

## **For Impact: The Charity Podcast**

### **Episode 2 – Impact: It's our bottom line so why is it not the focus of our funders and regulator?**

**Felicia:** Welcome to our podcast for Impact, the charity podcast. We're here to give voice to the sector and talk about the taboos and challenges that are holding it back and what we can do about it. Our topic today is Impact. It's our bottom line as a sector, but why is it not a focus of regulation, funding or even our name? And what do we need to do to ensure Impact is front and centre in everything that we're doing?

I'm Felicia Willow. I'm a consultant and interim CEO, also known as the Mary Poppins of the charity sector. I work both directly with charities on governance, strategy and change, as well as increasingly looking across the sector to resolve some of the systemic issues that hold for Impact organisations back. I'm here with my co-host, Chris Pitt from the Benefact Group.

**Chris:** Hello there. Lovely to be here today. I am Group Impact Director at Benefact. So the clue is in my title. We may be a corporate, but we're not the CSR team here. We are about Impact. We believe in the Impact that charities have in the world, really passionately, and we want to support that. So today, our episode is going to discuss just that. So, Felicia, who are we talking today and what are we going to be learning about?

**Felicia:** We have got three fantastic guests today. We've got Shehnaaz Latif, who is an Impact specialist who has been working in the sector for more than 20 years. Erin Northey, the CEO of Educaid, Sierra Leone, a small but mighty charity running schools and working on education. And Barnaby Wynter, a brand specialist with buckets of experience who's going to help us think about how we can change the name of the sector itself. They're here to help us answer three main questions.

First, what do we mean when we talk about Impact? Second, why is Impact not fully centred in how we're funded or regulated? And third, how could the sector step up and be more Impact- focused? Now, Chris, as you know, I have been speaking up a bit lately about why I think the name of the sector is part of the problem. So what are the names that you can think of for our sector?

**Chris:** Well, risk of winding you up straight away. What about the voluntary sector, for one?

**Felicia:** Absolutely. There's lots of volunteers here, but there are also a lot of paid professionals as well who are deserving of a fair wage, no matter what the media might want to say about it.

**Chris:** Okay, what about the third sector?

**Felicia:** I have never liked that one. Third, who wants the bronze medal? Why are we seen as less than the public and private sectors?

**Chris:** Okay, this isn't going well. What about the non-profit sector?

**Felicia:** It's a really popular title, but I just think it tells us what we're not. Do we call the private sector the non-charity sector? No, we don't.

**Chris:** Okay, we're struggling here. What about the charity sector then?

**Felicia:** Now, I do use that term the most often, but I do think it brings with it these connotations of Victorian-style ideas of power, privilege, patronage, and it's just not really ideal or fitting in the 21st century anymore.

**Chris:** I think I can see what you mean. So none of these names are particularly empowering or clear about what the charity sector actually does.

**Felicia:** No, they're not. And I think that by having these fuzzy, slightly off names, it gives the sector a lack of clarity. It leads to these slightly fuzzy ideas about what charities are, which are often not quite right. But I think if we could move to a title that empowers and emboldens and properly defines us, perhaps that's a great first step. So the question is, what are we actually for, well, we're for Impact. We should be the 'For Impact' sector. That thinking is the story behind the title of this podcast and a movement that started to increasingly use this name and run with it, not as a solution in itself, but as an important step in taking that space we need as a sector to own who we are and what we're about.

**Chris:** So I guess the fundamental challenge there, though, is if the charity sector is going to be the Impact sector, do you think it focuses enough on Impact?

**Felicia:** Does it do that job? I think the sector does. The charities do. But I'm not convinced that our regulators and our funders are doing that. And there was this report that was done by Populous and the Charity Commission back in 2020 called Regulating in the Public Interest. And I thought that spelled it out in really stark detail because it found that the public's primary concern is that a high proportion of charities' money is used for charitable activity. Its secondary concern is that charities are making the impact they promise to make. So breaking that down, it means they're following this idea that spending and where the money goes is more important than impact. I just find that backwards.

**Chris:** Cool. I think we're agreeing. Violently, Impact absolutely should be the focus of our sector.

**Felicia:** So in our first episode, we talked about how this focus by the media and the regulator on where money is being spent is often not well understood. So our funding and our regulation should really make sure that our purpose, which is to have impact, is facilitated as much as possible. But speaking of Impact, most people are aware of the Benefact Group as a funder, particularly through its Movement for Good programme. But there's a lot of other things it does to support the sector. And so as Chris here is Group Impact Director, it seems a good time to talk to him about Impact. So Chris, what does impact mean to you?

**Chris:** Well, we see impact in three key ways, which I think get increasingly difficult to measure and understand. The first way is that we want to support as many good causes as possible with unrestricted funding. So many charities listening today will have received some of that, and we're very happy to provide them with that support, and that's through small donations spread quite thinly, which can fund anything and everything that a charity wants to do.

The second way that we see achieving impact is through project funding, and that's larger grants that might be funding for projects, for core costs, whatever is needed for charities to do and deliver their amazing work. And we definitely want to be alongside charities in understanding and challenging the impact that they can deliver through that.

The third way, though, and I think this is where it gets really tricky, is we want to be supporting the sector to increase its impact overall. So we are with the sector on this Impact mission, I guess. And this podcast, I think, is a great example of that support. You know, we're discussing issues that help

the sector, but how on earth do we assess the impact of doing this, and lots of other things that we do to support charities, like workshops, webinars, leadership development. And we recently helped one small charity leader with some leadership training.

And I think that's fascinating because that really helped her develop her charity's mission. And we know we'll, in the long term, dramatically increase the impact of that charity. And we're really proud and pleased that we're enabling that. But how on earth do we assess the impact of that, and let alone do more of it to support the sector? So I think this conversation about Impact is really eye-opening and useful for us. It's exactly the conversation, I think, that charities, that funders, that regulators need to be having more.

**Felicia:** Absolutely. And my specialism is a consultant in strategy and organisational effectiveness. So I'm absolutely convinced that that kind of work could be transformational, but tracking the impact and the support you're giving to the end result is really hard to do. Let's bring in the first of our expert guests, Shehnaaz, and see what she has to say.

**Shehnaaz:** Thanks, Felicia. Oh, it's so lovely to be here with you. So I'm Shehnaaz. I've been an Impact practitioner for the last 21 years, working mainly with UK charities, trusts and foundations. And what I love to do really is to walk alongside charities to help them to demonstrate the difference that their work makes to those they seek to serve.

**Felicia:** That's a really interesting period of time to be working in the sector. Have you seen any changes around impact measurements and the attitude towards Impact in that time?

**Shehnaaz:** Absolutely. I mean, of course, when I started out, I myself was very green. And so lots of learning about how charities work. I mean, we have upwards of 160,000 charities. The organisation I used to work with, Charities Evaluation Services, we were set up because there was a bit of a gap in the 90s around being able to actually grasp and gather that evidence that charities were making a difference. As charities themselves, you know, it's motivating to be able to see how far you've come. So I wouldn't necessarily call that pressure, but I would say that there's an incentive all round, actually, for us to demonstrate that. Of course, we've got the regulator that has to do the kind of legal side of things as well. But it's a bit of a joint enterprise in the positive sense to make sure that we can actually demonstrate the difference that the work is making.

One of the things that happens is that we get very swayed by quantitative data. I think we become very attached to the kind of hard science approach. Now, I've been in social science for most of my academic life, so I'm a little bit biased, well, quite a lot biased, let's be honest, towards the social sciences. Not to say that hard science doesn't have its place. But when we get into social science, it gets messy. And actually, it's really important then to kind of say, as the regulator, as the funders, we respect qualitative approaches to data collection as well as the quant; but many of us are swayed by the numbers. And I think that's why perhaps there's a little less focus on impact and more. Well, maybe we can talk about this, Felicia. But what is value for money? There's a whole, probably a whole podcast episode there as well.

**Felicia:** It's the tricky thing though, isn't it? Because I do think about, as a donor myself, I give to charity. If I want to give to a new charity that I don't know much about, I want to be able to go and check them out and understand how far my £10 or my £50 or my £3,000 is going to go. And so for me, I don't have that question of where the money is going. I want to know what the money is going to achieve. And I realise it's tricky, but I would love to see a regulator with some kind of approach where Impact was a factor in it and not just in the description part of the annual report, but more

prominent. So it's not the division between how money is being spent as the first thing you see. It's something about impact or something else.

**Shehnaaz:** Yes. And would it persuade you if you saw one story that really had a depth for long lasting change? One story versus many, many stories that kind of have, yes, some results? I mean, this is the other thing, right. The fact that we are humans and that we like to hear stories is one thing. But when we hear a really life changing story, just one of them could be the impact that we're persuaded by. But you might be a different personality type that kind of quite likes those lovely little vignettes that come along as well. So, again, that QuantQual debate, you know, is it about quantity or quality?

**Felicia:** So how do you define Impact?

**Shehnaaz:** : What happens when we speak about long lasting change is that we imagine, or at least I do, that it's something static, like it's a destination, like it's an end point. And I think we miss the nuance and the subtlety of impact if we just look for a final result. But I do think that what we are invited to do with impact assessment is look at what endures. So what are the steps along the way and what lasts beyond the lifetime typically of a funded project three to five years? Also, the ripple effects of that work. Now, I'm going to give a really quick example, if I may. It's a personal one.

I attended a youth camp when I was in my teens decades ago. And if somebody would have followed up with me and asked, what were the ripple effects or the lasting effects of that two week camp? To this day, I can still remember how my confidence grew, what skills I gained, how my interpersonal conversations got tried out in that time? What were the eye opening moments during those two weeks? But the thing is, nobody has followed up. Nobody has continued to ask those questions. And here we are creating, in this case, camps for young people to become the leaders of the future. But nobody's actually followed up to find out what really happened.

So that's where I think impact lives in that beautiful, messy process of kind of revealing those changes that happen along the way and then seeing the ripple effects beyond that.

**Felicia:** So if impact is too hard to standardise as a way of regulating the sector, are there other avenues to do that? I sometimes think, you know, I work, obviously, in organisational effectiveness, so strategic planning, governance, health of the organisation, so the things that are often considered overheads and maybe less important, actually, I believe they're fundamentally essential to the success of an organisation. So it's impact. And you fix those things, the organisation achieves more. It brings in more money. It spends money more efficiently. It has better direction. You know, those things. I kind of wonder, is part of the problem about the trust people have in the sector? Yes, we need to be regulated. But are we being regulated on the right things? If we were regulated on organisational effectiveness and those questions, would that engender, okay, greater trust? I can see this organisation's actually really professional. I'm going to trust them to know where to spend that money, to know how to spend that money, and that they know how to get an impact. What's your thoughts on that?

**Shehnaaz:** Yeah, great question. I absolutely think that we have to broaden that definition and the scrutiny needs to be beyond. There's a recent book that's come out by a recent colleague of mine called Beyond the Numbers. So looking at the assets in an organisation, whether that's charitable or not, and thinking about human beings and their experience, our sector relies on the energy and enthusiasm and commitment of volunteers, right? So what if Impact included the difference that has

been made in their lives? What if, as you say, some of the values around trust and integrity were also under the microscope when we talked about Impact?

And what about when we unearth some of those elements that make up lasting positive change? What are some of the things around inclusion and the extent to which diversity has been celebrated in an organisation? What if those all formed part of the inspection, as it were, or the thing that you get to talk about when you talk about the impact of your work? So I'm going to be a bit pedantic here.

Firstly, it's around the use of the language. Okay. So Inspiring Impact, which you may be familiar with, was a 10-year program which brought organisations together, infrastructure bodies like NCVO, ACF, and so on. To really think about the words that we use, the terminology, we created a jargon buster. So one of the struggles and one of the challenges is that we're not all speaking the same language. It's got better. We're a little bit more on the same page. But still, I see so many requests for impact measurement. How are you going to measure the impact? Hang on a second.

You're doing some funding for three to five years, we've just said that impact could take a generation. So there's a struggle there where there's accountability that needs to be met and work that needs to be done. So if you're busy on the front line, but you're constantly having to monitor and evaluate to a brief time scale, there's a mismatch there of expectations. And actual reality is misaligned. So I think the struggle is in what words are we using? What timelines are we going from? When we really ask for impact, do we actually mean that? And if we do, have we got the time, the skills, the wherewithal to actually focus on this? You and I can geek out on that kind of thing, but not everybody's cup of tea is measurement.

And I think the second thing is that measurement is very, very fraught because it does try and apply quite a narrow lens to this thing called Impact. I'm more comfortable with assessing, but then that sometimes feels like we're going through SATS or something. I don't know. So what is the best way to talk about this? It's demonstrating, it's showcasing, it's highlighting, it's celebrating. We don't do enough of that in the sector, celebrating. And I love to celebrate the little changes, the big changes, the difference that we're making that's positive and to learn from some of the things that have failed. And I know there's been quite a bit around kind of failure reporting and we should celebrate the lessons we learn and so on. That is also in the realm of Impact.

So the struggle here is that we have to look like we're achieving only positive things and only tell the good news stories when actually life is ups and downs.

**Felicia:** I think the point you made first there about the sustainability of something that's been done for three years. I think anybody who's worked in the sector has deep frustrations. When you filled out that grant application form, and there's the question, how will this project be sustainable beyond the life of the funding? And you want to write, it won't be. It won't be. Don't be ridiculous. So, yeah, incredibly frustrating on that question and absolutely on the lessons learned. I've worked as a funder before and I've been frustrated by the decisions being made by people on boards of funders who perhaps don't have that for impact sector experience. And making these decisions that affect a huge number of people and not really listening to the professionals, the people who really know what they're doing on the ground.

**Shehnaaz:** Yes. And thank you for that, because I think that just reminds me of a point I wanted to make also around self-definition, like self-evaluation, self-defining. When we inculcate that culture of learning, growing, moving, failing, all of those things into the organisation, you were talking about effectiveness earlier, an effective organisation does learn and grow and change and has the space

and time to reflect. Not to say that we dismiss Impact, because as I was saying earlier, if we don't take the time to ask the questions over a period of time, we don't get the stories warts and all.

So it does require kind of sewing into the fabric of organisational life. This idea of reflection, how far have we come? What was the fork in the road that helped or hindered us? And so when we have that and we share that and we showcase that and we get together with our donors, our beneficiaries, our staff and volunteers and we celebrate that, I think that's why celebration for me is so important. Because it means we can come together almost round a table and it's important to feel like equals when we do this and go, how far have we come? Okay. And what's left to do? Because otherwise what we'll do is we'll turn around and 10 years will have passed and then we definitely can't talk about the impact because we just haven't collected that data and spent that time reflecting. And it changes the rhythm in an organisation if there are those pause points, if those pause points are welcomed and people actually make use of them.

**Felicia:** I couldn't agree with you more on that. And I so often see charity teams who are achieving such incredible things, changing people's lives, doing this incredible work, working incredibly hard and the winds will pass them by because what they see is the next need and the next person and the next thing they need to do. And that carving out that space for both, as you say, celebration and learning, I think is so important. And I think it would help also with the wider issues we have in burnout in the sector. We don't often stop and say, that was awesome, what we did today was amazing. We did this incredible thing.

And I think one of the great privileges of my work of going and working with all these different organisations is I meet awesome people all the time doing incredible things, but they forget to see it, they forget to kind of wait. But actually, as you say, that investment of time and resources to a certain point in really thinking about these things and celebrating it, I think is really important.

**Shehnaaz:** To borrow a phrase from Brené Brown, she talks about stories as being data with soul. And I really would like to invite people when they think about Impact and that grey cloud of, oh, we've got to assess, we've got to monitor, we've got to evaluate, that that gets lifted by this promise of hearing wonderful stories. And I think it is upon, there is a huge onus on funders to take that bird's eye view, that kind of helicopter stance to say, gosh, we can see across all of these wonderful things that we've provided funding for, and maybe even support, we can see some amazing themes emerging, we can see some glimmers of hope, we can see some things really changing. And it's on us really, in fact, to demonstrate Impact.

**Felicia:** That was Shehnaaz Latif.

**Chris:** Well, and Shehnaaz, I think she used a brilliant phrase that I really loved about sewing reflection into the fabric of your organisation. I absolutely love that.

**Felicia:** Yeah, me too. I'd love to see it sewn into the fabric of the entire sector, for us to be supported in thinking about what works and what doesn't and what we can do next, and for us to have the safety and the trust that we need to be able to do that. Let's talk now to Erin.

**Erin:** My name is Erin Northey. I am the Chief Executive of Educaid Sierra Leone. And we like to say that we're a small to medium charity making a big impact. We run a network of free schools, serving some of Sierra Leone's underprivileged children, who wonderfully consistently get the best exam results in the country. We also run a number of school improvement programmes, working to sort of raise the standard of education for all children in Sierra Leone, as well as an alumni network, a

degree course with the University of McKinney, and a number of equality programmes to make sure that girls have access to and are successful in school.

**Felicia:** That all sounds like a lot of different things that you're doing. How do you measure the impact of what you do?

**Erin:** It's interesting because each of the programmes, obviously, and projects have different things that we're looking at. And sometimes the things that we're looking at aren't always the things we should be looking at. And we don't realise that until sort of mid-project. So I would say, and you know this from your time in the charity sector as well, and this speaks a bit to challenges, there are so many different matrices for different funders. And there's the data, the monitoring and performance and output data that we're collecting. But then there's also each funder, various stakeholders also have their own measurements that they value that they want us to collect and measure and report on as well.

**Felicia:** So does the requirement to demonstrate your impact come primarily from your funders or from other sources as well?

**Erin:** I think so. I'm trying to sort of think through, is it that they're the sort of the group we think about most often because we're so dependent on them. But I think there are other groups as well. I mean, there's the government. Our team today was meeting in Parliament to present our impact and what we do so it can be approved by the government. So we can be a registered NGO in Sierra Leone. And that's something we have to do every year. So I think there's a variety of different people that we're sort of accountable to and impact. Obviously our donors, but I think our individual donors are much more sort of whatever story we want to tell, they're with us. They believe us, they believe in our work, they trust us. So they're a bit different versus a funder who's going to be giving us a grant to deliver a very specific project with very specific outcomes and impacts.

**Felicia:** So it sounds like you have to meet Impact in a lot of different ways and perhaps not always in the ways that are most useful to the work that you're trying to do. Would that be a fair summary?

**Erin:** I think so. I think especially for education, a three-year education project, we can measure some of the outcomes and outputs and we can put together an impact report. But the reality is that the real impact of that project, you're going to see 5-10 years out. And that's not something that's reported on.

**Felicia:** It's been interesting because recently we've seen the research come out about the Sure Start centres and the fact that the investment in those early years was really impactful when you're looking at these young people now sitting their GCSEs, which of course feels like that's kind of obvious. But at the same time, this research seems to have really quite stunned everybody like, wow, there's this big impact. But that's one of the challenges, isn't it? How do we get people to stick with a programme when it might take a long time to see results? Is that something you struggle with?

**Erin:** Absolutely. I mean, education, I have a sort of a certain week after I joined Educaid, I was probably there, it was in my first year. And I remember it was a week, week and a half long period. And I met with a bunch of different funders and three of them said the same thing to me. And the wording was so interesting. They said, Erin, we love what Educaid does. But you have to understand that education is a black hole, because there are always more children. There's no end date. And that's a fair point. And it's much easier, I think, in areas like public health. And I'm not saying they don't have these long term impact issues, because they do. But it's much easier to say this many

people are benefiting from this vaccination programme or this well that now has safe water. It's a lot more challenging to say that educating this group of children could change a country for the better.

**Felicia:** If you could choose how you demonstrate Impact, what would you do?

**Erin:** In a perfect world, we would be designing project and impact and monitoring data, we would be designing that with the beneficiaries, with the stakeholders, talking to communities and schools and saying how will you know when this project is done, that it's been successful? I think there's been so many different competing priorities in sometimes cultures that people are coming from, that value different things. We see it international all the time and it comes from a good place. I think it's easy to say that it doesn't always feel like the charity sector is trusted.

**Felicia:** That feels like such a fundamental point to me. How could the charity sector be more trusted? How can we generate that trust we need to get on with what the experts in each organisation know works?

**Erin:** It's interesting, because there's a number of reports that we've written recently. And I was talking to our data team about sort of the conversation we were going to have today, and what are the important things that we've learned? And I would say, first and foremost, the flexibility of the funder. I think we're a learning organisation. And more often than not, some of our best work and innovation comes from mistakes that we've made. And so the freedom to tell that story, I think, it's BRAC that, in addition to their annual report, has started doing their report of failures. And I think we need more of that in the sector. So they report on their four biggest failures of the year and what they learned from it. And I wish that smaller organisations could say, not that this project didn't work, but maybe we were measuring the wrong things. So we talked to the funder and we started measuring something else. And this is actually the success.

I think the number of reports we've written or we've given to funders, and some will have add an additional 500 words here for lessons learned or some good quotes or a case study. But there's no place. Our data coordinator brought this up to me and she said, I always wish there was a place in the report where we could just have the program manager say, this is what we actually learned and this is what I wish you asked me. And I think we'd all be better for that if that was an opportunity.

**Felicia:** Some funders seem to be so much better at generating that relationship, and I think that often comes, in my experience, when I've been interim CEO at organisation where we've had that unrestricted funding relationship, where an organisation funder invests in your charity and its strategic plan, not in a project. Because it's so much easier in that situation to have those frank and open discussions and to have them operate almost like another critical friend coming with a different kind of set of skills that can be really helpful. And so you're more likely to bring those problems. Whereas I think the funders who are more rigid and more project based can often not allow those conversations to happen, because they've got it in their head, this is what we're doing. Therefore, this is what we're doing. And obviously, some project funders are much more flexible than that. I don't want to put them all in the same category. But that's been my experience.

**Erin:** The trusts and foundations, the organisations that we do have those relationships with and where there is a lot of trust, those are interestingly enough, the programs that we underspend on and we have savings on more often than not. And then we go back to the funder and we say, we've underspent because we've made savings. And we also more often than not surpassed our targets, because we were having that ongoing conversation about where things needed to change, where budget lines needed to change.



**Felicia:** And it sounds like there's trust for your professional expertise as well, that feels so important in that.

**Erin:** Absolutely. And I know it's easy to say, like, I think there's an assumption that I think is incorrect, I should note, that charities are going to waste that money or use that money or there's something wrong with investing in overhead or the admin fee. But I think that's where the real work happens. And when you actually have conversations with funders who trust you to make the right call, those unintentionally have been the projects with the best return on investment and the biggest impact numbers and genuine savings that we return to the funder at the end of the project.

**Felicia:** So one of the things I've been talking about is the focus of our regulator is on where we spend our money, not on what that money achieves. And I appreciate that impact, while it should be our focus and our bottom line, it's not necessarily an easy thing to standardise. Looking at where the money is spent isn't right, it's not helpful, doesn't tell us anything, if we can't have standardised impact measurement processes, which I'm sure is the reason why the regulator says they don't do it that way, then what could we have? What would work better?

**Erin:** I don't think there is no one solution that's going to fit all organisations. I like that the Charity Commission puts it on public benefit and the onus on the organisation to say, tell us how you serve the public. In my ideal world, and maybe this is because I'm a former teacher and I work for an educational organisation, but I would love for the next annual report, I would love that we have to report, not only on our expenditure and our income, which we should do, but I think I would love us to do something more like the BRAC failure report. And there's no way to tell that story. There's no place to tell that story.

**Felicia:** It feels so far from where we are now. I mean, in our first episode, we talked about how much the media loves the charity gone wrong. So could you imagine if we put up these are the mistakes we made? I mean, it would be brutal. I feel like it just keeps coming back to trust for me. And I totally accept that charities need to be regulated. But it feels like charities being regulated in an environment of mistrust and an assumption of incompetence. And I think that's where I find the situation most galling because I know from my work that charities are incredible and the people who work for them are incredible. And it's not true. It's not that the charity sector is in any way incompetent or unprofessional. It's held back by what we can't spend money on.

But I think this focus on Impact, and it's one of the reasons that I want to use the phrase, the 'For Impact' sector is because I think that gives us a role, it gives us our role. It puts it out there front and centre. This is what we're here to do. We know what we're doing. Give us a bit more trust, and let us get on with the job. Because actually, if you focus on where we spend our money, you're holding us back.

**Erin:** I think that's absolutely right. And I would challenge anyone, but especially you, find me an organisation or a body where every pound spent is given the scrutiny of an FCDO contract. And I think that's part of the challenge is charities are under such pressure to prove that this pound, this dollar, this euro is going to affect, it needs to improve the lives of a thousand people, or it's not a worthy investment, right? And it becomes about numbers and it becomes about those short-term projects that can deliver those big numbers, but they're not going to deliver big long-term change for individuals, communities at all.

But there's an ongoing joke in Sierra Leone about if you want numbers, if you want people to come to something and you need big, big numbers, and we've never done this because we can never afford this, it's the dream is you provide chicken at lunch. And if you provide chicken at lunch, you

are going to have lots of people turn up for the chicken. I mean, maybe you will change their lives while they are there. You've given them a meal and that's obviously a help, but maybe it's a workshop. Maybe it's a lesson. Maybe it is something that is going to change their lives. And I'm not trying to say anything to the contrary, but I think investing in a child's education from 4-18 is more expensive and it's a long game. And you can deliver really big numbers by having a lot of people sit in a workshop, sometimes the same workshop over and over again.

**Felicia:** Yeah. Well, that's the thing, isn't it? I mean, that's the opposite of Impact. I mean, years ago, I worked with an organisation that was working on addiction treatment and its commissioned contract paid it for how many people went through a program. If the same person went through this addiction recovery program, dropped out, fell off the wagon, went back in again, that was two people. So they could go around it six times, which gave them six times as many people. But actually that showed that the system wasn't effective.

And I just blew my mind that that was how a commissioning contract would work because it's where's the focus on Impact? I want to see the people going out of the program and staying rehabilitated, staying supported. It almost seemed to encourage the charity or almost know almost about it. It encouraged the charity to be ineffective because you'd get more money, the less effective you were.

**Erin:** We've certainly seen it with out-of-school children, out-of-school girls. We've had conversations with funders and we'll say, but they're in school. The easiest way to get the funding would be to have them drop out of school and then bring them back into school. But that's not our values. That's not what we're doing. And I think to be a charity in this funding climate where charities are always under pressure to prove their trustworthiness, to be accountable and to prove they're doing a public good and making change for the better, with all those pressures, it's really difficult to continue to live your values and make sure that you're making decisions based on those values as opposed to where the funding is coming.

**Felicia:** So how do you fund impact measurement?

**Erin:** I will say, credit to the sector. It has gotten a bit easier over the years in the sense that we used to have to add and fight to add budget lines for monitoring and evaluation. Because I remember arguing with a few funders, you want us to do this, but there's no place for it in the budget. So I added some lines for it to try to force that conversation. The different impact reporting that each funder wants you to do, that's what then gets prioritised with those funds. Right?

And I think so often, there are so many things I wish and I've tried to convince funders to fund, sometimes successfully, but the real monitoring and evaluation, because we talk so much about sustainability and how our programs and projects are sustainable. And I do believe they are, but how do we know? No funder has ever, well, that's not true because one did recently, so I do have some data now. But previously no funder has ever paid after the project is over for data collection and to continue over the years. So we can see, does growth continue? What change continues? What changes are abandoned? And that was a one-year project. It was very small cost. It was data collection on a motorbike. And it was, in some ways, the best money ever spent by our organisation because it was so informative about what is sustainable, what we're doing right on sustainability and what changes need to be made to our other projects to make sure that those things are firmly embedded and entrenched. But finding a funder who's willing to pay for that is impossible.

Similarly, one of the reasons our projects, I think are effective and sustainable is because we work and create sort of accountability and support networks with communities and schools. And that's often something that we have to, I keep saying the word fight, and I don't mean for it to sound so adversarial, but we often have to have discussions or we have to prove why we're having meetings with the community and the return on investing in transport and food to meet with the community. But that's going to be the success of the project and the success of the school. Attendance will improve. Safety standards at the school will improve. Subsidies being spent actually on the school. All of these things are sort of the real indicators of a successful project, but they're not things that are measured in anyone's reporting matrix. But if the head of a school management committee has the phone number of the head teacher and the head teacher has the phone number of the head of the school management committee, we've created this list of all these different criteria of how do we know if community engagement is working. And that's not something that, it doesn't fit into anyone's. No one's interested in the calling habits. But it actually tells you a lot about whether or not the project and the school will be successful.

**Felicia:** But you know that and that's why I trust you to make that happen. And I think that's where we've got to get to as a sector and not trust without reason, but trust because we know that we've got people who are focused on the cause, focused on the impact and doing all the things necessary to make that happen.

That was Erin Northey from Educaid Sierra Leone. It sounds like a really tough environment to be working in from the potentially over-regulated aid money to the inability to use that incredible knowledge and expertise to increase impact by focusing on what really works.

**Chris:** Yeah. What really struck me from your conversation with Erin was the point that you may not know the impact you're having until you see it, which is really interesting. And that can be a difficult conversation to have with the charity, with funders. And I think that brings us back to that issue of trust, which is clearly a really important theme in this conversation.

**Felicia:** Yeah, it does feel like that lack of trust is what's holding us back as a sector. And that came up in our first episode as well. When we're regulated and funded ineffectively, when compliance hinders rather than helps it, whether it be through only reporting on how we've spent our money or where we have to stick to good news stories only, we're being held back from achieving our purpose and having a greater impact. And for us to be truly impactful and impact-centred, we need to be trusted.

Let's now move on to a slightly different angle in all our talk about impact. Barnaby is here to help us think about what we need to do to label our sector the 'For Impact' sector.

**Barnaby:** Hello, my name is Barnaby Wynter from The Brand Bucket Company. I am a brand creation expert. I'm an author. I'm a professional speaker. And I'm enjoying a portfolio career at the moment running a boutique marketing agency with a portfolio that ranges from Fortune 500 right down to the startup industry.

**Felicia:** I wanted to talk to someone like you because I'm really concerned about how the poor branding of the charity sector, the 'For Impact' sector itself, these words like voluntary sector, third sector, not-for-profit sector, how these labels contribute to the idea of the charity sector as being somehow inferior or less than the private sector, corporate-like, not professional? What's your take on that?

**Barnaby:** Well, I mean, certainly my experience, I've worked with over 30 charities and indeed have founded one myself and I'm currently in the process of founding another one. And it's fascinating that its perceptions are so fundamentally incorrect. And I think I agree with you on that, Felicia. The truth of the matter is that you'll find fewer more professional people than you do in the charity sector, particularly when you're talking about the impact on beneficiaries.

And I think one of the challenges that the sector has is the beneficiaries are getting the use of amazing experts in the charities themselves. But in order to fund the charities, the use of fundraising is used. And of course, what the non-users of charities see is kind of all the efforts from a fundraising point of view, which ultimately is it's fun, it's a high energy, it's lots of activities, fundraising is kind of a cool place to be. But often fundraising has a massive disconnect from the actual purpose of the charity itself. And that's always the paradox that sits within a charity.

**Felicia:** And so what we've been talking about across the podcast is about the bottom line of charities is Impact, as opposed to the corporate world in which the bottom line is profit. So do you think if we move to language that's more purposeful, like this idea of calling ourselves the 'For Impact' sector, do you think it would help to shift this misunderstanding?

**Barnaby:** I absolutely agree with you. There needs to be an attitudinal change to the role of charities in society, and better understanding and better knowledge. Whereas in other countries, they've recognised the importance of the amazing people that work in the charity sector and actually fund them properly, so that actually we get used to this is a really important dimension. When you create a brand, you must have a value proposition.

So whenever I create a brand, I work very closely with the organisation to define their value proposition. And then once you have that, then you find expressions that are multiple and various that you can alter, so that you can talk to different people in different times, different places, in different media, in a different way, but always say the same thing, which is the value proposition. So I think one of the challenges is you've got such an eclectic group of amazing people that kind of getting them all together and agree to a single value proposition is going to be, is a big challenge, because each individual charity has their own value proposition. So what's the overall value proposition?

**Felicia:** I think that's why we have to look really big picture. And I guess one of the issues that we've talked about is this trust issue; it's getting the public to recognise the sector is full of experts who understand impact in a meaningful way, in a way that if you're not in that organisation, you can't possibly understand. And we need to move to an environment where we as a sector are seen as professional and trustworthy and every bit as important as other sectors, and where we are regulated in the right way, so that we're regulated in a way that helps us further the impact we're there to have. Because that is what is common across all charities, that bottom line. We don't have to get into the detail of what they do, because that change is what we're there to do.

So for those in the sector who want to have different language about it, we are held back by the language that is used, voluntary sector...

**Barnaby:** Yes, I agree.

**Felicia:** Voluntary sector, people think we shouldn't get paid. Third sector, we're somehow inferior, not for profit, that's what we're not. These words are so unhelpful. So how do you as a people working in the sector who want to make a positive shift about language, who want to stop this

negative language being used to label the sector in a way that we think is holding it back, what can they do to change that perception of the brand?

**Barnaby:** It's a great question. The key word invariably in these situations is the word education. Again, my experience has been that if you go through a process of educating the people who are providing that feedback so that you can reframe the understanding of a sector through education. So we need to educate government better to talk about the charity sector better. We need to educate the corporate world in a better way to understand the way charities, why they exist, what they do, what would happen if they weren't there.

The first thing you should do from a brand development point of view is create a value proposition. And then you say, does that language that we've got there, does it serve the value proposition or does it dilute the value proposition?

**Felicia:** It is about respect for the sector. It is about enabling trust to happen in the sector so the sector can get on and do what it needs to do. And that's where I think impact is the unifying thing that the sector does. It's not what it doesn't do. It's not how some of the people happen to be not paid. It's not about being less than other sectors. It is what we do. We have impact. That is our ultimate purpose. So having that label makes us more recognized as a sector. So we are already a separate sector. We do already have different functions. We're not the same as the corporate sector. There's overlaps, but some of the overlaps are hangovers from the corporate world that have kind of come into how charities have been set up and actually are frustrating. We need our own tools and our own approaches because we're not the same.

I run strategic planning workshops and sessions for charities and we don't talk about competition and user value and all those kind of things because we're not a corporate. We talk about mission, vision and values. We talk about the impact we're trying to make. It's a fundamentally different approach than the corporate sector. So I think it's about for me having language that we use that is more empowering and then generates the respect that the sector needs to be able to do what it needs to do.

**Barnaby:** I still, from a brand point of view, would contend that the impact is an outcome of the great work that is done, it is not the reason for it...

**Felicia:** I think that's because we can't share a reason, you know, as you've said. There's not one reason for everybody. And so it has to be the outcome, just as I would characterise the commercial sector as being for profit, and some commercials would be really offended by that because they might be B Corps and they might be trying to do other stuff. But ultimately, they are there to make profit, so therefore, their bottom line is profit. And I think that's where the bottom line goes. You've got the for profit sector, you've got the 'For Impact' sector. That's how we are different. And that's how we can be understood to be different in a way that can help us be more effective.

That was Barnaby Wynter from the Brand Bucket Company. We have some real challenge ahead of us in centering impact, not only because all the things we talked about, it's hard, it's expensive, sometimes measurement of it is required in a counterproductive way. But there's also a fundamental lack of understanding about the charity sector and how it is different. And sadly, I think that's often connected to a fundamental lack of respect for the sector as well. And I really feel that centering impact and making this point is about us owning the space and our expertise in a more fundamental way.

**Chris:** So I don't think we started this thinking we were coming up, going to come up with some very simple answers. And clearly going forward, I think, we, the sector has got a lot of challenges. We've got to get funders to be open minded about impact, to focus on it in the first instance, to have trust in the charities that they are funding and work with them in that journey, open minded about how that impact will be delivered. We've got to have conversations about how the sector is regulated now. It is more focused potentially on impact. And we've got to have a broader understanding, I think, of how Impact has an impact on the bottom line.

**Felicia:** I think Erin made some really helpful points about how the funders who do this well are facilitating better Impact and those who aren't are holding Impact back. And it just really makes me think about the sector as a whole and how a regulation could not only build public trust, but also better facilitate Impact as a whole. I think we need to see charities to be able to demonstrate that they're trustworthy, professional, they know what they're doing. You can give them money, they can take that donation and they can make it have the biggest possible impact. You heard Erin talk about unusual conditions for success. We need to trust the experts, trust charities to make these decisions.

This focus on spending and the regulation seems to imply that Joe Bloggs on the street somehow knows better than expert charity professionals on how to make donations go as far as possible. And I don't think so. How did we get it to a place where we are so distrusted to the point that our regulation undermines our ability to have impact? And how can we get regulators and the funders to move away from this? I think we just need to fundamentally rethink what we're regulated on if what we've got is currently detracting from our impact.

**Chris:** Gosh, I think we've used this word a lot, but this topic is challenging and we've delved into it a lot. But I think the act of having this conversation and talking about it is what the sector needs to move us along.

**Felicia:** Absolutely. I really do think it's a distinctive thing about the Benefact Group as a funder and charity-wide supporter that you do reach out, you listen, you learn from the sector and you do this kind of thing, you facilitate these conversations. So I'm really happy to be here and to be part of doing that.

**Chris:** Well, I think it's fundamentally in our interests that we support the sector. How are you feeling about this topic now that you've been through these conversations?

**Felicia:** I think I'm just more convinced than ever that we need to be better. As members and supporters and funders of the 'For Impact' sector, we need to be better at emphasising what we're here for and that we're here for Impact. And of course, the name is only one tiny step. We have so much more we need to do, but it's a really good start. And I think we need to find this better way that we can be trusted, to demonstrate that we can be trusted and to be better known for what we do and not what we don't do, and also have these conversations about accepting that Impact demonstration is really complex and it's usually not even possible within the timeframes of the average project.

So lots to do. Let's crack on with it. And thanks so much to our guests, Shehnaaz Latif, Erin Northey and Barnaby Wynter. And of course, to the Benefact Group for supporting this podcast.