William Davidson Institute | Lean Research case study
Positive Change Through Actionable Metrics

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The challenge: Moving beyond heartwarming stories to achieve meaningful measurement

To demonstrate their impact, many social enterprises trumpet simple tallies or are stuck pointing to feel good stories and anecdotes. In fact, too often heartwarming stories are used as the only proof of their success. In our work as part of the Performance Measurement and Improvement team at the William Davidson Institute (WDI) at the University of Michigan, we have found that many organizations are not properly equipped to measure their impact results. They lack systems, processes, and technical know-how to accurately assess if they are benefiting their target audience and the communities in which they operate.

The solution: Teaching proper data collection can help enterprises improve their measurement approach

Figure 1: The three participating organizations

Photo of Claudia courtesy of Supply Hop

Chakipi Acceso Peru was a last-mile inclusive distribution business that provided women with sales training and then supplied them with products such as nutritious foods, personal care items, pharmaceuticals, and solar lamps to sell in their communities.[3]

Kiteiras is a program that empowers women through entrepreneurship training and life-skills coaching. It is a micro-distribution network of door-to-door saleswomen managed by "madrinhas," or godmothers, in poor communities in Brazil.

Supply Hope is a non-profit organization in Nicaragua that helps families living in poverty earn income through micro-franchises. Mercado Fresco, its first micro-franchise model, has stores located in the homes of micro-franchise operators. The stores provide quality, affordable food to local communities.

3 Chakipi Acceso Peru was closed in the last quarter of 2017. Despite high social impact, it was determined that the business would require additional investment and time to reach financial sustainability.

From 2016 to 2017, we worked with leadership and staff to customize data collection processes and surveys at three social enterprises that worked with micro-franchisees and micro-distributors (Figure 1). These organizations not only wanted to measure their impacts on their target audience, but also work towards a larger goal: to strengthen their ability to collect accurate data and lead their own measurement and evaluation efforts in the future. Here is how.

Our team first worked with each organization to identify indicators that captured high-priority outcomes on micro-franchisees and micro-distributors. These indicators included variables such as:

- **Empowerment at home** (decision-making, influence on family)
- **Self-efficacy** (time management, sales skills, financial skills)
- **Quality of life, nutrition, and aspirations** for children
- **Pride** for the organization

- **Access to information, goods and services**
- **Poverty Probability Index (PPI)**

Next, we identified and adapted existing survey questions to measure these variables and developed an individualized data collection plan for each organization. Depending on their needs and resources, we conducted in-person or remote trainings for staff and enumerators to contextualize their survey using a process known as "pretesting." Pretesting focuses on ensuring that the questions are understood by all interviewees in the same way and, indeed, measure what they intend to measure. For each organization, the survey was pretested with 12 people from their target audience. After each day of survey pretesting, our team led a debrief session with staff and enumerators to discuss possible issues and co-create solutions to address those challenges.

Based on these findings, we updated the survey and administered it to 52 additional persons from the target audience as a final dry run for the survey and the associated data collection processes. Afterwards, our team conducted key analyses to ensure the internal validity of each multi-item question in the survey and provided recommendations to each organization on potential analysis to conduct in future impact studies.

In total, over 155 women were surveyed for this study with the three social enterprises.

As a result of the work, leadership from the three organizations gained a clearer understanding of how to measure changes in the well-being of their micro-distributors and micro-franchisees. They also learned the importance of using both business and social indicators to improve operations. Overall, the work provided an opportunity for the organizations to gain strong measurement skills. *"Thanks to this process, we were able to review the way we collect data, and create a data collection manual and survey templates for each business model [we have],"* said a pilot participant from Chakipi Acceso Peru.

The Lean Research: Using the approach to achieve better results

The Lean Research approach developed by MIT D-Lab and Tufts University, resonated with our team during this project in many ways because the goal of the research was to help the organizations properly conduct their own measurement in the future. "*Our recommendations stressed the importance of collecting relevant data—not too much, not too little. They also focused on collecting accurate data by conducting trainings and testing survey adaptations prior to data collection*," said Heather Esper, senior program manager of WDI's Performance Measurement and Improvement team. The steps used in this process helped guarantee the data collected would be of high quality, and could be leveraged to improve operations and inform future strategy. Following the Lean Research approach, we emphasized the following principles during our work with the three social enterprises:

Rigor

Rigor was an important part of the work because we wanted to ensure the validity and integrity of the research process and results. When selecting indicators with each organization, for example, our team adapted existing survey questions that were previously tested in similar contexts. To help increase the quality of data gathered, our team conducted trainings with staff and enumerators on best practices for pretesting and data collection. Using data gathered from the pilots, we also calculated the Cronbach's alpha for each multi-item question to ensure item cohesiveness and scale reliability.

Respect

To reduce the burden of measurement activities on organizations' leadership, staff, and stakeholders, our team employed a few strategies. First, we worked with each organization to identify how data could be collected at existing touch points with micro-franchisees and micro-distributors. In addition, we used our trainings with staff and enumerators as an opportunity to discuss the ethics of data collection. This included a focus on how to use and share informed consent forms and maintain rapport with interviewees. Finally, throughout the pretest, our team engaged enumerators in conversations about respecting the local population, including how to stop the interview if needed, ensure appropriateness of all sensitive questions, and consider power/gender relations.

Relevance

We first conducted a document review and interviews with key stakeholders including leadership, field managers, and micro-franchisees and micro-distributors to prioritize impact variables that were most relevant to them. The organizations worked with us to co-create data collection plans. The three enterprises learned about the importance of using a combination of both business and social indicators to improve operations. Our team also made sure the organizations understood the purpose of this research, which was specifically to create a context specific survey and develop their capacity for measurement for future use.

Right-sizing

In designing the study, our team focused on the organizations' limited time, as well as the financial and human resources available to them. As a Kiteiras project partner shared, "*being remotely trained by WDI helped us save money and make sure our staff knew what they were doing.*" Before and after the survey pretest, our teams had open, honest discussions about removing unnecessary survey questions to streamline the survey. Whether quantitative or qualitative, we stressed the importance of only collecting data that would be used by the organization for a particular purpose such as impact assessment, reporting or deciding how to adapt services.

From the perspective of a busy micro-franchisee or a field staffer, even a 45-minute survey can feel like an eternity. We had to have realistic discussions with each organization about whether questions would be more *relevant* and *right-sized* if they asked them at different stages of their project life cycle. For example, depending on how frequent a given indicator needed to be collected to measure impact, we worked with one organization to break up data collection across their project lifecycle and use existing their touch points with micro-franchisees to collect data.

The lessons learned: Room for continued improvement in Lean Research

Throughout the project, our team captured key lessons learned. These include both successes and challenges to implementing the Lean Research framework that can be applied to future projects.

Pretesting remotely helped *right-size* the research but, in some cases, led to less *rigorous* indicators.

"*The pretest was really helpful for making sure we were asking the right questions and using the strongest and shortest survey possible*," said a project manager from Kiteiras, "*Without a pretest, we would have asked questions that would have given us bad data.*" Remote pretests allowed our team to *right-size* resources and time expended on data collection. At the same time, however, results from this project showed that the internal reliability of indicators was higher when we conducted the pretest in-person, compared to when the organization managed the pretest remotely with their teams.

Conducting trainings in two waves can help make trainings more *respectful* and *relevant* to leadership and field staff.

When training the organizations on survey design, pretesting, and data collection, it helped to conduct staggered trainings at the beginning of each phase of research. First, our team conducted a meeting over the phone with a small number of leadership-level staff to provide an overview of the concepts that would be covered. This helped make the trainings more *respectful* because it gave the organizations an opportunity to ask us questions that would maximize the value they received from the research. During this meeting, leadership worked with us to clarify terms and, in some cases, generate examples that would be most *relevant* to use during a second training that was provided to all staff. "*It is important if you use technical language, [that] you explain carefully what the word means, and make sure the translation is understood,"* said a project manager from Supply Hope, *"Either define them upfront or replace them with another word."* Having staggered meetings gave leadership the opportunity to learn the material and technical terms first, which was crucial since these individuals would later help provide translations and examples to their teams during the second all-staff training.

Staff turnover complicates the application of the Lean Research framework.

Throughout the length of the engagement with the three organizations, we worked with a combined total of eight points of contact due to high turnover. With each new point of contact, we had to invest additional time and resources on training to make sure the research was *relevant* to them. This turnover made it difficult to *right-size* resource expenditures and ensure a continuum in discussions to implement the different stages of the research.

Additional information and resources

For more information, please check out the reports on the William Davidson Institute website. You can also see a sample survey from this project.

If you have additional questions about this case, please feel free to contact **Heather Esper** at WDI-PerformanceMeasurement@umich.edu.

For more on Lean Research, see the MIT D-Lab Lean Research webpages.