

Spotlight on: social impact

By Jon Huggett

One of the biggest challenges facing social enterprises and nonprofits today is where to start – there is an abundance of opportunities to make the world a better place, yet a chronic shortage of resources.

Social enterprises need a sharp focus on impact to make the best of scarce resources: time, talent and treasure. It's not enough to say we feel your pain or fight injustice. We can drive more change if we know what benefit we want to deliver to which people, where, and when.

One such social enterprise is WorkVentures where I had the opportunity to advise on their strategy for growth.

WorkVentures improves the employability of their clients. Their aim is to track how their programs influence people's employability, knowing that a year spent in full time employment or self-employment sets the foundation for sustainable employment. Within their mission, businesses pick the opportunities that deliver the greatest shareholder value. WorkVentures tries to pick the opportunities that deliver the most social impact.

The challenge of choosing where to focus impact is critical for social enterprises such as WorkVentures. They are working to meet double bottom lines. Larry Summers, Director of the White House's National Economic Council for President Barack Obama commented in 2008: "It is hard in this world to do well. It is hard to do good. When I hear a claim that an institution is going to do both, I reach for my wallet. You should too." Without a sharp focus on impact, social enterprises can atrophy into an archipelago of worthy programs that profit from problems, instead of solving them.

They strive to stay sharp, as there are always emerging social entrepreneurs with new ideas. Donors, clients, funders and volunteers are demanding more than ever to see results before picking from the growing range of organisations clamouring for attention.

To assess their success, WorkVentures tries to follow clients from their programs to see how many eventually spend a year in full-time employment or self-employment. This measure requires just a little judgement. WorkVentures is just one factor in many that help their clients hold good jobs. It may be some time before their clients win the right position, but they'd rather keep these measures clear and open, rather than complex, requiring expertise to understand.

For example, they are always trying to innovate. They make most progress when they learn quickly what is working, and what is not. The most innovative organisations in the world learn by trial and error. Their focus on employability helps them swiftly sort the successes. Without a definition of success their innovations would flow like fads, fashions and flops.

WorkVentures hopes that the focus on "employability" empowers their employees to make decisions without looking over their shoulders all the time. With a broad mission but without a focus on impact, many key decisions could only be made at the centre of the business.

Their focus on impact – employability – illuminates a strategy for collaboration with other organisations: for example how to work with nonprofits that share their mission to build community capacity, but do not focus on employability, or how to cooperate (or compete) with businesses working to help people into full-time employment.

Clarifying that focus took a number of meetings, with some careful facilitation, and lots of facts on the table. There were some hard choices, sometimes with cloudy consequences. Social impact is rarely swift - it took 25 years to drive smoking from most workplaces around the world. But patience

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and determination can be rewarded. When San Francisco banned smoking in the workplace 25 years ago few at the time predicted that it would start a trend that would touch every continent.

WorkVentures' clients want to "stand on their own two feet", as my grandmother would have said. The impact for which they strive is to help as many of their clients be fully employable. It is their contribution to building the capacity of Australian communities. They're sticking with it!

About Jon

Jon Huggett advises CEOs of global organizations. He has 25 years of experience leading enterprises and advising leaders in both private and social sectors around the world. Jon spent four years as a Partner with The Bridgespan Group in San Francisco and New York, and prior spent four years as a Partner with Bain & Company in Johannesburg and Toronto. Jon has taught at a number of universities including the Centre for Social Impact at the University of New South Wales. Jon is the author of book chapters on social enterprise and global nonprofits, and his articles have been carried by business magazines and journals worldwide.

