducing new expectations around data, accountability, and impact reporting.



According to Social X-Change research and the European Social Enterprise Monitor Report (Gazeley & Bennett, 2025), here is how European practitioners are currently benefiting from IMM:



“

Thanks to measurement, impact is increasing as it has allowed us to see the needs of social entities and the integration of people into society.

Practitioner Quote

“

We use impact data for communication purposes and for strategy purposes, the metrics have been a very important player in directing strategy.

Practitioner Quote

“

More and more funders are interested in knowing the social impact of what they're investing in. Often happens that funding and financing comes with requirements to report social impact.

Practitioner Quote

Key Concepts

While discussing the IMM trends and frameworks, it is important to understand some of the key concepts of the field.

“Input”

The resources an organization invests to carry out its activities, such as time, funding, human capital, or materials.

Example: A trainer’s time and expertise, training materials, and venue rental provided for a financial literacy workshop targeting early-stage entrepreneurs.

“Activity”

The actions or interventions carried out using the inputs.

Example: Delivering a 2-day financial literacy training session designed to improve entrepreneurs’ knowledge of budgeting, cash flow, and financial planning.

“Output”

The immediate, measurable results of an activity. Outputs are tangible and countable but do not demonstrate deeper change.

Example: 25 early-stage entrepreneurs completed the training and received participation certificates.

“Outcome”

The short to medium-term changes or effects that result from the outputs. These changes can be behavioral, attitudinal, or skill-based.

Example: Within three months, 80% of participants report increased confidence in managing their business finances, and 60% have created basic cash flow statements.

“Impact”

The long-term, systemic change that results from outcomes over time. Impact refers to broader transformation.

Example: One year later, participating entrepreneurs show measurable business growth, with 70% reporting increased revenue and enhanced financial resilience, contributing to local economic development.

“Attribution & Contribution”

These refer to how much of the observed change can be linked directly to the intervention. IMM encourages critical reflection on causality.

Example: While participants improved their financial management, follow-up interviews reveal that some changes were also influenced by a parallel mentorship program, illustrating shared contribution to the outcome.

“Counterfactual / Deadweight / Additionalit”

This examines what would have happened without the intervention to distinguish true impact from change that may have occurred anyway.

Example: A control group of similar entrepreneurs who did not attend the workshop shows only a 20% rate of financial literacy improvement, suggesting that the training made a significant difference.

“Indicators”

Specific, measurable signals used to track progress toward outcomes and impact. Indicators can be quantitative or qualitative.

Example Indicators:

- Number of students who attended sustainability workshops (output)
- Percentage of students who start separating waste at home within 2 months of the workshop (outcome)
- Reduction in household waste sent to landfill from participating households after 12 months (impact)



Key Frameworks

IMM may come in various shapes and forms - especially depending on the nature of work and the organization. During Social X-Change research, practitioners frequently mentioned four impact frameworks that helped them start and improve their IMM journey.

In this section, we are listing these frameworks in order of ease of application according to the findings of our research. Readers should note that every organization has their unique IMM journey and do not have to comply with these global frameworks. Depending on the context of their work, organizations can pick any framework that can help them or even create their own methodology.



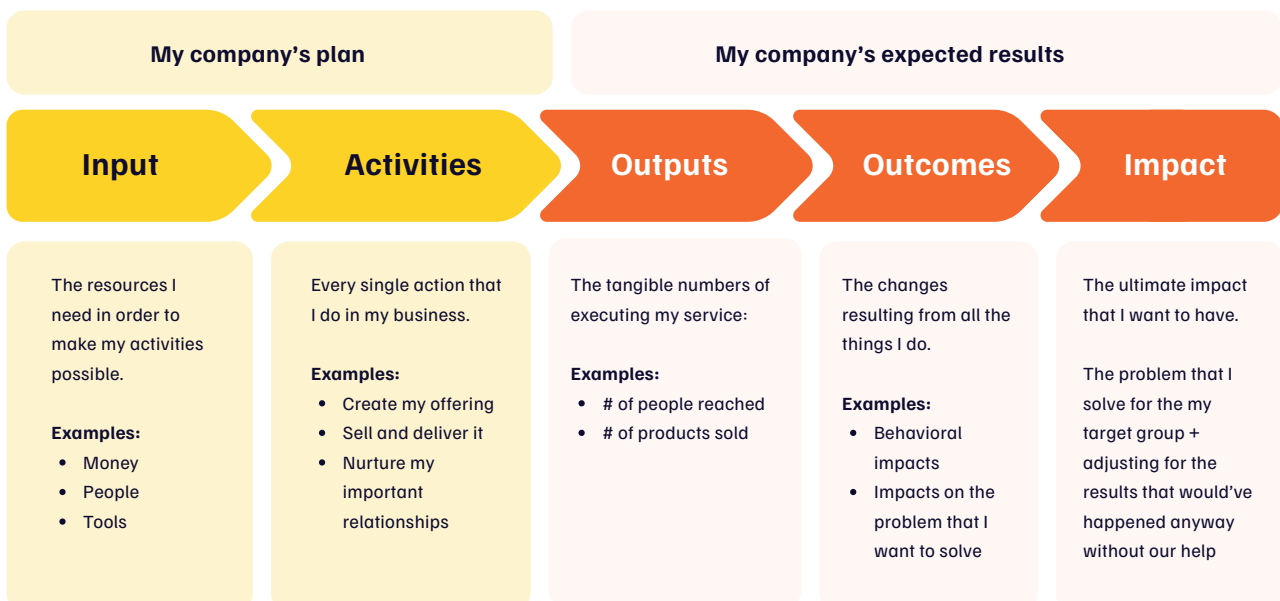
Theory of Change (ToC)

A structured framework that explains how and why a desired change is expected to happen. It maps the pathway from inputs to impact and identifies the assumptions behind that change.



We created distinct theories of change for individual projects while ensuring all align with an overarching ToC that reflects the core mission. We meticulously recorded every output and outcome, accumulating long-term data that informs our evolution as an organization.

Practitioner Quote



2

Sustainable Development Goals (SDGs)

Developed by the United Nations, the SDG framework provides organizations with detailed impact indicators in 17 issue areas with 169 sub-targets. All these targets are meant to be achieved by 2030 (UN Sustainable Development Goals - SDGs). SDG indicators are tied to other widely used global IMM Frameworks such as IRIS+ and GRI.

“

We start with the SDGs as they are a bigger and broader umbrella - projects need to contribute at least to 1 SDG. Then we have impact themes and the goals that we want to achieve with each project.

Practitioner Quote



3

B Impact Assessment

B Impact Assessment (BIA) was developed by B-Lab to be primarily used by the companies seeking to become a B-Corp. BIA is praised for providing companies with a fixed set of questions at the beginning and offering a global comparison opportunity once questionnaire is completed. Some organizations report BIA might be too data heavy for organizations who do not have enough data on their operations or who might not necessarily need that amount of detail in their IMM processes.

“

The B-Corp process and audit provide extensive feedback on what you need to report, how you measure it, how you are being evaluated, and what initiatives you undertake.

Practitioner Quote

Certified



Corporation

4

Social Return on Investment (SROI)

SROI is a practical framework that helps organizations understand how much social and environmental value they're creating relative to the resources they invest. It turns outcomes like improved wellbeing or community development into monetary terms, making it easier to show the real-world value of your work to funders, stakeholders, or decision-makers.

“

When it comes to social value or impact measurement, SROI is the golden standard for clearly communicating the impact.

Practitioner Quote

Recommendation to ESOs

ESOs often find themselves in positions to guide and support entrepreneurs' IMM journey. It would be ideal to offer a variety of frameworks to new starters and help them find the best framework for their IMM needs. ESOs can upskill their staff members and mentors to help entrepreneurs navigate this selection process. Always remind entrepreneurs that they can change the IMM framework or iterate it according to their needs.

We listed the different frameworks above in the order of ease of applying according to the statements of ESOs in Europe. When working with a start-up, it might be easier to apply ToC principles while some of the well developed companies might need a more complex model like SROI.



IMM trends & challenges

Over the past decade, IMM has evolved from a niche practice into a core component of how SEs and ESOs operate, learn, and communicate their value. As social and environmental issues gain global attention, the demand for credible, consistent, and stakeholder-informed impact data has only increased. This section offers an overview of key IMM trends and the major challenges SEs and ESOs encounter along the way.

Trends in the IMM Landscape



1. Growing Demand for Accountability

Funders, investors, and regulators increasingly expect organizations to go beyond storytelling and demonstrate measurable change. IMM is now critical for both internal learning and external legitimacy.

Over the last years, a clear sign of increasing demand around accountability has been the sustainability reporting standards, especially in the European Union. As these often take into account environmental, social, and governance impact of companies; they would be a crucial part of impact reporting for SEs and transitioning enterprises.

In the following years, companies falling under the scope of the Corporate Sustainability Reporting Directive (CSRD) must comply with the European Sustainability Reporting Standards (ESRS) (European Commission, n.d.). These comprehensive standards set out how sustainability information should be disclosed, ensuring consistency, comparability, and reliability across the EU. CSRD aims to enhance transparency and accountability, enabling investors and other stakeholders to assess companies' sustainability performance.



2. Shift Toward Strategic Management

IMM is not just about compliance or reporting; it's a management tool. Leading organizations use it to guide decisions, shape strategy, and adapt their programs in real-time.



3. Rise of Hybrid Approaches

Many organizations are blending quantitative metrics with qualitative methods like storytelling and stakeholder feedback.



4. Integration of Digital Tools and AI

New technologies are making it easier and cheaper to collect, analyze, and visualize data, especially for smaller organizations with limited capacity.



5. Participatory and Reflexive IMM

Effective IMM emphasizes stakeholder-centered metrics, where indicators are co-created with communities and beneficiaries to reflect their lived realities and priorities, avoiding top-down imposition. It also functions as a reflexive tool, supporting internal learning and continuous improvement, rather than serving solely for external validation or reporting.

Key Challenges for Practitioners



1. Lack of Internal Capacity and Expertise

Many SEs struggle with limited time, staff, and technical knowledge to build and maintain robust IMM systems. According to ESEM (2023–24), only 18.8% of SEs report having strong internal IMM knowledge (Gazeley & Bennett, 2025).



2. Overwhelmed by the Number of Frameworks

The IMM space is saturated with tools—SROI, IRIS+, GRI, GIIN Compass, SDG benchmarks—which can confuse rather than clarify. Practitioners often ask: Which framework is right for us?



3. Misalignment with Funders' Expectations

SEs face tension between their own learning needs and what funders want to see. Funders often impose rigid or generic metrics that may not reflect the enterprise's real impact or priorities.



4. Data Collection Fatigue and Gaps

Collecting high-quality, representative data, especially from marginalized or hard-to-reach groups, remains a consistent challenge. Social outcomes are nuanced and often hard to quantify.



5. Short-Term Reporting vs. Long-Term Impact

Funding cycles and reporting deadlines often demand short-term results, while many social and environmental outcomes take years to emerge.



6. Impact-Washing Risks

Without strong IMM practices, some organizations may overclaim or oversimplify their impact to appeal to funders, damaging credibility and trust.



Insights from the Field

The Social X-Change Project has created a great opportunity to interview SEs and ESOs working on the ground to improve their IMM practices. While some issues were shared across regions and sectors, some solutions were also prominently used. This section summarizes a couple of the key challenges faced by the practitioners and shares practical solutions to these issues.

Self Assessment Tool to Identify IMM Maturity

	Yes	Partially	No
1. Our impact goals and intended outcomes are clearly defined and agreed across the organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. We have a documented Theory of Change (or equivalent logic model) that provides strategic guidance to our decision-making.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. We track a focused set of meaningful indicators (not just outputs) linked to our outcomes and mission.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Our indicators combine both quantitative and qualitative dimensions of impact.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. We have indicators set for all critical stakeholders, including indirect stakeholders such as local inhabitants/communities or society.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. We collect impact data systematically and consistently across our programs or operations.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. We review and analyze our impact data regularly to inform strategic decisions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8. We involve key stakeholders (e.g., beneficiaries, partners, staff) in defining and validating impact goals and findings.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9. We communicate our impact to external audiences through structured, evidence-based reports or updates.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10. We update and adapt our IMM practices as we learn, grow, and evolve.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Interpretation

If you answered **Yes**...

- 8-10 times** **Strong IMM practice in place:**
 Focus on refinement, scaling, and innovation.
- 5-8 times** **Solid IMM foundations:**
 Prioritize strengthening stakeholder involvement, learning cycles, or external alignment.
- 1-4 times** **Emerging IMM practices:**
 Prioritize defining outcomes, selecting meaningful indicators, and establishing regular data use.

If you answered **Partially** or **No** to the questions...

- 1-2** Revisit impact strategy and Theory of Change
- 3-4** Strengthen indicator design and relevance
- 5** Map all stakeholders to identify who is missing in your indicators
- 6** Improve data collection systems
- 7** Enhance data use for learning and decisions
- 8** Increase stakeholder engagement in IMM
- 9-10** Improve impact communication and adaptive management

Defining Impact *Indicators*

Among the practitioners, setting impact indicators was seen as a challenging process regardless of the sector or the maturity of IMM practices. This section highlights practical tactics to ease the indicator setting process for practitioners.

1 Framework Integration

Indicators may be aligned with broader standards such as the Sustainable Development Goals (SDGs) or IRIS+ for coherence with global reporting norms. Aligning with SDGs and IRIS+ enhances credibility and allows funders to benchmark impact using global standards.

Practitioner Example: A SE installing solar home systems tracks the number of households gaining electricity access. This indicator aligns with:

- SDG 7: Affordable and Clean Energy
- IRIS+ metric PI8706: Client households with improved energy access

2 Sector-Specific Indicators

Indicators must reflect sectoral context to ensure relevance and comparability. Below are some examples of different indicators from various sectors, these indicators are compiled from Social X-Change research conducted with SEs in Europe and the valuable work of Epstein & Yuthas (2014):

Sector / Domain	Sample Output Indicators	Sample Outcome Indicators	Sample Impact Indicators
Health	<ul style="list-style-type: none"> • Number of clinic visits • Number of health classes delivered 	<ul style="list-style-type: none"> • Reduction in illness days • Rate of health-seeking behaviors 	<ul style="list-style-type: none"> • Reduced infant mortality • Improved life expectancy • Decrease in malnutrition
Education	<ul style="list-style-type: none"> • Hours of instruction • Learning materials distributed 	<ul style="list-style-type: none"> • Student satisfaction • Attendance rates 	<ul style="list-style-type: none"> • Graduation rates • Access to continued education
Housing	<ul style="list-style-type: none"> • Number of units provided • Beds available 	<ul style="list-style-type: none"> • Increased housing stability • Residents accessing services 	<ul style="list-style-type: none"> • Long-term housing retention • Reduction in homelessness
Employment / Youth	<ul style="list-style-type: none"> • Training hours provided • Internships facilitated 	<ul style="list-style-type: none"> • Job placement rate • Retention after 6 months 	<ul style="list-style-type: none"> • Income improvement • Transition from unemployment to sustained employment
Environment	<ul style="list-style-type: none"> • Hectares reforested • Cleanups conducted 	<ul style="list-style-type: none"> • Biodiversity increase • Reduced emissions 	<ul style="list-style-type: none"> • Long-term CO₂ reduction • Improved water/air quality • Wildlife preservation
Financial Services	<ul style="list-style-type: none"> • Loans issued • Accounts opened 	<ul style="list-style-type: none"> • Improved credit scores • Increased financial literacy 	<ul style="list-style-type: none"> • Transition to middle-income status • Economic resilience
Community Building	<ul style="list-style-type: none"> • Events hosted • Community partnerships formed 	<ul style="list-style-type: none"> • Increased civic engagement • Perception of local safety 	<ul style="list-style-type: none"> • Stronger community networks • Enhanced local governance trust
Advocacy	<ul style="list-style-type: none"> • Campaigns launched • Meetings held with policymakers 	<ul style="list-style-type: none"> • Policy recommendations adopted 	<ul style="list-style-type: none"> • Structural changes in social policy • Improved regulatory environment
Innovation	<ul style="list-style-type: none"> • New products developed • Prototypes tested 	<ul style="list-style-type: none"> • Solutions adopted by partners 	<ul style="list-style-type: none"> • Sector-wide innovation uptake • Ecosystem transformation
Service Delivery	<ul style="list-style-type: none"> • Number of services provided • Client reach 	<ul style="list-style-type: none"> • User integration of services • Satisfaction with service 	<ul style="list-style-type: none"> • Well-being gains • Model replication by others

3

Internal vs External Indicators

An important part of impact measurement is understanding which indicators measure internal progress and which ones measure external impact eg. impact on society. As part of Social X-Change research, we were able to identify categories of such indicators based on SEs practices:

Example of a B-corp certified beverage company:

Support activities Internal and secondary activities				Primary activities External activities			
Social indicators		Environmental indicators		Social indicators		Environmental indicators	
Outputs	Outcome	Outputs	Outcome	Output	Outcome	Output	Outcome
# of students in their professional training programme	Average remuneration by gender, age and professional category	# of solar panels installed for production	Reduced carbon footprint of the offices	# of suppliers from which they collected information on diversity and ethics	Employment generation in the region	% of suppliers from which they collected information on their environmental impacts	% of recycled plastic in the wrap used in the groupings of their bottles

It would be helpful for practitioners to note down the number of indicators set for each of these categories and balance the internal-external or social-environmental indicators according to their strategic priorities.

4

Mixed Methods

A combination of quantitative and qualitative indicators enables a multidimensional understanding of impact.

Quantitative: “% increase in financial literacy”

Qualitative: “Satisfaction level with support services”

5

Iterative Use and Refinement

Indicators should be periodically reviewed based on data availability, organizational capacity, and stakeholder feedback.

Practitioner Example: One organization based in the UK (with global operations) continuously updates KPIs based on operational data and stakeholder expectations, maintaining focus on a limited set of indicators to optimize resource use.



Managing Impact Data

Managing data effectively is essential for meaningful impact measurement, but it comes with well-known challenges. SEs often face difficulties in collecting reliable data, working with manual systems, and managing everything with limited resources. As organizations grow, so do the demands for better data quality and reporting transparency.

These challenges can lead to data gaps, inconsistencies, and missed opportunities for learning and accountability. Embedding IMM into daily operations has been a simple yet effective solution to acquire impact data at every stage of a project. By integrating IMM into regular workflows and simplifying data collection, organizations can better incentivize staff and stakeholders to participate in IMM data collection.

Another key issue is making sense of the collected data. Survey results and interview notes accumulated in Excel sheets overwhelm many SEs' staff members as they struggle to digest this information while continuing their day-to-day work. If the organization can afford, it makes a difference to invest in a digital tool to gather and summarize impact data. These tools can provide users with weekly, monthly, quarterly progress reports and can contribute to strategic decision making.

Last but not least, investing in a team's capacity in impact data always helps. Regardless of the position, if an organization manages to train and upskill their staff about IMM and the data work that comes with it, they can ensure long term success.

“

We realized that collecting impact data is easy to promise but difficult to deliver consistently—especially when our team is small and our stakeholders are stretched.

Practitioner Quote

“

Social Entrepreneurs face problems getting the surveys filled out and interpreting the data that's coming through.

Practitioner Quote



If surveys create a challenge, consider **asking for voice messages or video recordings** from your stakeholders. Some might feel more comfortable talking about their experience than writing about it.



Leveraging

IMM for Stakeholder Engagement

Impact measurement and management (IMM) serves not only to enhance organizational learning but also to strengthen relationships with powerful external stakeholders, including policymakers, capital providers, and corporate partners.

When used strategically, IMM enables social enterprises to build credibility, advocate for systemic change, and secure the resources needed to scale their impact.



Language for the Audience

According to their areas of interest, different stakeholder groups may prioritize different dimensions of impact. Policymakers seek policy-related indicators such as job creation, service coverage, or social inclusion outcomes, especially when linked to local development goals or public resource efficiency. Capital providers, including impact investors, increasingly require quantitative outcome data and alignment with frameworks like the SDGs or IRIS+. They use this data to assess risks, allocate resources, and ensure regulatory compliance.

The role of policymakers is also evolving. Social X-Change research showed that many public funding programs now include pre-intervention and post-intervention impact assessments in their grant-making. Governments are promoting the use of open-access IMM tools and capacity-building initiatives to strengthen reporting systems.

Policymakers interviewed during the project emphasized that when IMM is embedded into strategy and supported with reliable data, it helps prioritize public funding, shape policy reforms, and foster cross-sector collaboration.

“

“We align each project to at least one SDG and use IRIS+ indicators to show our investors that their money is contributing to verified social and environmental value.

Practitioner Snapshot: Social Enterprise, Portugal



Why it works:

Their approach demonstrates how IMM can be used to build credibility with capital providers. By aligning with internationally recognized standards and keeping metrics relevant to both projects and funders, they effectively bridge operational realities with external expectations.

“

We don't just count training sessions. We report on qualifications earned, jobs gained, and sofa-surfing days avoided; that's the language local authorities care about

Practitioner Snapshot: Social Enterprise, UK



Why it works:

They tailor the IMM reporting to influence municipal policy and secure contracts. By using context-specific, outcome-driven indicators, they position themselves as a vital part of the public solution to youth homelessness.

IMM as a Tool of Influence

Social enterprises increasingly recognize IMM as a strategic asset. According to the Social X-Change interviews, many use impact data to guide decision-making, attract funding, and validate their strategic choices. Impact metrics are not only used for self-evaluation but to build organizational credibility and engage external audiences on equal footing.

For instance, two organizations from the study embed IMM into their operating models and strategic planning, aligning core indicators with both internal goals and stakeholder expectations. These enterprises use IMM to communicate their value to investors, municipalities, and ecosystem partners, showcasing a dual focus on accountability and innovation.

“

IMM is part of our core strategy. It helps us communicate measurable progress to investors and municipalities, which builds trust and accountability.

Practitioner Snapshot:
Social Enterprise, Spain



What stands out

They integrate IMM directly into the operating model, aligning core indicators with both internal goals and external expectations. This approach has strengthened partnerships and enhanced their influence within local ecosystems.

“

For us, IMM is more than reporting; it validates our work and keeps us aligned with both funders and community stakeholders.

Practitioner Snapshot:
Social Enterprise, Spain



What stands out

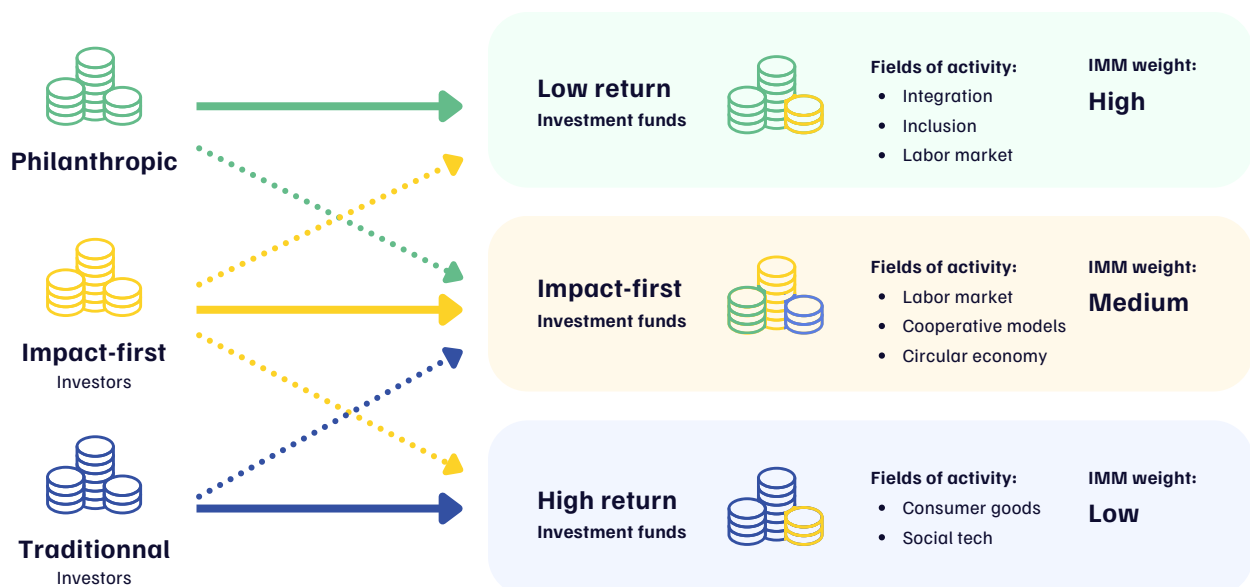
They use IMM as a strategic tool to guide operations and showcase impact transparently. Their commitment to clear metrics has helped secure funding and solidify relationships with ecosystem partners.

Unlocking *Access to Capital* Through IMM

IMM is helpful to improve the delivery of social impact but it is also essential to attract funding.

A somewhat simplified mental model to think about the value chain of capital goes like this (Spiess-Knafl, 2025):

- 1) Capital owners have multiple options to invest their capital. They can have a financial return of 15% in private equity funds or a financial return of 3-8% in impact investing funds. This difference is reflected in non-financial preferences such as the support for better education, healthier nutrition or a less polluted environment.
- 2) These impact investment funds then take the non-financial preferences into account and invest accordingly.
- 3) Impact-oriented enterprises receive the funding and need to show why they should get the capital considerably less expensive than other more traditional enterprises. This is done via IMM.
- 4) The results from the IMM are then incorporated in the impact performance of the funds and passed on to the capital owners. If they are not able to achieve the promised impact, they will have difficulties raising additional funds.



Transparency Builds Trust

Detailed impact data reassures investors that their capital is generating both financial and societal value. Whether it's a regional microfinance fund or a community-led project, clear, reliable IMM makes funding decisions easier.

Blended Finance Benefits from IMM

Many funds, like the Water Access Acceleration Fund (W2AF), integrate impact metrics directly into their financial structuring. For example, W2AF ties fund manager incentives to achieving specific SDG targets, illustrating how IMM can align financial performance with social impact.

Another example is the Community Ownership Fund (COF) that tackles the potential loss of valued local assets across the UK by providing financial support to community-led initiatives. It empowers local groups to purchase or refurbish amenities such as pubs, sports facilities, and community halls, ensuring these assets are preserved for community use. The fund's capital is explicitly catalytic, with every pound from the COF designed to incentivize further contributions from local groups, charities, or social investors, thereby de-risking projects for other funders.

The COF requires applicants to demonstrate significant community buy-in, often through their own fundraising efforts like local donations or community share issues. Initially offering up to 50% of a project's costs, the fund later adjusted its terms, reducing the minimum match funding requirement to as low as 20% (or 10% in exceptional cases) to enhance accessibility for communities with fewer resources.

Attracting Institutional Investors

Large investors increasingly require sophisticated IMM systems as part of their due diligence. CoopEst's success in attracting top-tier financial backers highlights the importance of having credible impact data to signal investment readiness.



The Water Access Acceleration Fund (W2AF) tackles the global water crisis by investing in SMEs that provide safe drinking water in Africa and Asia. It focuses on decentralized, market-based solutions like local water infrastructure and innovative technologies to serve low-income populations, aiming to reach 30 million people by 2030.

Sponsored by Danone and managed by Incofin, W2AF employs a blended finance model with a first-loss tranche to attract diverse investors. This catalytic capital approach, combined with a technical assistance facility, supports enterprises in scaling their operations and impact, thereby addressing critical funding gaps in the water sector.



Conclusion

This handbook set out to debunk impact measurement and management and equip social enterprises and enterprise support organizations with practical tools, case insights, and strategic guidance.

Through interviews, field research, and real-world examples, we've seen that IMM is no longer just about accountability. It is a strategic asset that enhances learning, strengthens stakeholder trust, and unlocks critical funding.

While the journey can feel complex and resource-intensive, practitioners across Europe demonstrated that **immense value lies in simplicity, consistency, and adaptability**. Whether embedding IMM into daily operations, co-creating indicators with stakeholders, or aligning with global standards like the SDGs and IRIS+, success comes from tailoring IMM practices to your organization's mission and context.

Above all, this work underscores a key takeaway: impact is a shared endeavor. By advancing rigorous yet flexible IMM practices, social enterprises not only improve their internal learning but also shape a more transparent and trustworthy ecosystem, thus paving the way for stronger partnerships, greater innovation, and deeper societal transformation.

We thank all contributing organizations, practitioners, and partners who generously shared their insights and learning. Your work continues to inspire and guide a growing community dedicated to measurable and meaningful change.



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Annex

In preparing this handbook, we encountered a wide range of valuable, publicly available resources that can support organizations at different stages of their IMM journey. Below is a curated selection of practical tools we believe will be especially useful for readers looking to deepen their impact practice.

5 Whys Canvas

[\(Miro template\)](#)

A simple yet powerful tool to explore cause-effect relationships. Ideal for organizations at the early stages of their IMM journey to unpack the underlying reasons behind key challenges.

Problem Tree Analysis

[\(Mural template\)](#)

This tool helps organizations diagnose root causes and map out the connections between problems and their effects. A valuable exercise to ensure interventions target the right issues.

Stakeholder Canvas

[\(Miro template\)](#)

Once the problem is clearly defined, this canvas supports organizations in mapping key stakeholders—those affected by or influencing the issue—ensuring diverse perspectives are captured early on.

Theory of Change Template

[\(SoPact\)](#)

A structured framework for articulating how your activities are expected to lead to desired outcomes and long-term impact. Useful for aligning team efforts and clarifying your impact logic.

Social Impact Toolbox

[\(Toolbank\)](#)

An extensive library of impact measurement and management tools, designed to support social enterprises and nonprofits across sectors in developing robust IMM systems.

Digital Storytelling Canvas

[\(Digital Storytellers\)](#)

A creative tool for transforming impact data and stories into compelling visual narratives, helping organizations engage stakeholders and communicate their mission effectively.

Common Approach to Impact Measurement

[\(Common Approach Tools\)](#)

Common Approach has the goal of balancing flexibility and uniformity across impact measurement practices to enable a common understanding among impact organizations and their investors. Their website provides a set of specific tools that can help social organizations unify their IMM practices.

EVPA Five-Step Framework

[\(EVPA\)](#)

In an effort to balance the IMM practices in the field and the expectations of funders, EVPA developed a five-step framework which presents a circular process to reiterate and improve IMM practices on an ongoing basis.



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