Identify & Measure Impact

Theory of Change model
Learning Outcomes
1. **Understand the importance** of identifying and measuring impact project creates

2. **Design an impact model** according to Theory of Change model

3. **Create measurement plan**
Agenda

103 - Day 4

1. Last week Review
2. Theory of Change
3. Practice
1. Last week Review
MVP Testing Results

- How many people were interested in your product/service?
- Did you meet KPIs? If not, why not?
- Any difficulties?
Duration: 1 hour

1. TRAINING TIME:
   a. **Summary of the results:** 05 minutes
      i. Trainers invites students to Breakout Rooms to summarize the results
   b. **Presentation:** 50 minutes (estimated time for 10 groups)
      i. Each group has 5 minutes, Q&A included
2. Theory of Change
Introduction: 05 minutes

1. Startups in the circular economy are considered impact startups. Therefore, identifying, measuring, and adjusting the impact you create is crucial to keep the project on track towards the ultimate impact goals.

2. There are many tools, but the Theory of Change model is the most suitable one for early-stage projects.

3. Trainers help students reflect on their Vision exercise done in Day 1 by asking:
   a. How do you know the project is moving towards your vision?
What is impact?

Impact Management Project

“A change in an aspect of people’s well-being or the condition of the natural environment caused by an organisation”

OECD - DAC

“Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended”
Duration: 05 minutes

Key points:

1. Before introducing the definition, trainers can ask:
   a. *What is impact?*

Reference:

What do we need to manage impact?

**Internal Focus**
- Create impact plan
- Design/modify services and products to achieve targeted impact
- Implement an impact plan
- Change, reduce, or scale up operations to maximize impact
- Assess risks and opportunities in the market

**External Focus**
- Increase engagement with customers, communities, and investors when proving the impact
- Expand partners network
- Contributing to building and strengthening a company’s brand
Trainers should read through Maximise Impact by Social Value UK to understand the impact management.

**Duration:** 05 minutes

**Key points:**

1. The importance of impact management internally and externally.
2. Trainers should **emphasize the internal focus**, especially the impact planning, designing products and services, and implementing impact and business plans.
3. In addition, trainers can refer to **the community's (consumer) trend of shifting to a CE** ([102 - Day 1](https://socialvalueuk.org/maximise-impact-guide-social-entrepreneurs/)); hence, projects need to be transparent and accountable to consumers about the impact they create.

Reference:

Steps to manage impact

Stage 1
Plan

Stage 2
Do

Stage 3
Assess

Stage 4
Revise

Note: Adapted from Social Value UK
Duration: 05 minutes

Key points:
1. There are 04 stages that take place continuously. Treat this as manual and come back to it every time the previous step is completed.

2. Day 4 focuses on **Stage 1 - Planning**
   a. **The implementation plan** includes customer personas (Day 2), build a prototype product (Day 3), and a business model (Day 5).
   b. **The impact plan** to be clarified in following slides.
## Theory of Change

<table>
<thead>
<tr>
<th></th>
<th>PROBLEM</th>
<th>SOLUTION</th>
<th>INPUT</th>
<th>WHO/WHAT?</th>
<th>OUTPUT</th>
<th>OUTCOME</th>
<th>IMPACT GOALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Which problem do you desire to solve? (State in 9 - 12 words)</td>
<td>What is your solution to solve that problem?</td>
<td>What do you need to implement your solution?</td>
<td>Who/what benefit from your solution?</td>
<td>Quantitatively measurable results</td>
<td>Changes created in short, medium and long term</td>
<td>What is your impact goals? (your vision)</td>
</tr>
</tbody>
</table>
Duration: 10 minutes

Key points:

1. Explain each elements of the Theory of Change model. Differentiate between Output and Outcome.
   a. An Output is a measurable result from your solution. Ex: For a course, an Output would be the Number of participants.

2. Order to build the model: 1, 2, 3, 4, 7, 5, 6

3. The most critical part of the model is the assumptions about the link among elements so continuous validation is required.

Reference: https://www.kisstartup.com/yi/do-luong-tac-dong
Example of Theory of Change
Trainers should do homework about The Blastic to understand their Theory of Change model created during C-Plastics Incubator Program by KisImpact, Spring Activator and supported by The Incubation Network and ICM Falk Foundation (2021)

**Duration:** 05 minutes

1. Trainers can ask questions:
   a. *Do you think there is any missing elements here?*
   b. *What should they improve?*
## Suggestion for better usage

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<table>
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<tr>
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<tbody>
<tr>
<td><strong>01</strong></td>
<td><strong>02</strong></td>
<td><strong>03</strong></td>
</tr>
<tr>
<td><strong>Never stop adjusting the model</strong></td>
<td><strong>Forget the first version</strong></td>
<td><strong>Don’t ignore the weak signals</strong></td>
</tr>
<tr>
<td>Whenever you have a new discovery when testing assumptions in the ToC or collecting data on changes made by the project, go back and update the ToC accordingly.</td>
<td>Over time, your goals, strategies, activities may change, other external conditions also change/no longer hold true.</td>
<td>Sometimes you will focus too much on the positive changes and ignore information that seems unrelated/consistent with the Theory of Change model.</td>
</tr>
</tbody>
</table>
Duration: 05 minutes

Key points:

1. Encourage students to identify the assumptions in each part of the Theory of Change model and continually test and adjust the model according to the results obtained.

2. Emphasize Theory Model of Change as any other tool that have been or will be introduced during the course is meant to be adapted. Therefore, students should come back to adjust when they get new insights. Only then will the new project stick to the set goals/visions.
3. Practice
Draw your *Theory of Change model* and clarify the changes you want to make in short, medium and long term.
Duration: 15 minutes

- **PREPARATION:** Trainers can create the blank Theory of Change model on Miro/Slido or other tools

- **TRAINING TIME:**
  - Practice: 15 minutes
  - Presentation: 25 minutes
    - Trainers select randomly 5 groups to present their models. Each group has 5 minutes, feedback time included.
  - Adjustment: 10 minutes
    - Students adjust their model according to feedback from trainers.
Assignments

1. Plan next week
2. Continue to adjust MVP and test the market
3. Test the market by writing articles about the impact the project can bring
4. Prepare final presentation (3 minutes/group)
Wrap-up

Write down 03 things you like in today's lesson (5 minutes)
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