

How can businesses understand their social impact in local communities?

Before I joined Charities Aid Foundation (CAF) I worked as a social impact consultant. We helped a range of charities implement robust impact frameworks to articulate to their stakeholders *how* they were actually impacting their beneficiaries. The landscape at the time – the economic downturn and public funding cuts, the [charity overhead debate](#), loss of trust in the sector – meant that demonstrating impact became a do or die issue for charities.

Fast forward to today, and businesses are now also much more fluent in the language of outcomes and social impact. But impact thinking – focussing on outcomes and long-term impact – is more of a challenge than it sounds. It involves honest and often uncomfortable introspection. It also forces you to think about what you *really* stand for and want to achieve; and, in contrast, where you should start to let go.

So what?

One of the more difficult exercises in impact thinking is to ask yourself (or, more unsettling, get someone else to ask you) “so what?”.

“We have provided £1m in funding over 3 years to help local young people at risk”.

So what?

“Well, what we’ve been able to do is put them through a tailored training academy.”

So what?

“When they graduate from our academy they have a diploma that serves as a local accreditation.”

So what? (And so on...)

This kind of questioning can seem unnecessarily challenging, but when you’ve exhausted the “so what?”s you’re left with the core of what your programme sets out to achieve. In this case it looks like this:

“As a result, more beneficiaries pursue educational, employment or training opportunities in the local community.”

[The last] so what?

“So, by engaging young people at risk in our programme **we build stronger local communities.**”

And so you arrive at the guiding principle, or the intended impact, of your programme. Note how different this is to the starting point of “we have provided £1m in funding over 3 years to help local young people at risk.” You can only reach this clarity by asking yourself, “What are we actually changing here? So what?”

The impact of impact thinking

Taking this journey isn’t painless, but it is extremely rewarding. Benefits of understanding and tracking your outcomes and impact properly include being able to prove and improve your local impact; and smarter measurement and clearer decision making. Ultimately, this type of mind-set maximises the

potential of business to create a better society.