

# Impact assessment adds meaning to social interventions

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As consumers become more socially conscious, businesses around the world have increasingly taken up the call to address social issues. It has become commonplace for organisations to highlight their corporate social responsibility (CSR) initiatives, to ensure that they resonate with modern consumers.



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However, without understanding the impact of CSR initiatives, there is no way of knowing whether brands are just paying lip service to an issue or contributing to a socially beneficial change.

When referring to their social investments, organisations often focus on how much money they have contributed towards an issue, and how many individuals the contribution assisted. However, these are examples of outputs, and don't explain the effect this contribution has had on people's lives.

Without measuring the impact of this investment, it is not possible to understand whether or not it has added any value.

## **The state of entrepreneurship development in South Africa**

The SAB Foundation invests in developing entrepreneurship in South Africa, in order to create jobs and promote the economic and social empowerment of historically disadvantaged persons. To determine the effectiveness of our efforts, we regularly assess our impact and publish an annual impact report which explains this in terms of income generation, job creation, skills development and a number of other criteria.

We publish these results in an effort to boost transparency, share our knowledge and encourage others to also measure and report on their impact, so we can all learn from each other. Unfortunately, not enough organisations currently track the ongoing impact of their social investments in South Africa. This is problematic as it means that social issues often aren't accurately identified and addressed, which can hinder progress. It also makes it difficult for other, similar organisations to benchmark their performance, share best practice and collectively enhance their impact.

As a result of the social and economic effects of the Covid-19 pandemic, resources are constrained globally. It is now even more important than ever to make sure that the funding that is available is effectively allocated.

Since the SAB Foundation was founded in 2010, we have invested R339 million in the support of 989 entrepreneurs and 3,240 rural micro enterprises. This has helped them grow their turnover by 137%, from R265 million at inception to roughly R627 million as at December 2019. They have also created 5,804 new jobs. According to our calculations, that is an average investment of R58,407 per job.

## **Social impact**

Social innovation is one area where we still struggle with aggregating impact. We have funded, mentored and in many cases helped to give life to 122 businesses that address social issues as diverse as housing, healthcare, water, disability, education and many more. We know what each one has achieved, for example: 200,000 patients have been given access to specialist treatment, 160,000 learners have accessed career guidance, there was a 276 tonne reduction in carbon emissions, and 150 people with hearing disabilities have been placed into jobs.

However, we haven't been able to find key performance indicators that can consolidate this information. We are hoping to find solutions to this before our next report in 2021.

While intuitively we believe we are doing a good job, we cannot be sure until we are able to benchmark ourselves against other organisations. South Africa's BEE focus on enterprise and supplier development has meant that companies spend billions on developing entrepreneurs, yet there is very little data on the impact of this investment. As a result, we have invested in an organisation called Catalyst for Growth which is attempting to consolidate and analyse data across various companies to establish a benchmark for best practice.

However, their ongoing challenge is companies' reluctance to share information.

If other organisations are achieving similar or better results, we want to know how. It is also important to share case studies of investments that did not work, so others don't waste resources going down the same path. We need to recognise as a nation, that socio economic development is complex and investing in early stage businesses is inherently risky. Mistakes will be made. We have made some ourselves. This does not mean that the intervention was a failure. It's only a failure if we don't learn from it quickly.

Ultimately, those of us working in the socio-economic development environment, including many people in government, all share a similar goal of producing as much positive impact as possible. By learning from each other, we can fast track our progress towards successful interventions and, by extension, bring about an improvement to the overall quality of life for all South Africans.

The SAB Foundation's 2020 Impact Report is available at <https://sabfoundation.co.za/resources>.

## ABOUT THE AUTHOR

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