

# A Transformative Evaluation Toolkit for The Impact Investing Sector

How entrepreneurs and impact investors  
can deepen their data collection

SEPTEMBER 2019



engineers without borders  
ingénieurs sans frontières  
Canada

# AUTHORS

**Courtney Bolinson** is an independent evaluation consultant, specializing in impact investment, systems evaluation, and transformative evaluation. She was the Impact Evaluation & Learning Manager at Engineers Without Borders Canada during this project.

**Donna Mertens** is an independent consultant for Engineers Without Borders Canada. In her book Program Evaluation Theory and Practice (2nd ed.), Mertens focuses on the intersection of evaluation with social justice and human rights through the use of a transformative lens.

**Engineers Without Borders Canada** (EWB) is a registered non-profit organization that invests in people and ideas to tackle the most crucial causes of poverty and inequality in Sub-Saharan Africa. Bolstered by its network of 32 chapters and over 1000 members, EWB provides seed funding, talent and mentorship to social entrepreneurs throughout Sub-Saharan Africa. EWB's advocacy work focuses on increasing Canada's aid effectiveness by equipping young Canadians with the skills to inform the public and engage with Canada's political leaders. For more information, visit [www.ewb.ca](http://www.ewb.ca).

# ACKNOWLEDGEMENTS

During the earliest stages of contemplating transformative evaluation and what it might add to impact measurement and management, we floated the idea past Karim Harji, an experienced evaluator in impact measurement and impact investing, and also the Programme Director of the Oxford Impact Measurement Programme at Saïd Business School (Oxford). Karim thoughtfully responded that the idea sounded great in theory, but it needed to become a lot more practicalized before investors or entrepreneurs would be interested. In particular, he suggested the creation of some sort of toolkit. Thanks to Karim, we included this in our ANDE Catalyst Fund for Impact Measurement proposal, and here we are. We hope it exceeds his expectations!

We would like to thank Beth Foster, Ellen Carey Maginnis, Leah Goldstein-Moses, Shivani Patel, Spencer Powell, and Jane Reisman for their in-depth review and feedback on early iterations of the toolkit. We would also like to thank Global Affairs Canada for their contribution to the project. Finally, a big thank you to Village Capital, Intelligent Impact, and Boston Impact Initiative for contributing real examples of transformative evaluation in action.

# CONTACT

Engineers Without Borders Canada  
info@ewb.ca  
+1 416-481-3696  
[www.ewb.ca](http://www.ewb.ca)



This project was supported by the Aspen Network of Development Entrepreneurs (ANDE) at the Aspen Institute.

# CONTENTS

Toolkit Purpose	4
Before Using The Toolkit	5
What Is Transformative Evaluation?	6
Application To Impact Investing	8
Doing Transformative Evaluation	11
Case Examples	20
Additional Resources On The How	27
Appendix A: Application To Existing Tools And Approaches	30

# TOOLKIT PURPOSE

The purpose of this toolkit is to introduce a method that improves your ability to truly change people's lives through social impact investing.

This toolkit is designed to help entrepreneurs, investors, consultants, evaluators or other practitioners deepen their social impact measurement and management process in the impact investing sector. The toolkit is intended to be used in tandem with already existing standards and methods like the GIIN's IRIS+, the Impact Management Project's five dimensions of impact, and 60 Decibels Lean Data, to complement and deepen those metrics and approaches. (See Appendix A for a table that shows the application of transformative evaluation to existing tools and approaches).

## After reading this toolkit you will:

- Know what transformative evaluation (TE) is
- Know why TE is valuable for social enterprises and impact investors
- Know how to apply TE in various impact investing contexts
- Have step-by-step instructions, examples, additional resources and other tools to support the application of a TE lens to your work
- Know how TE differs from and complements existing tools and resources such as 60 Decibels Lean Data or IRIS+.

## AUDIENCE

There are two primary audiences for this toolkit.



First, the toolkit is intended for impact investors who conduct or commission impact measurement activities and want to maximize the impact of their investments, especially as it applies to end **beneficiaries**. It especially applies to investors who fall under Sonen Capital's maximum-impact solutions category (see graphic on page 9).



The toolkit is also targeted at social entrepreneurs who conduct or commission impact measurement activities and want to maximize the social impact of their business. In addition, this toolkit will be particularly useful for seed-stage entrepreneurs and investors and/or entrepreneurs and investors focusing on social justice and human rights.

**Beneficiaries** are individuals for which the enterprise, investor, or organization intends to provide opportunities through consumption, production, or distribution of its products or services (IMP Glossary). They are also individuals who ultimately experience changes in their state, condition, or well-being as a result of an enterprise or investment portfolio. This could be direct customers or their families/community.

# BEFORE USING THE TOOLKIT

There are numerous high-quality resources in the impact investing sector on impact measurement and management, including what it is, why it is important, and how to do it. This toolkit adds a layer of how to do this work in a more inclusive way that contributes to social justice.

To use this toolkit most effectively, we suggest having a basic understanding of the concept of impact measurement and management as it applies to the impact investing sector. A great resource that can provide this foundational background is the Impact Management Project website: <http://impactmanagementproject.com>.

## NOTE ON TERMINOLOGY

A long process of literature review, data collection and stakeholder consultation went into the development of this toolkit. During this process, we heard from different types of stakeholders that the term “transformative evaluation” was a potential barrier in the impact investing community. In particular, individuals felt that the term was academic, obscure, unclear, or irrelevant for entrepreneurs and investors. We understand this and yet persist in our use of this phrasing for the following key reasons:

1. *Transformative evaluation* is an established theoretical framework for conducting research and evaluation in a way that is explicitly contributing to social justice. It is not a new concept. Therefore, we want to properly credit the established evaluation principles and methods that specifically utilize a social justice frame, upon which this measurement approach is based.
2. Evaluation is commonly referred to as “*impact measurement*” in the impact investing sector. In fact, we know that many practitioners do not consider their measurement work as “evaluation.” Even so, we feel the field of program evaluation has much to offer the impact investing sector, not least of which is the concept of “evaluative thinking.” Beyond measurement, evaluative thinking is a disciplined approach to inquiry and reflective practice that helps us make sound judgements using good evidence. We see this as value-addition to the impact investing sector and therefore continue to refer to this work as evaluation.
3. We considered the use of more familiar vocabulary, such as “*inclusive impact measurement*” or “*participatory impact measurement*” rather than “transformative evaluation.” While these terms are more commonly used in the impact investing sector, we don’t think they fully capture what is distinct about the transformative approach. **What is distinct about TE is that it directly furthers the social impact of a business or investment by way of its process** (note: TE will be described in depth in the following section.) Furthermore, while participatory methods, human-centred design, and concepts of including “stakeholder voice” in impact measurement share many things in common with TE, TE emphasizes the creation of transformative change by focusing on marginalized populations, building in cultural-responsiveness, and utilizing evaluation results for transformative purposes.

## WHAT IS TRANSFORMATIVE EVALUATION?

TE is a branch of program evaluation where social justice is the primary principle guiding an evaluator's work.

The approach involves intentionally engaging beneficiaries, especially from marginalized groups, throughout the entire evaluation (design, implementation, analysis, and reporting) to identify, understand, and reveal multiple, unique experiences, and how one may be privileged over another. Placing central importance on multiple *stakeholder* perspectives can increase the objectivity and rigour of evaluation more by completely determining the social impact of a product, service, or policy. Typically, in TE, stakeholders and evaluators work together to design an evaluation approach that integrates qualitative and quantitative data collection methods to build a fuller picture of a product or program's merit or worth.

According to the Impact Management Project, **stakeholders** include customers, employees, local communities, suppliers and distributors, and the planet. Stakeholders include but are not limited to beneficiaries.

### TE specifically involves the following (Mertens & Wilson, 2019):

- An ethical stance of inclusion and challenging oppressive structures that sustain inequality and discrimination
- A participatory and reflective entry process into the community that is designed to build trust, address power differences, and make goals and strategies transparent
- Dissemination of findings in ways that encourage the use of results to enhance human rights and social, economic, and environmental justice
- Addressing *intersectionality* when culturally responsive, feminist, equity-focused, and indigenous theories are relevant in the evaluation context.

**Intersectionality** refers to the ways in which heterogeneous members of specific groups (such as women) might experience something differently, depending on their ethnicity, sexual orientation, class and/or other social locations. For more information on the relevance of intersectionality for business, see Dr. Nika White's [Medium post](#) on the topic, the [Oxford Research Encyclopedia entry](#), and La'Wana Harris' article on [Forbes](#).

The principles of transformative evaluation and the methodological implications of these principles are displayed in the following table.

PRINCIPLES OF TRANSFORMATIVE EVALUATION	
PRINCIPLE	METHODOLOGICAL IMPLICATIONS
1. Incorporation of the intent to advocate for an improvement in human rights and social justice through addressing issues of power and establishing respectful relationships.	The importance of understanding that the current socio-economic status, societal structures and political institutions discriminate against some groups and benefit other groups. Evaluation methods are structured to address power differences. Examples of these systems are racism, sexism, ableism, heterosexism.
2. Reciprocity, or designing the evaluation to enhance benefits for the community.	Evaluations need to be structured to support transformative action; strategies to support this include inviting stakeholders to participate throughout the evaluation (e.g., help identify the problem and relevant contextual factors) and interpretation of results with a focus on transformative action. This includes setting goals to benefit the community.
3. The evaluation methodologies are responsive to and supportive of communities that may be marginalized, underrepresented or vulnerable.	The evaluation methods are selected based on relevant intersectional perspectives and needs from marginalized communities such as women, LGBTQ, low-income families, children, people with disabilities, etc. Mixed methods are generally recommended.
4. The evaluation contributes to increased social, economic and environmental justice.	The evaluation contributes to the identification of economic development strategies that incorporate both social and environmental justice. For instance, economic development projects consider the impact on the environment and social justice in the form of who causes pollution and who suffers from pollution.
5. The evaluation should promote cultural respect.	The evaluation understands, respects and takes into account the values and beliefs of the communities, such as language, social group, institutions, etc. It should be designed to challenge norms and beliefs that sustain an oppressive status quo.
6. Evaluation engages stakeholders in dialogue and encourages a democratic role for participants.	Stakeholder contribution, participation and relationship building are encouraged and highly valued.
7. Literature review includes discussions of diversity. Problem identification and contextual analysis should go beyond literature review to engage with stakeholders in respectful ways.	The literature review includes a diversity of sources. The literature should be rich and have a variety of approaches. For instance, the use of Western and non-Western authors, as well as articles from developing and developed countries. Personal interactions are also sources of knowledge that are valued.
8. Evaluation includes a contextual analysis and needs assessment.	The contextual analysis and needs assessment actively identify and characterize power dynamics, diversity, cultural context, history and systems of oppression.
9. Utilization of evaluation results.	The results must be utilized for transformative purposes. For instance, for policy change, to refine an intervention and/or to improve and expand relationships.

For a full report on the use of TE in impact investing, and a detailed case study of a pilot TE with social enterprise M-Shule in Kenya, see the companion publications to this toolkit. All are available on the [EWB website](#).

For further information on TE, see Transformative Research and Evaluation (Mertens, 2009) and the publications and resources on Donna M. Mertens' [website](#).

## APPLICATION TO IMPACT INVESTING

TE aligns with impact investing by:



Facilitating social justice aims of maximum-impact investing



Enabling more effective scaling and more sustainable businesses



Extending human-centred design methods, ensuring they are explicitly inclusive of marginalized perspectives



Providing data that can demonstrate traction, confirm product-market fit, or explain business pivots



Supporting integration of the local community into the supply chain



Being inclusive, culturally-responsive, and transformative, and supporting robust product design, due diligence, and product-market fit



Uncovering positive, negative, unintended, and emergent social, economic, and environmental impacts



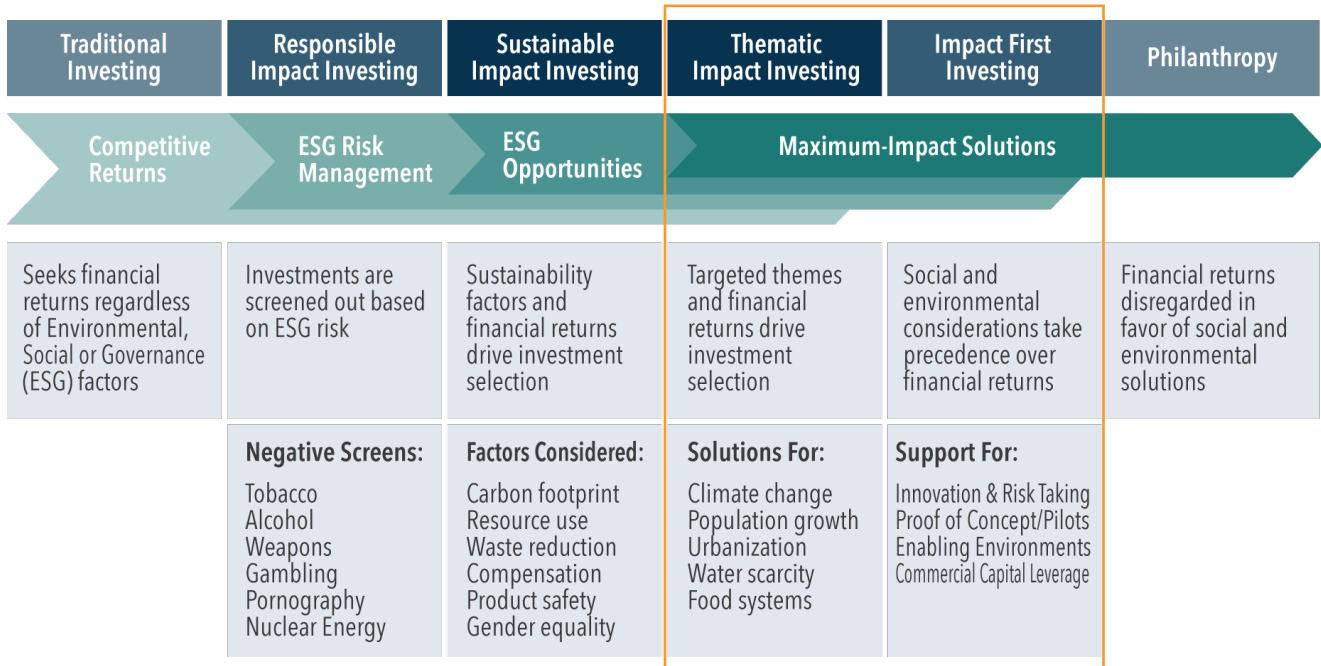
Offering a market advantage to social businesses struggling to demonstrate impact data



Relationship-building as a form of marketing

Some dynamics exist in impact investing that are different from traditional investing. Sonen Capital defines impact investing as the range of investment opportunities that exist between maximizing profits and philanthropy, and it has put together a useful visual tool of this spectrum.





Sonen Capital: <http://www.sonencapital.com/impact/methodology/>

As mentioned earlier, TE holds particular potential for investors focused on maximum-impact solutions. One common aim in maximum-impact investing is that funded businesses provide products or services that reach marginalized communities and address their needs. TE provides a framework for doing impact measurement in a way that is inclusive of marginalized individuals and is aligned with the social justice aims of this part of the field.

Customer engagement is a common practice for entrepreneurs and investors, especially during product design and due diligence stages, respectively. TE offers a framework for engaging customers in a more inclusive, culturally-responsive, transformative, and robust way that provides more in-depth and complete information about product-market fit. This, in turn, can help entrepreneurs better meet the needs of their full constituency of customers, and it can also help investors identify potential investments that demonstrate this depth of customer understanding. The fuller perspective of product-market fit can lead to more effective scaling efforts and more sustainable businesses in the long-term.

A trend in impact investing is to track and measure negative social and environmental impacts alongside positive ones. This is intended to help foster conventions and standards, such as environmental, social and governance (ESG) risk management. TE offers a framework for effectively uncovering positive, negative, unintended, and emergent social, economic, and environmental impacts. Positive impacts (intended, unintended, or emergent) demonstrate social impact and social return on investment. Negative impacts (intended, unintended, or emergent) are important areas for product adaptations and redesigns, pivots, and/or risk mitigation.

Human-centred design (HCD) methods are being used more and more by social entrepreneurs. TE offers a way to extend HCD methods to be more explicitly inclusive of marginalized perspectives and respond to provocative questions such as “Who defined the problem? Would some stakeholders see the problem differently? Would those who are most marginalized have a higher priority problem that needs to be addressed?”

For early-stage social businesses seeking seed funding from impact-focused investors, TE can offer a market advantage by providing scientifically sound and robust impact data that is appropriate for early-stage businesses. This data can demonstrate traction, confirm product-market fit, or explain reasons for business pivots that support the entrepreneurs’ fundraising requests and strategy.

TE emphasizes relationship-building with customers and provides a framework for doing this in an effective way that allows for all voices to be included in ways that are culturally responsive and address power differences. For entrepreneurs, this can act as a form of marketing.

TE can help businesses integrate the local community into the supply chain, which can lead to a more sustainable and impactful product that enhances social, economic, and environmental justice.



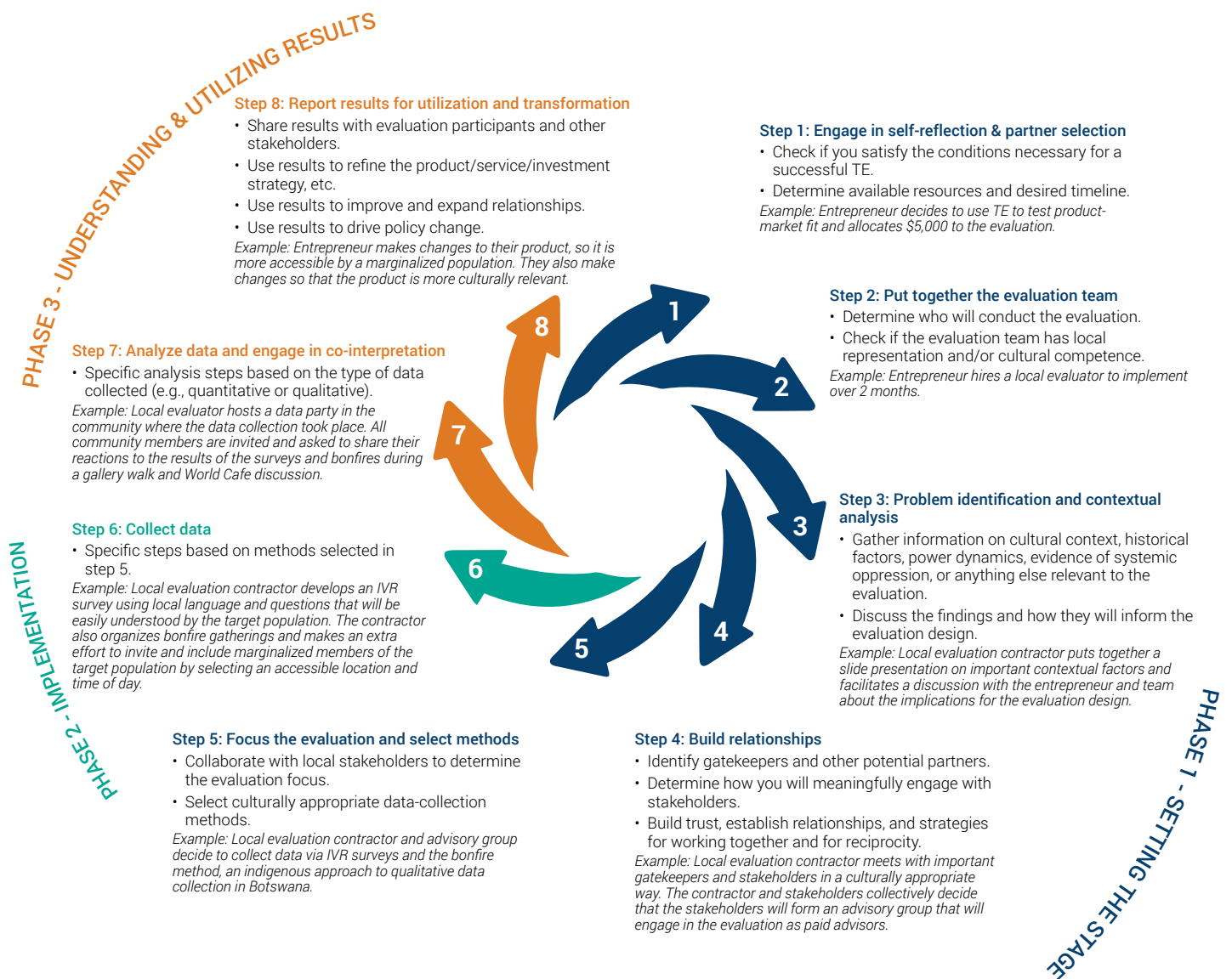
# DOING TRANSFORMATIVE EVALUATION

# DOING TRANSFORMATIVE EVALUATION

This section of the toolkit provides specific step-by-step instructions for implementing a transformative evaluation, followed by separate tables showing suggestions of when and how to use TE for entrepreneurs and investors, respectively.

The step-by-step guide is written from an enterprise perspective, with investor-specific additions in blue.

## The Transformative Evaluation Cycle



# PHASE 1 - SETTING THE STAGE

## Step 1: Engage in self-reflection [& investee partner selection<sup>1</sup>]

1. Check if you satisfy the conditions necessary for success:

- **A clear idea of how you will use the data**, for example, in iterating a product or service prototype, testing product-market fit, checking on progress toward social impact goals, or evidencing the business' value proposition. [Examples for investors include developing a data-driven impact thesis, evidencing social return on investment, refining an investment strategy, or guiding portfolio construction.]
- **Self-awareness and the ability to be self-reflexive**. Entrepreneurs must be open to learning from and responding to evaluation results, such as adapting products or services to be more inclusive and impactful. [An investment team must be able to understand their role, power, and biases in an investment situation, and be willing to respond constructively to evaluation results that reveal necessary changes at the investor level. Ideally, portfolio ventures are also open to learning from and responding to evaluation results, such as adapting products or services to be more inclusive. If ventures aren't open to utilizing evaluation results, the TE process will only be partially effective.]
- **Cultural competence** or a genuine willingness to build this competency.
- **Access to ultimate beneficiaries** [For investors, this would be the ultimate beneficiaries of the investee partner(s) you are partnering with to do the evaluation.]
- **Access to key stakeholders** [For investors, this would be key stakeholders of the investee partner(s) you are partnering with to do the evaluation.]
- **Capacity** to conduct the evaluation, or the resources to commission it. [For investors, the investee partner(s) must also have the capacity to support the evaluation. Entrepreneurs may need to facilitate connections to their beneficiary communities, answer questions, advise on issues of cultural competence, or provide other support along the way. Even though the investor is implementing (or commissioning) the evaluation, the portfolio ventures will need to be supportive of the activity and have the capacity to engage as necessary.]

**Cultural competence** is a skill set that comes from personal experiences within a given community and/or from structured learning experiences that ensures acceptance, appreciation, understanding, and responsiveness regarding value, practices, attitudes, and behaviour of a given community (Public Policy Associates, Inc., webinar slide, 2015).

<sup>1</sup> For a TE Readiness Rubric that helps with investee partner selection, see page 6 in the [companion case study](#), "Using Transformative Evaluation in Impact Investing."

A TE usability assessment tool is available in the resources section of the report.

## 2. Determine your available resources and desired timeline

- How much money have you made available to invest in evaluation activities?
- How quickly do you need the data? This will help you determine your timeline.
- Who on your team already has some experience with measurement? For example, people working on product improvement, customer service, or data analysts. [For an investment team, this might be data analysts or impact measurement specialists.]

### **Step 2: Put together the evaluation team**

1. Determine who will conduct the evaluation based on your available resources and desired timeline. Will they be staff, such as a designated data analyst, customer engagement team, or for investors, an impact measurement specialist? Or will you pay an external consultant to do the work?
2. Check if your evaluation team has local representation and/or cultural competence. If not, consider how you can bring this in. Possible avenues are contracting a local evaluator, partnering with a local institution or university, or finding an advisor from a local evaluation organization. Visit the resources section of this toolkit for tools to self-assess cultural competence.

### **Step 3: Problem identification and contextual analysis**

1. Determine what you need to know to properly contextualize and support the design of the evaluation. If possible, your scope should include power dynamics, cultural context, historical factors, and evidence of systemic oppression. As much as possible, involve stakeholders to include what they see as important in the contextual analysis.
2. Identify where you can find the desired information, such as national census results, local development and strategic plans, national bureaus of statistics, World Bank and UNDP databases, and traditional sources of knowledge.
3. Gather data and organize it for utilization. This could take the form of a list of bullet points of the key findings, a 2-pager, a PowerPoint slide, or a full report. Use whatever format that will enable an easy understanding of the main findings and include strategies for the community to be part of the data interpretation and use. The data can be used to inform the rest of the evaluation approach.

#### **Step 4: Build relationships and establish coalitions, advisory committees, or other forms of meaningful evaluation partnership**

1. Identify *gatekeepers* and begin building relationships with them.
2. Identify individuals you might want to partner with.
3. Collaboratively determine how you will meaningfully engage with stakeholders throughout the evaluation.
4. Be sure to include representatives of marginalized groups who are most impacted by the problem in the engagement process.
5. Consult with the gatekeepers, partners, and representatives of marginalized groups to identify any relevant stakeholders who are missing.
6. Provide support and a safe environment for all stakeholders to participate meaningfully. Consult with stakeholders in order to determine what a safe environment would entail, in their context.
7. Build trust, establish relationships and strategies for working together.
8. Determine how you will provide reciprocity throughout the process.

#### **Step 5: Focus the evaluation and select methods**

1. In collaboration with your local coalition, advisory committee, or partners, determine the focus of the evaluation. This should not only be based on the initial idea of how you planned to use the data but should also include plans for reciprocity, i.e., what will you give back to the community?
2. Based on the focus of the evaluation, work collaboratively to determine what data collection methods are culturally appropriate and will provide the desired data. Conventional methods are surveys and focus groups, both of which are described in the Acumen/60 Decibels Lean Data Field Guide. Indigenous methods may be appropriate here as well. For example, African evaluators have used storytelling and exploration of common myths and proverbs as data collection.

A **gatekeeper** is a person who stands between the data collector and a potential respondent. Gatekeepers, by virtue of their personal or work relationship with a respondent, can control who has access, and when, to the respondent. Alternatively, even if they don't have complete control over who has access to a respondent, a gatekeeper could be a person who can make it very difficult or very easy to access a respondent. For example, in a school setting, a gatekeeper could be a parent, teacher, principal or school director, school board, or parent-teacher association. In a rural farming community in Ghana, a gatekeeper could be a local religious leader, local chief, well-known model farmer, or spouse.

## PHASE 2 - IMPLEMENTATION

### Step 6: Collect data

Specific steps should be determined based on the data collection method(s) employed.

## PHASE 3 - UNDERSTANDING AND UTILIZING RESULTS

### Step 7: Analyze data and engage in co-interpretation

Specific data analysis steps should be determined based on the type of data collected.

Co-interpretation is an integral part of this step and can take many forms. At the most basic level, co-interpretation involves sharing the data collected during step 6 with some or all of the individuals who provided that data, and then asking those individuals to share their thoughts and reactions to the data. A common way of doing this is sharing a summary of uninterpreted data, such as in a 2-pager or data placemat, and then facilitating an interpretation discussion. More information regarding data parties, data placemats, and co-interpretation can be found on page 29 of this toolkit.

### Step 8: Report results for utilization and transformation

The final evaluation results should be shared with the evaluation participants and possibly other stakeholders who might find value in the data. The evaluation results should be used for the purpose you determined in step 1 of the process. In addition, TE results should be used, as much as possible, to drive policy change, improve and expand relationships with stakeholders, and to refine whatever was evaluated (e.g., business model, product, service, investment portfolio, or investment strategy/thesis).

***REPEAT STEPS 1-8 AS NEEDED***



# WHEN TO DO IT

TE is cyclical and should be done as often as the conditions necessary for success are present (see step 1).

In other words, TE can be used anytime you need information from customers or beneficiaries (if they aren't the same) to make decisions or improve a product or investment strategy. See the tables below for suggestions of when and how to use TE at various stages of a business or investment cycle.

## USING TE DURING BUSINESS STAGES

Business stage	Description/Key elements	Possible use of TE at that stage <i>(Some uses apply at multiple stages)</i>
<b>1. Putting the team together</b>	<ul style="list-style-type: none"> <li>Build a team.</li> <li>Build a vision for changing the world.</li> <li>Identify a specific, important, and large problem.</li> <li>Identify ideal target customers<sup>2</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>Building a team that reflects the local context.</li> <li>Deepening the understanding of the problem you are trying to solve.</li> <li>Developing a solution that takes into account a diversity of perspectives.</li> <li>Improving understanding of the diversity of customers.</li> </ul>
<b>2. Setting the vision</b>	<ul style="list-style-type: none"> <li>Create a plan to solve the problem and articulate the vision at scale.</li> <li>Engage with potential customers and learn how the proposed solution can help solve a problem they have.</li> <li>Develop the business idea.</li> </ul>	<ul style="list-style-type: none"> <li>Deepening the understanding of the problem you are trying to solve.</li> <li>Developing a solution that takes into account a greater diversity of perspectives and intentionally contributes to increased social, economic and/or environmental justice.</li> <li>Improving the understanding of the diversity of customers.</li> <li>Contextual analysis - identify cultural norms, power dynamics, political barriers, religious context, and social norms that could stifle your innovation. Being aware of historical and political factors that affect your chance for success.</li> </ul>
<b>3. Validating the product</b>	<ul style="list-style-type: none"> <li>Articulate why the enterprise solves the problem(s) better than anyone else.</li> <li>Provide evidence that customers will pay the target price.</li> <li>Build a working prototype and a product roadmap.</li> <li>Articulate projected costs along the value chain.</li> </ul>	<ul style="list-style-type: none"> <li>Gathering evidence of customer value/satisfaction from a diversity of customers.</li> <li>Product development - gathering data from a broader diversity of constituents to inform about product development.</li> <li>Testing the cultural and contextual fit of the product.</li> <li>Identifying who is not being served by the product.</li> <li>Clarifying intended positive social outcomes from businesses.</li> <li>Risk identification and mitigation.</li> <li>Addressing power dynamics in your customer population, supply chain, and market context(s).</li> </ul>
<b>4. Attacking the market</b>	<ul style="list-style-type: none"> <li>Have a clear understanding of how the target market operates.</li> <li>Have strong industry contacts in the market.</li> <li>Articulate how the solution would transform the industry.</li> <li>Begin to evidence that multiple types of customers find value in the solution or in an extension of the product.</li> </ul>	<ul style="list-style-type: none"> <li>Gathering evidence of customer value/satisfaction from a diversity of customers.</li> <li>Articulating system-level changes with the depth of understanding of historical context, power dynamics, areas of risk and opportunity, and technical hurdles that can impact traction.</li> <li>Gathering rich qualitative data about early customer experience and interest in the product.</li> <li>Establishing strong relationships and strategic partnerships that facilitate success in the market.</li> </ul>

<sup>2</sup> Note: "Customer" could refer to direct customers, suppliers, distributors, employees, and/or indirect ultimate beneficiaries. When implementing a TE, you should consider and involve (to your best ability) any marginalized groups that are stakeholders in the business or investment strategy.

<p><b>5. Solidifying the business model</b></p>	<p>Provide evidence that by growing the business, the company solves the problem.</p> <p>Provide evidence that target customers love the product and want to keep using it.</p> <p>Build a deep understanding of the customer's pain points, what features need to be improved, and have a product roadmap to address those concerns.</p> <p>Provide evidence that the business can move beyond early adopters to a larger customer base.</p>	<p>Product delivery - improve the process of delivery based on diverse customer feedback so that the product is accessible for a larger market.</p> <p>Gathering evidence of customer value/satisfaction from a diversity of customers.</p> <p>Product development - gather data from a broader diversity of constituents to inform product development.</p> <p>Gathering robust social impact data.</p>
<p><b>6. Getting the product to customers</b></p>	<p>Provide evidence that sales validate the impact tied to a solution, and that the impact grows as the solution scales.</p> <p>Make sales beyond initial target customers.</p> <p>Provide evidence that customers love the product and are referring the product to others.</p> <p>Build a complete product that incorporates strong user experience feedback.</p> <p>Ensure that supply/distribution partners see their success aligned with the company's success.</p> <p>Build the capacity and experience of the C-suite that goes beyond the founding team.</p>	<p>Product delivery - improve the process of delivery based on diverse customer feedback so that the product is accessible to a larger market.</p> <p>Product improvement - improve the product based on robust customer feedback so that it is more impactful, valuable, and important to target customers.</p> <p>Gathering robust social impact data.</p> <p>Building strong relationships with supply/distribution partners so that their aims are incorporated where relevant, and their concerns and challenges are addressed.</p> <p>Recruiting and hiring C-suite level team members who have lived experience of the problem, a deep understanding of the target customer, and/or who are local and/or come from a traditionally marginalized group.</p>
<p><b>7. Reaching product-market fit</b></p>	<p>Validate the social impact.</p> <p>Build the product for scale.</p> <p>Begin building additional offerings.</p> <p>Validate the business model by showing strong unit economics.</p> <p>Generate strong inbound sales in initial target market.</p> <p>Build the business brand.</p> <p>Develop strong relationships with partners that could become potential acquirers.</p> <p>Articulate a scaling plan that is fast and competitive.</p>	<p>Finding product-market fit - identify what the customers want, how they will use it, when and how they will pay for it, and exactly what the benefit is for them. Also ensuring the product is designed around those answers.</p> <p>Considering other stakeholders that may be gatekeepers or integral to implementing the product such as the community, manufacturer, supplier, payor, and then any side effects on the environment or society.</p> <p>Collecting impact data beyond direct customers to include all those potentially impacted by a product.</p> <p>Gathering more complete data regarding negative externalities that may also grow with scaling, and possible mitigation strategies.</p> <p>Capturing robust data that provides evidence of product-market fit.</p> <p>Building a contextually-appropriate brand.</p> <p>Using customer data to build a data-driven plan for scale that takes into account customer barriers, concerns, and areas of cultural non-fit.</p>
<p><b>8. Scaling up</b></p>	<p>Scale quickly in multiple markets (customer segments, geographies, or sectors)</p> <p>Generate revenue above the industry standard.</p> <p>Maintain an exponentially-growing customer base.</p> <p>Maintain extremely strong unit economics.</p> <p>Delight customers in multiple markets.</p> <p>Build a clear product roadmap on how to continue to iterate and stay ahead in the market.</p>	<p>Understanding the context in new markets to identify new distribution channels, streamline scaling efforts and improve the chances of a successful take-up.</p> <p>Gathering robust social impact data to show evidence of impact in new markets.</p>
<p><b>9. Exit in sight</b></p>	<p>Maintain #1 or #2 status in the target market(s).</p> <p>Have a product recognized as top in the industry.</p> <p>Be acknowledged as the top solution in the industry solving this problem.</p>	<p>Understanding the context in new markets to streamline continued scaling efforts and improve the chances of a successful take-up.</p> <p>Gathering robust social impact data to show evidence of impact in new markets.</p> <p>Conducting a transformative process and implementation evaluation to understand what worked and why, and apply learnings to the next business.</p>

TE can help entrepreneurs develop a product or service that contributes to increased social, economic and/or environmental justice, such as one that provides ownership, employment opportunities, and upward mobility for people of colour, women, or other marginalized groups.

## USING TE DURING INVESTMENT STAGES

Investment stage	Description/Key elements	Possible use of TE at that stage
<b>Impact thesis and investment strategy development</b>	Articulation of the <i>impact thesis</i> of the portfolio/fund.	<p>Clarifying how the fund will directly or indirectly benefit communities, especially with respect to marginalized populations, systems of oppression and barriers to social justice.</p> <p>Problem identification based on contextual analysis.</p> <p>Inclusion of stakeholders and target populations in determining impact mission, target sectors, impact objectives, investment goals and geographies of focus.</p> <p>Addressing power dynamics between investors and investees.</p> <p>Building a diverse team of investment professionals, including individuals from traditionally marginalized groups.</p> <p>Building inclusive ESG considerations into the investment model.</p>
<b>Pre-investment</b>	Sourcing, screening, due diligence (pre-term sheet), term sheet, and due diligence (post-term sheet).	<p>Developing sourcing processes that are inclusive of marginalized entrepreneurs.</p> <p>Developing screening processes that prioritize businesses based on TE principles.</p> <p>Conducting due diligence in an inclusive way with an eye toward the social impact of a potential investee.</p> <p>Writing a term sheet that reflects the TE values of reciprocity and social justice.</p> <p>Using contextual analysis to determine the right market with the added benefit of identifying stakeholders who are marginalized and strategies for including them.</p>
<b>Investment</b>	Investment decision, deal structuring (instrument and terms), social impact metric selection, contract, and disbursement of funds.	<p>Guiding metric selection to be more inclusive of ultimate beneficiaries.</p> <p>Structuring deals in a way that is responsive to the needs of entrepreneurs.</p> <p>Considering the inclusion of terms that incentivize or require the continued social purpose of the business; consider "mission lock."</p>
<b>Post-investment (ongoing investment management)</b>	Measurement & management. Portfolio management.	<p>Impact measurement and management that is inclusive, culturally-responsive, and participatory.</p> <p>Collecting social impact data and customer satisfaction data for input into portfolio decision-making, such as honing the investment strategy/thesis or venture selection.</p> <p>Reviewing the impact created by the portfolio and identifying barriers that could be addressed to increase impact.</p>
<b>Exit</b>	<p>Exit at the right time to ensure the company has access to the resources it needs to scale.</p> <p>Maintain management in place.</p> <p>Select aligned buyers according to various criteria, such as their vision for scaling the company, track record, and experience in the sector.</p> <p>(The GIIN, Lasting Impact: The Need for Responsible Exits.)</p>	<p>Reviewing what is learned from the investment to guide future strategy or portfolio construction decisions; sharing lessons with a broader field of impact investing; communicating with asset owners and prospective asset owners/investors.</p> <p>Demonstrating evidence of impact or progress toward impact if investor exits before scale.</p>

An **impact thesis** is an articulation of the social mission of the investment fund. It is usually driven by the value set of an individual or organization and can reference a theory of change. It often references specific impact objectives such as access to clean water or affordable housing and may reference a target population, business model or set of outcomes through which the investor intends to deliver the impact. An impact thesis may also include geographies and sectors of focus, the growth stage and scalability of the businesses that will be targeted, and the risk appetite of the investor. (Source: A Portfolio Approach to Impact Investment, J.P. Morgan 2012.)



# EXAMPLES OF TE IN IMPACT INVESTING

## CASE EXAMPLES

For an in-depth case study example of a transformative evaluation commissioned by an investor and implemented with a single investee, see the companion publication “Using Transformative Evaluation in Impact Investing.”

Additional hypothetical and real-life examples of applying TE at various business and investment stages are shared below.

### Applying TE during impact thesis and investment strategy development

#### Spotlight on Intelligent Impact:

Intelligent Impact works with clients to run an Innovative Financing Process. This process requires mapping out the issue area (including the problem and solution landscape), identifying the resources available, building out a set of processes, business models, technology and financing innovations that can be applied, and finally, designing innovative financing mechanisms. For example, Intelligent Impact worked with the Western Cape Government in South Africa to design an innovative financing approach for affordable housing. They first mapped the issue area, including identifying all relevant stakeholders and the roles they play in the ecosystem as well as current projects addressing housing issues. Once they mapped this (through interviews and desk research), they held a series of workshops with as many representatives from each stakeholder group as possible in the room. The workshops were designed to refine the stakeholder map, the problem and solution landscape and the resources available. To successfully do this, Intelligent Impact made sure to get feedback from engineers, project managers, financiers, households, academics, government, and service providers. Within the room, each table was set up to have a diversity of opinions and a representation across stakeholder groups.

The feedback from the workshops didn't just feed into the direction of the work, it actually directed the process. Thus, as Intelligent Impact designed the financing mechanisms, they were guided by the information from the workshops and continued to check back in with participants throughout the drafting process.

*TE principles applied in this case: Contextual analysis, reciprocity, stakeholder dialogue & democratic role for participants*

The logo for Intelligent Impact, featuring the words "Intelligent" and "IMPACT" in white text on a teal rectangular background.

## Applying TE during pre-investment

### Hypothetical Example: Transformative evaluation rubric

Impact investors often use investment rubrics or checklists as a tool to help with sourcing and pre-term sheet due diligence. These rubrics help clarify how well a potential investment fits various goals of the portfolio. TE principles can be incorporated into an investment rubric or checklist to help screen for potential investments that are more likely to contribute positively to social justice. See page 23 for an example of a transformative investment checklist.

*TE principles applied in this case: Intent to advocate for an improvement in human rights and social justice, responsiveness to and support for communities that are marginalized, underrepresented or vulnerable, increased social and economic justice, cultural respect, stakeholder dialogue, and contextual analysis.*

## Applying TE to due diligence

### Spotlight on Boston Impact Initiative :

Boston Impact Initiative (BII) is an impact investing fund focused on economic justice. It invests in for-profit, nonprofit, and cooperative enterprises across sectors. During the pre-investment stage, BII conducts due diligence on the financial health of the potential investee, the leadership capacity of the management team, and an assessment of the business around two impact themes: economic justice and community resilience. Economic justice is assessed by examining the structure of enterprise ownership, job opportunities and quality, and participation in decision-making. Community resilience is assessed by examining supplier and customer demographics, sustainability and ecological stewardship, and community relationships. This information is gathered through conversations with the enterprise, and it offers a succinct report included in the investment memo to the board that makes decisions to deploy capital. This process ensures that an enterprise is impact-aligned with BII.



*TE principles applied in this case: Intent to advocate for an improvement in human rights and social justice, stakeholder dialogue & democratic role for participants*

## Transformative Investment Checklist

Category	Transformative criteria	Yes	No	TBD	Comments
1. Geography	A. The venture's operations are located in a traditionally underserved country or region.				
2. Team	A. The founding team has senior members with lived experience of the problem and/or deep understanding of their target customer's problem.				
	B. The founding team has senior members from several traditionally marginalized groups, such as women, people with disabilities, racial/ethnic minorities, and Indigenous groups.				
	C. Representation of women throughout the team, including in senior leadership or board position (if applicable) and across the value chain.				
	D. The founding team has senior members who are local or indigenous to the target customer community/country/region.				
3. Problem	A. The team has identified a specific, significant problem which is directly related to an element barring the underserved or marginalized individuals and communities from thriving.				
	B. Evidence that the team has done a contextual analysis that considers the historical and cultural context, power dynamics, and localized root causes of systemic oppression as it relates to the identified problem.				
4. Product/ Service	A. The business intentionally serves marginalized populations as end beneficiaries/ customers.				
	B. The business consciously considers barriers to accessing the product/service for marginalized populations.				
5. Innovation	A. Evidence of customer segmentation and profiling in an effort to consider the potential unique market needs for women, girls and other marginalized populations.				
6. Value proposition	A. The team has identified diverse types of persons whose problems they are solving, including those most marginalized.				
	B. The team has worked directly with diverse stakeholders and target customers, including those most marginalized, to iterate the product/service.				
	C. Evidence that a diverse range of customers, including those most marginalized, will pay the target price.				
7. Impact and vision	A. Core customers are members of marginalized groups.				
	B. Measurable short-term impact correlates to the problem articulated in #3.				
	C. Clear articulation of how social justice will be increased if the business achieves scale.				
8. Business model	A. The team has a gender policy or demonstrates openness to adopting a gender inclusion strategy, and inclusion for other marginalized groups as well.				
9. Scalability	A. Evidence that marginalized individuals in multiple markets experience the problem articulated in #3.				
	B. (Ideally), the founding team has members with lived experience of the problem and/or deep understanding of their target customer's problem in additional markets.				
	C. The team has engaged with at least some marginalized individuals in additional markets to better understand their unique contexts.				
10. Market	A. The team has considered the relevant gender norms of their market and the impact their service/product would have on women, girls and other marginalized populations.				
	B. The team understands the historical and cultural context, power dynamics, and systemic oppression hurdles to entering the market and has a strategy to overcome them.				

**TBD = To be determined**

Table developed by Courtney Bolinson and Donna M. Mertens and based, in part, on EWB Ventures' screening checklist.

**Note:** This checklist is intended to be used in parallel with other investment rubrics or checklists when making investment decisions. Its focus is on transformative elements that could be considered when screening potential investments.

## Spotlight on Village Capital:



The current system of supporting entrepreneurs has significant blind spots, particularly when resources and capital are concentrated to support only a handful of places, people, and problems. There is an implicit bias, and a reliance on “pattern recognition” in the investment decision-making process, which helps explain why female-founded or co-founded ventures still receive only 15% of venture capital, and black and Latinx entrepreneurs receive less than 2%. The lack of diversity in founder demographics often leads to lack of diversity in the problems or the challenges being solved by the innovation economy. This is so because an entrepreneur who does not have the lived experience of a problem will be less inclined to solving that particular problem.

Village Capital was founded in 2009 as an experiment to address the decision-making asymmetries in the innovation economy by using a peer-selected investment model. This is a collaborative due-diligence model that takes a bottom-up approach to investing. It shifts decision-making power away from distant investors, evaluating the venture in front of them on the basis of who the founder was, who the founder knows, and which school the founder went to, and it instead places that power with entrepreneurs who forecast which ventures are most promising.

Village Capital has spent nearly a decade designing, building, and implementing a peer-selected investment methodology. They’ve conducted more than 70 programs using peer-selected investment, resulting in more than 100 seed-stage investments. Investments made through the process are notably more diverse – geographically and demographically – than the traditional venture capital portfolio.

Last year, they conducted an explorative study on the effectiveness of the peer-selected model to 1) predict the future commercial success of the investees, 2) predict the future revenue performance of the investees, particularly those led by women, and 3) eliminate or mitigate the gender bias in investment decision-making. Their findings, shared publicly in a [report](#), was that the peer-selected model proved effective on all three counts.

*TE principles applied in this case: Addressing issues of power*

## Applying TE during and after investment

### Spotlight on Boston Impact Initiative:



BII works with investees to set impact targets along the impact themes (economic justice and community resilience) that are codified in the legal investment paperwork with incentives for achievement after a certain period, such as a 0.5% increase or decrease in the interest rate on a loan. Once an investment is made, the fund does an annual assessment of the portfolio, focusing on the two impact themes using a survey with quantitative and qualitative questions and an in-person meeting with the company. Leaders of the enterprises in the BII fund note that the early emphasis on evaluation of economic justice and



community resilience in their business helps them prioritize impact, and they appreciate the alignment of social goals with an investor.

*TE principles applied in this case: Intent to advocate for an improvement in human rights and social justice*

### **Spotlight on gender-lens investing:**

The Global Impact Investing Network (GIIN) defines gender lens investing (GLI) as investment strategies applied in two main ways:

- 1) Investing with the intent to address gender issues or promote gender equity, including by:
  - Investing in women-owned or led enterprises
  - Investing in enterprises that promote workplace equity (in staffing, management, boardroom representation, and along their supply chains); or
  - Investing in enterprises that offer products or services that substantially improve the lives of women and girls
- 2) Investing with the following approaches to inform investment decisions:
  - a **process** that focuses on gender, from pre-investment activities (e.g., sourcing and due diligence) to post-deal monitoring (e.g., strategic advisory and exiting); or
  - a **strategy** that examines, with respect to the investee enterprises:
    - Their vision or mission to address gender issues
    - Their organizational structure, culture, internal policies, and workplace environment
    - Their use of data and metrics for the gender-equitable management of performance and to incentivize behavioural change and accountability
    - How their financial and human resources signify an overall commitment to gender equality.

*Source: The Landscape for Impact Investing in Southeast Asia, GIIN 2018, and <https://thegiin.org/gender-lens-investing-initiative>*

This form of impact investing, focused on gender, is well-suited to TE. TE can help shed light on cultural norms and contextual factors that can help or hinder the success of gender lens investments. For example, if an investor provides funds to increase the number of women working in a sector, e.g., banking, there may be contextual factors at play that prevent the outcome from taking place over the long run. In the banking sector, for example, more women may be successfully hired but then leave their positions because of a hostile working environment created by local gender norms. The use of a TE early on in the process could make these norms visible and allow for investment in businesses that explicitly address the hostile work environment.

Another example is with social enterprises providing financial technology to give women increased access to banking, credit, or other financial services. In many countries, women's access to more money is mixed in with the complexity of the culture. Unintended negative outcomes, such as increased marital tensions or ostracization, may occur for women who use financial technologies. TE brings awareness to these types of contextual barriers and provides data that entrepreneurs can use to make changes to their products and services that better address those barriers.

*TE principles applied in this case: Intent to advocate for an improvement in human rights and social justice, increased social and economic justice, contextual analysis, literature review includes discussions of diversity, utilization of results for transformative purposes*

## Applying TE to measure progress toward SDGs

Many impact investors are basing impact theses and setting social impact targets to address specific [Sustainable Development Goals](#) (SDGs). TE is well positioned to support with examining and enhancing progress toward the goals, especially where the SDGs explicitly mention issues of equity (e.g., SDG 5 - Gender Equality, and SDG 10 - Reduced Inequalities).

For example, the SDGs mention inclusion of all, regardless of age, sex, disability, race, ethnicity, origin, religion or economic or another status. Many of the goals go further, calling out specific marginalized populations, including the poor, people with disabilities, youth, older persons, women, and migrants. As such, the SDGs cannot be met unless these populations are consciously included.

When implementing a TE, you build relationships and partner with marginalized members of the target population. Through dialogue and democratic engagement in impact measurement design, implementation, and analysis, the perspectives and needs of these groups are better understood and better able to be incorporated into a business design or investment strategy. Cultural and contextual barriers can be identified and the interventions can incorporate strategies to overcome these barriers.

*TE principles applied in this case: Responsiveness to and support for communities that are marginalized, underrepresented or vulnerable, increased social and economic justice, contribution to increased social, economic or environmental justice, stakeholder dialogue & democratic role for participants*



# ADDITIONAL RESOURCES

# ADDITIONAL RESOURCES ON THE HOW

## A. Usability assessment

This table can be used to quickly assess if you satisfy the conditions necessary for a successful use of TE.

### Quick TE usability assessment

Step	Question	Example	Yes	No
Step 1	<i>Is there a clear idea of how the data will be used?</i> (If yes, go to step 2; if no, decide how you would like to use the data and then proceed to step 2.)	Entrepreneurs could use data to iterate a product or service prototype, test product-market fit, check progress toward social impact goals, or evidence the business' value proposition.  Investors could use data to develop a data-driven impact thesis, evidence social return on investment, refine an investment strategy, or guide portfolio construction.		
Step 2	<i>Is the ultimate user of the data (e.g., entrepreneur) open to learning from and responding to the results?</i> (If yes, go on to step 3; if no, TE should not be used, and you should discontinue further use of this checklist.)	Entrepreneurs are open to learning from and responding to evaluation results, such as adapting products or services to be more inclusive and impactful.  Thematic investors are willing to change the thematic focus of investments based on results (could be in the long-term).		
Step 3	<i>Is the potential TE implementer culturally competent in the relevant sector, region, or communities, or willing to build this competency?</i> (If yes, go on to step 4; if no, TE should not be used, and you should provide racial equity or other training in cultural competency to staff members before continuing to use this checklist. If hiring an external evaluator, put this requirement in the JD, partner with a local institution or university, or find an advisor from a local evaluation organization before continuing with the checklist.)	Potential TE implementer (e.g., enterprise staff, investment team members, or contracted external evaluator) who has read or filled out one or more cultural competence self-assessments, feels comfortable with the concept of cultural competence, and feels that they hold a high level of competence or self-assess to be willing to build competence.		
Step 4	<i>Does the potential TE implementer have access to ultimate beneficiaries?</i> (If yes, go on to step 5; if no, TE should not be used, and you should build and/or strengthen relationships with ultimate beneficiaries before continuing to use this checklist.)	Enterprise or investment fund staff have prior relationships with ultimate beneficiaries and can facilitate their engagement in TE activities.		
Step 5	<i>Does the potential TE implementer have access to key stakeholders?</i> (If yes, go on to step 6; if no, consider if the evaluation will provide adequate data per the defined use in step 1 without the engagement of key stakeholders. If you don't think you'll get complete enough results to meet the data-use needs, you should build and/or strengthen relationships with key stakeholders before continuing to use this checklist. If you think the evaluation results will be adequate for your needs with the currently-available stakeholders, proceed to step 6.)	Enterprise or investment fund staff have prior relationships with key stakeholders and can facilitate their engagement in TE activities.		
Step 6	<i>Do you have the capacity to conduct any level of a TE, or the resources to commission a TE?</i> (If yes, proceed with implementing a TE; if no, TE should not be used, and you should discontinue further use of this checklist. Consider other means of data collection or measurement that are commensurate with your capacity and resources.)	Money and staff (if directly implementing) are available for TE.		

## **B. Cultural competence**

Note: these tools were designed for evaluation or other practitioner audiences. They may need to be adapted for complete relevance to entrepreneurs and investors.

[AEA Statement on Cultural Competence in Evaluation](#)

Appendix A in [Considerations for Conducting Evaluation Using a Culturally Responsive and Racial Equity Lens](#) by Public Policy Associates, Incorporated.

[Cultural Competence Self-Assessment Questionnaire](#) from Portland State University

[Cultural competence self-assessment checklist](#) from the Central Vancouver Island Multicultural Society

## **C. Sample selection**

For many resources on selecting an appropriate sample of respondents for data collection activities, see the [BetterEvaluation page](#) on sample selection.

## **D. Metric selection**

The GIIN's [IRIS+ system](#) provides an easy-to-use platform for selecting indicators based on SDGs or impact categories. The publication "[Using IRIS+ to Incorporate Stakeholder Voice](#)" is a helpful guide for including stakeholders in the metric selection process.

## **E. Survey design**

The [Lean Data Field Guide](#) from Acumen and 60 Decibels provides clear guidance on survey design tailored to a business audience.

## **F. Co-interpretation of data**

Data parties, gallery walks, and other participatory data interpretation processes are becoming popular among program evaluators. These can be easily applied in the social enterprise and impact investing context as well. A description, example, and resources on data parties can be found on the BetterEvaluation [data party page](#).

# APPENDIX A

## Application To Existing Tools and Approaches

Existing IMM tools and approaches	Description	How TE can complement the existing tool
IRIS+	<p>Catalogue of metrics that can be selected based on investment portfolio themes.</p> <p>Can calibrate selected IRIS+ metrics against their importance to key stakeholders.</p>	<p>Supports with bringing stakeholders into the initial metric selection process (rather than an after-the-fact calibration).</p> <p>Provides guidance and best practice for the stakeholder engagement process.</p>
IMP five dimensions of impact and the impact data categories	<p>Building blocks from which to collect and organize impact data.</p> <p>Five Dimensions include what, who, how much, contribution, and risk.</p>	<p>Makes the inclusion of marginalized members of beneficiary populations explicit.</p>
Acumen/60 Decibels Lean Data	<p>A lean approach to collecting data from customers to generate product design. The typical data collection method is a survey. It occasionally includes focus groups. Sets of pre-designed questions are available for use.</p>	<p>Provides guidance on the inclusion of marginalized groups in sample selection.</p> <p>Add depth to question sets to gather social justice information.</p> <p>Supports with bringing stakeholders in as collaborators and not just respondents.</p>
SDGs	<p>Collection of 17 global goals set by the United Nations General Assembly in 2015 for the year 2030.</p>	<p>Makes the inclusion of marginalized members of beneficiary populations explicit.</p> <p>Facilitates an increased understanding of the perspectives and needs of marginalized groups to be incorporated into a business design or investment strategy.</p>
Environmental, social and corporate governance (ESG)	<p>Three central factors in measuring the sustainability and ethical impact of an investment in a company or business. These criteria help to better determine the future financial performance of companies.</p>	<p>Makes the inclusion of marginalized members of beneficiary populations explicit.</p> <p>Explicitly includes and emphasizes social justice as part of the rating system.</p>
GIIRS Fund Ratings	<p>A rating system that includes an overall impact business model rating, an overall operations rating, and a fund manager assessment.</p>	<p>Makes the inclusion of marginalized members of beneficiary populations explicit.</p> <p>Explicitly includes and emphasizes social justice as part of the rating system.</p>
SROI	<p>A process for quantifying the relative importance that people place on the changes they experience in their lives.</p>	<p>Guidance for involving all stakeholders, including those most marginalized.</p> <p>Add a consciousness of social justice.</p>
Human-centered design	<p>Approach to engaging product users throughout a product design process.</p>	<p>Supports with engaging stakeholders beyond primary product users to all affected stakeholders, with an emphasis on marginalized groups.</p> <p>Provides guidance on how to engage stakeholders in culturally-appropriate ways.</p> <p>Add a consciousness of social justice beyond "is the product working?" to "is the product contributing to increased social justice?"</p>

*IMM - Impact measurement and management*

