

Case study

Impact design: How can social impact assessment be operationalised to foster social innovation in the SSE sector?

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Abstract: How can social impact assessment be operationalised for the SSE sector? Can a research method become a practical tool to evaluate impact and foster social innovation? The aim of social innovation is to have a positive social impact on its stakeholders thanks to “new ideas that meet unmet needs” (Mulgan, 2007). While Geoff Mulgan’s research on social innovation has provided a strong theoretical basis for the study of social innovation, it remains a conceptual field to which we propose a complementary pragmatic approach that integrates social impact assessment as a management tool, supporting social enterprises in their innovation processes. ESSEC’s research on a number of projects has led to the identification of the proximity between the design process and the social impact assessment process as two interlinked processes that enable and support social innovation; two faces of the same coin. This paper explores social innovation through the lens of design thinking and social impact assessment to reach six operational steps combining the two processes of design and social impact assessment, thereby making social innovation a more sustainable process for social enterprises and enabling them to manage their impact in the long run.

Impact design: how can social impact assessment be operationalised to foster social innovation in the SSE sector?

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He created the first French MOOC on social entrepreneurship followed by 13 others including social impact assessment (2019), all available free of charge on the Coursera platform.

In 2002, he created an innovative program, the PQPM program aiming at improving social diversity in higher education. Thierry SIBIEUDE also developed a local political involvement, being elected as a local Councillor in the Val d'Oise Council from 2001 to 2015. Also Administrator of the PWC Foundation, he was General Director of the ESSEC campus in Rabat between 2017 and 2019.

Abstract

How can social impact assessment be operationalised for the SSE sector? Can a research method become a practical tool to evaluate impact and foster social innovation? The aim of social innovation is to have a positive social impact on its stakeholders thanks to *“new ideas that meet unmet needs”* (Mulgan, 2007). While Geoff Mulgan’s research on social innovation has provided a strong theoretical basis for the study of social innovation, it remains a conceptual field to which we propose a complementary pragmatic approach that integrates social impact assessment as a management tool, supporting social enterprises in their innovation processes. ESSEC’s research on a number of projects has led to the identification of the proximity between the design process and the social impact assessment process as two interlinked processes that enable and support social innovation; two faces of the same coin. This paper explores social innovation through the lens of design thinking and social impact assessment to reach six operational steps combining the two processes of design and social impact assessment, thereby making social innovation a more sustainable process for social enterprises and enabling them to manage their impact in the long run.

Introduction

For Geoff Mulgan *“Social innovation refers to innovative activities and services that are motivated by the goal of meeting a social need”* (Mulgan, 2006). The goal of social innovation is therefore to have a positive social impact on its stakeholders thanks to these *“new ideas that meet unmet needs”* (Mulgan, 2007). While some business innovations can anecdotally lead to social innovations, Geoff Mulgan’s research shows that social innovation is usually disseminated by what is named in this paper as the social and solidarity economy (SSE), i.e. *“organizations whose primary purposes are social”* (Mulgan 2006), whether they be an NGO, a charity or a commercial organisation whose primary goal is social. These latter organisations, or social enterprises, make up the greater part of the emerging ecosystem of the social and solidarity economy that this paper focuses on.

While Geoff Mulgan’s research on social innovation has provided a strong theoretical basis for the study of social innovation, it remains a conceptual field to which we propose a complementary pragmatic approach based on our research with social enterprises in France and internationally.

Indeed, while business, technical and financial innovations have been thoroughly defined and studied, research on social innovation has remained largely theoretical.

In order to innovate socially, practitioners are notably resorting to the emerging discipline of design in a more and more systematic manner. Design is a discipline that is inherited from business and technical innovations and this adoption of design principles for social innovation is a new practice that is still a subject very few researchers have studied.

Besides, for social innovation to be successful, it needs to have a positive impact on its stakeholders (Freeman, 1984), an impact which can only be verified by assessing whether these new ideas *“meet unmet needs”* (Mulgan, 2007) through another emerging discipline: social impact assessment.

The most suitable term to discuss social impact assessment has been fiercely debated; the term *“assessment”* has been adopted throughout this paper to signify the overall measurement and evaluation process that can take place through qualitative and quantitative approaches to measure social impact. It has been chosen over the term *“measurement”* which can imply a narrower field through the quantitative element etymologically implied by the verb *“to measure”*, and over the term *“evaluation”* which can imply an ex-post assessment process. In this paper *“assessment”* encompasses qualitative and quantitative evaluation, as well as ex-ante and ex-post assessment.

ESSEC’s recent experience of a number of action research projects has led us to identify the close proximity between the design process and the social impact assessment process as two interlinked processes that enable social innovation to be sustained as a management tool, as two faces of the same coin, through six specific operational steps.

It is those operational steps intertwining design and social impact assessment that we name *“impact design”*. This paper explores Mulgan’s four steps of innovation (Mulgan, 2006) and revisits them through the lens of the four design steps (Brown and Wyatt, 2020) and the six steps of social impact assessment (Ebrahim, 2019) to reach six new practical operational steps combining the two processes of design and social impact assessment making up social innovation.

The challenge for social enterprises is to come up with new answers to unmet social needs by following the design steps to generate an impact, while simultaneously building impact assessment processes and tools that will enable them to understand and manage that impact.

Following these new impact design steps will enable social enterprises to better monitor and manage their impact on stakeholders, i.e. their social performance in the same way as they monitor their technical, business and financial performance.

Theoretical frameworks to social innovation, design and social impact assessments

Social innovation

Social innovation started in the nineteenth century when industrialisation and urbanisation started to reshape societies, as a means to answer new unmet needs created by these new social paradigms. Mulgan (2006) gives the following examples of the first social innovations: *“mutual self-help, microcredit, building societies, cooperatives, trade unions, reading clubs, and philanthropic business leaders creating model towns and model schools”*. These social innovations were either led by civil society on an ad hoc basis, or by governments to innovate at scale, but in any case these social innovations were not the object of systematic research and study in the same way as other innovations (technological, military or commercial innovations), leading to a lack of theoretical frameworks for innovators to help and inform their innovation processes...

Mulgan was one of the first to study social innovation with his paper *“The Process of Social Innovation”*. In this seminal paper, he argues that the evolution of society towards less manufacturing and more services will lead to the growth of the social economy and the obsolescence of traditional innovation methods: *“For all of these reasons, traditional business models of innovation are only of limited use—and much of the most important innovation of the next few decades is set to follow patterns of social innovation rather than innovation patterns developed in sectors such as information technology or insurance.”* Fifteen years on, one can only observe that his prediction has become true and that there is now a growing and thriving social and solidarity economy in most developed countries.

Having studied social innovation extensively, he summarises the social innovation process as four main phases:

1. *Generating Ideas by Understanding Needs and Identifying Potential Solutions*
2. *Developing, Prototyping, and Piloting Ideas*
3. *Assessing, Scaling Up, and Diffusing Good Ideas*
4. *Learning and Evolving*

These four phases have paved the way for academics working on the subject of social innovation for years and have provided a very useful conceptual framework to the subject by moving from individual case studies to analyse patterns of social innovation.

Besides, those who are familiar with technological or commercial innovation might recognize in these four phases some of the developing stages of a new discipline that has emerged over the last 20 years to support technological innovation most notably: design.

Innovation and design

Indeed, technological acceleration of the past twenty years has led to traditional innovation methods being questioned by practitioners in favour of the new discipline that is design, with new approaches such as design thinking and human-centred design. Design is increasingly seen as a methodology fostering innovation and generating products that better answer consumers' desires and to a lesser extent consumer's needs.

The role of design and its responsibility for our new consumer society have nevertheless been criticized of late, a criticism that started as early as 1972 with Papanek's "Design for the real world" publication: *"There are professions more harmful than industrial design, but only a very few of them."* His message to designers was clear: if they wanted to act responsibly, they should turn their backs on the consumers' economy and instead design products and services that would be directly useful to society: medical devices, educational material or products designed to decrease pollution.

More recently, various authors have considered this model in the light of a new configuration between the market economy and the SSE for Margolin & Margolin (2002), these two spheres are part of the same continuum- the design of products aimed at selling and satisfying human need. For Thorpe and Gamman (2011), both paradigms have become closer, changing designers' position and leading them to open up to social innovation.

Design thinking seems to be the emergent discipline most relevant to enterprises and social enterprises alike through its human-centred approach: *"Businesses are embracing design thinking because it helps them be more innovative, better differentiate their brands, and bring their products and services to market faster. Nonprofits are beginning to use design thinking as well to develop better solutions to social problems. Design thinking crosses the traditional boundaries between public, for-profit, and nonprofit sectors. By working closely with the clients and consumers, design thinking allows high-impact solutions to bubble up from below rather than being imposed from the top."* (Brown and Wyatt 2020).

For Heller (2017), several concepts make up this emerging discipline at the frontier of design and social innovation: social design, impact design, human-centred design, design for social innovation, social design experiments, terms that she says need to be defined and agreed on.

This trend in design for social innovation is most notably represented by IDEO with the design thinking methods (although it is not specific to social innovation) or the Master of Fine Arts of New York Visual School of Arts Heller herself founded.

Heller distinguishes design for social innovation from more traditional philanthropy for social innovation as such: *"The design process requires that we immerse ourselves in the problem and context without preconceived ideas about what the "answer" is. This is where real innovation comes from, inspired by the needs of the people being served, rather than a pat solution that someone has seen somewhere else before. Generally, the philanthropic process requires that we define solutions and specific tactics before getting funding to begin."*

She then goes on to identify three common principles to these approaches: understanding and involving communities that need help, using design methods such as prototyping and observation, and the strong belief that social issues, like their solutions, are systemic (Heller, 2017).

The research question that remains unanswered for Heller is the way to measure the impact of this new type of design for social innovation.

If, for a number of researchers, innovation and design are based on the same principles whether they are business innovation (aimed at maximising profit) or social innovation (aimed at meeting unmet social needs), the exponential development of social innovations in recent years is challenging this homogeneity and replicability of design principles across all types of innovation, and most notably the way the impacts of those social innovations are measured: *“We need language and information architecture that illustrates the different applications of social design, and links their various goals to metrics and outcomes. We need to audit all the types of tools people are using to measure impact and very likely develop additional ones. In short, we need to map the process”* (Heller 2017).

For Brown & Wyatt (2020), designers can be useful at three key stages of the social innovation process: the inspiration stage, the ideation stage (both contained in Mulgan’s first stage: *Generating Ideas by Understanding Needs and Identifying Potential Solutions*) and the implementation stage (Mulgan’s second stage: *Developing, Prototyping, and Piloting Ideas*). Tim Brown details these 3 approaches into 6 stages of the Design Thinking process as follows on the IDEO University website:

1. **Frame a Question**—*Identify a driving question that inspires others to search for creative solutions.*
2. **Gather Inspiration**—*Inspire new thinking by discovering what people really need :*
3. **Generate Ideas**—*Push past obvious solutions to get to breakthrough ideas.*
4. **Make Ideas Tangible**—*Build rough prototypes to learn how to make ideas better.*
5. **Test to Learn**—*Refine ideas by gathering feedback and experimenting forward.*
6. **Share the Story**—*Craft a human story to inspire others toward action.*

As with Mulgan’s four social innovation stages, Brown usefully points out that these six Design Thinking steps are not necessarily linear: *“Some of these steps may happen several times, and you may even jump back and forth between them. Moving through the phases of design thinking can take you from a blank slate to a new, innovative solution”*.

Social Impact Assessment:

Social Impact Assessment has developed over the past twenty years from a technical approach used in international development programmes to a research discipline applicable to all projects and organisations whose goals are primarily social. Social Impact Assessment as a research discipline was internationally acknowledged through the 2019 Nobel Prize in Economics being awarded to researchers Esther Duflo and Abhijit Bannerjee on their randomised control trial approach to social impact assessment.

However social impact assessment is still seen as reserved to experts who have little interaction with practitioners from the social and solidarity economy and who tend to evaluate social impact on macro large scale projects rather than on the meso or micro level needed for social enterprises to harness social impact assessment approaches and support their social innovation processes.

The definition used by the OECD (2002) for impact is as *“Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.”* (Leeuw and Vaessen 2009, ix). This definition, inherited from international development programs, has recently turned out to be relevant to social innovation projects in western societies too. The social and solidarity economy has been using the term impact in western societies, with the French Conseil Supérieur de l’ESS defining social impact as *covering “all the consequences (evolutions, changes, disruptions) of the activities of an organisation its external stakeholders (beneficiaries, users, customers), whether they are direct or indirect, as well as its internal stakeholders (employees, volunteers) and on society more widely”*.

There are six impact assessment criteria defined by the OECD for social impact assessment: *“relevance, effectiveness, efficiency, impact and sustainability and coherence* (added in 2019) in the 1991 OECD DAC *Principles for Evaluation of Development Assistance.*”

The *“long-term”* (OECD 1991) and *“sustainable”* (OECD 1991) dimensions of the term impact are particularly relevant to social innovation insofar as the long term changes generated by social innovation are the object of social impact assessment and an aspect design thinking has integrated into its innovation concepts through a human-centred approach (Brown, 2009). Conceptual frameworks such as the theory of change (Centre for Theory of Change 2014, Keystone 2009, Weiss 1995) and its operational pendant the logic model are now widely acknowledged as valid approaches by international institutions like the World Bank and the European Commission.

While the theory of change process involves organisations formulating a number of hypotheses for the change they hope to make, Edward Freeman’s stakeholders’ theory (1984) has led to a paradigm shift for the market economy and for the social and solidarity economy alike in moving the focus away from governance (boards and trustees) towards all stakeholders affected by the change. Inherited from international development practice, the theory of change has proved a relevant theoretical framework for all projects whose primary goal is social and therefore for the social and solidarity economy and beyond, being even recently considered by financial institutions as a relevant framework for due diligence and investment monitoring (Jackson, 2013).

The diagram below illustrates a possible interpretation of these approaches and how the OECD assessment criteria can be articulated around social impact assessment based on primary stakeholders’ needs and on Freeman’s stakeholders’ theory, starting from stakeholders’ unmet needs.

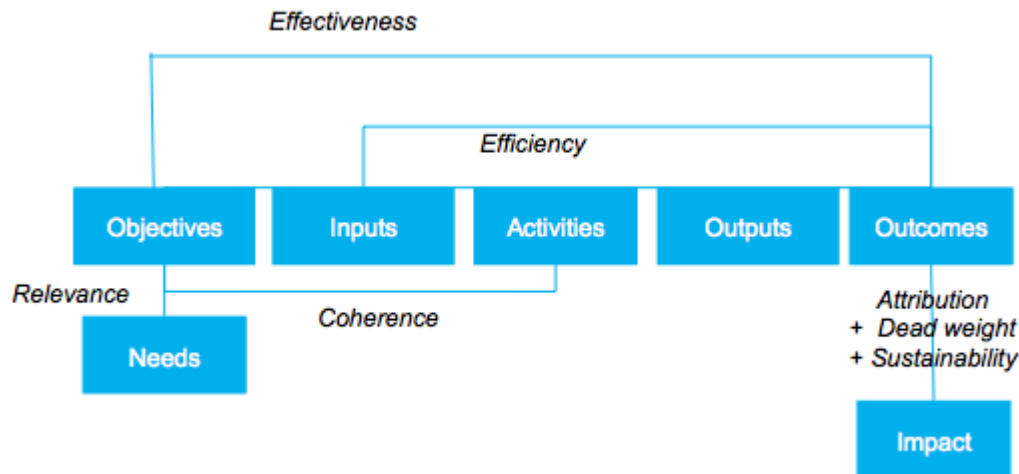


Fig. 1 Logic model diagram as adapted by Sibieude & Leclerc, 2020

In his exploration of reporting practices, Nicholls (2009) identifies three approaches to social impact assessment which correspond to different reporting practices and strategies: the positivist approach, according to which social impact assessment improves the operational performance of innovation; the critical theory according to which it supports the acquisition of resources; and the interpretative approach according to which social impact assessment builds and supports an organisation's legitimacy.

Lyon & Arvidson (2011) confirm the strategic dimension of social impact assessment for social enterprises, and that it can be used for many different purposes. According to them the social impact assessment process is triggered either by external stakeholders (funders, commissioners), or internal stakeholders (for learning of communication purposes). Initiating this process can be met with resistance when it is seen as imposed upon from outsiders and when organisations oppose what they see as an intrusion into their work. Results can be used to prove the impact to external and internal stakeholders.

Social enterprises can use results selectively to present different stories to different audiences. It is for them a way of managing their image (*"impression management"*) in order to acquire resources and negotiate sometimes conflicting demands from their stakeholders (Teasdale, 2010). Authors insist on the instrumental dimension of social impact assessment and its necessity for an organisation's development: "Impact assessment can be seen as both a bureaucratic form of regulation that allows others to control an organisation through performance management or as a form of marketing for organisations with entrepreneurial skills. [...] For many organisations, assessment of impact can therefore be a way of entrepreneurially creating opportunities" (p.1).

As a result of these recent debates and emerging opportunities for the social and solidarity economy, social impact assessment is now widely considered as a way of better understanding the social impact of social enterprises, and various methods can be used to measure that social impact depending on the objective of the assessment process (Stievenart & Pache, 2014) or the level of maturity of the social enterprise (Pache & Molecke, 2020). Another approach is the contingency approach by Alnoor

Ebrahim (2019), who most notably developed a framework for social performance as four categories according to whether their social impact assessment can demonstrate a cause-effect relationship and their degree of control over outcomes (Emergent, Ecosystem, Niche and Integrated Strategies, *Measuring Social Change*, 2019, p.38).

What is common to these Social Impact Assessment approaches however are the steps to a rigorous social impact assessment, and which can be described as six assessment stages:

1. **Identifying the need of primary stakeholders:** as illustrated in the Logic Model diagram above, this first step enables the identification of the social issue and the unmet need by engaging stakeholders. This process derives from a number of participatory approaches that include the Freeman's stakeholders theory (1984), the Theory of Change which involves the participation of organisations at its core (Centre for Theory of Change, 2014) as well as the Social Return on Investment approach (Arvidson, Malin & Lyon, 2010).
2. **Defining the research question** for social impact assessment: any social impact assessment needs to be framed by a research question that will delineate its timeframe, scope and perimeter according to what information the commissioners want to get out of the assessment process. This is where the methodology to be used will be chosen to answer this question.
3. **Generating hypotheses:** as highlighted by Ebrahim: "*A good theory of change can be stated as a series of hypotheses of 'if-then' statements*" (Ebrahim 2019, p.28)
4. **Collecting Data to test and validate hypotheses:** this is where approaches can differ and where various methodologies can be used according to a contingency approach, whether they be qualitative or quantitative, monetisation and/or randomised.
5. **Using assessment results:** this last step emphasises the need for innovation to be evaluated in order to validate its effectiveness. Not only is this stage required to ensure social innovation doesn't become unfounded claims (as some assessments have demonstrated in the past), but also that the results of the assessment are used to adjust and maximise the impact of the social innovation.

Design and social impact assessment: two sides of the same social innovation coin

Design and social impact assessment are very different disciplines, which so far have rarely come into contact in a social innovation process.

Interestingly, for Margolin & Margolin (2002), the designer will contribute to three stages of innovation: *assessment, planning and implementation*, with assessment being identified as the first stage when Mulgan places the assessment process in the third stage of social innovation : 1. *Generating Ideas by Understanding Needs and Identifying Potential Solutions*, 2. *Developing, Prototyping, and Piloting Ideas*, 3. *Assessing, Scaling Up, and Diffusing Good Ideas*, 4. *Learning and Evolving* (Mulgan 2006).

Despite a large body of research on the role of design in innovation and more recently on design and social innovation, research covering all three subjects, i.e. social innovation, design and social impact assessment is virtually non-existent.

However, social innovation needs to be interdisciplinary to be effective as the process requires the integration of various skills at various stages of the innovation process, and insofar as social impact assessment is most rigorous and effective when it intervenes at the very beginning of the social innovation process. Mulgan identifies the importance of cross-sector and cross-discipline collaboration in social innovation (Mulgan 2006), this transdisciplinarity is essential between designers and evaluators for social innovation to be most effective.

ESSEC's action research has shown that in practice, designers tend to be called on by social enterprises in the first two stages of social innovation as defined by Mulgan (1. Generating ideas and 2. Developing and Prototyping ideas), while evaluators tend to be called on only in the third stage (3. Assessing), with the idea of social impact assessment being an afterthought that only demands reflection once the activity has been implemented and is fully functional.

As a matter of fact, the analysis of social innovation research, design research and social impact assessment research enables us to revisit the social innovation process as a whole and to detail its conceptual framework into new operational stages encompassing the three disciplines.

Indeed, social enterprises need to not only understand their impact in order to make sure they have a positive social impact, but also to maximise it and scale it up for the benefit of more people, both activities that require social enterprises to measure their impact effectively.

Impact design stages	Social Innovation stages	Social Impact Assessment stages	Design Thinking stages
Stage 1: Analysing stakeholders' need through a sustainability lens	Generating Ideas by Understanding Needs and Identifying Potential Solutions		Frame a Question—Identify a driving question that inspires others to search for creative solutions.
		Identifying the need of primary stakeholders	Gather Inspiration—Inspire new thinking by discovering what people really need.
		Defining the research question	
Stage 2: Formulating a research question		Generating hypotheses	Generate Ideas—Push past obvious solutions to get to breakthrough ideas.
Stage 3: Articulating hypotheses			
Stage 4: Prototyping	Developing, Prototyping, and Piloting Ideas		Make Ideas Tangible—Build rough prototypes to learn how to make ideas better.
Stage 5: Validating hypotheses through data collection	Assessing, Scaling Up, and Diffusing Good Ideas	Collecting Data to test and validate hypotheses	Test to Learn—Refine ideas by gathering feedback and experimenting forward.
Stage 6: Managing and maximising impact based on assessment results	Learning and Evolving	Exploiting of the assessment results	Share the Story—Craft a human story to inspire others toward action.

Fig. 2 Stages of Impact Design in relation to Social Innovation, Social Impact Assessment and Design Thinking, Leclerc & Sibieude, 2021

After revisiting these three disciplines, 6 crucial stages appear in the development of social innovation for the social and solidarity economy, which look linear but can also be disrupted by the results of the social impact assessment process into a circular rather than linear process.

The first stage of Impact Design overlaps Mulgan's first stage in social innovation, "*Generating Ideas by Understanding Needs and Identifying Potential Solutions*", which can be deconstructed into several steps in the light of design theory on the one hand, and of social impact assessment on the other hand. The needs analysis at the core of this first stage of social innovation is also the first stage in design thinking, "*Gather inspiration - Inspire new thinking by discovering what people really need*", part of the process Brown and Wyatt call "*observation*".

IDEO University describes Design Thinking primarily as a generic innovation process relevant to for-profit and not-for-profit innovation alike: "*Design thinking has a human-centered core. It encourages organizations to focus on the people they're creating for, which leads to better products, services, and internal processes. When you sit down to create a solution for a business need, the first question should always be what's the human need behind it?*" However the 2020 Brown & Wyatt Stanford Social Innovation Review article cites Jerry Sternin's Positive Deviance Theory as an inspiration for this human-centred approach to design, and the importance for the needs analysis taking place in that first stage of innovation to be grounded in local sustainable solutions rather than in non-sustainable top-down responses.

This sustainability lens for the needs analysis is where design thinking meets social impact assessment: as quoted earlier in the OECD definitions of impact and its assessment, impact has been defined as a long-term sustainable change and therefore as a long-term sustainable response to an unmet social need when it comes to social innovation and the social and solidarity economy.

Social impact assessment, when using the Theory of Change as a framework, also starts with needs analysis, and combined with Edward Freeman's Stakeholders' Theory (1984) this needs analysis also needs to be focused on the needs of the priority stakeholders i.e. primary beneficiaries from the social solution.

Freeman's stakeholder's theory is indeed a paradigm shift for all enterprises from Milton's Friedman's emphasis on stockholders and their needs (Friedman, 1970), or on governance more generally when it comes to the social and solidarity economy, and places the end stakeholders' needs at the centre of the social impact assessment process, thereby meeting the design thinking and social innovation first stages.

The second stage of Impact Design is included in Mulgan's first stage of innovation and consists in ideation based on the needs analysis. While Mulgan does not detail a separate stage for this process, both design thinking and social impact assessment identify as a second step the crucial step of the question that will lead to the ideation process for the former and to the impact assessment research question for the latter.

This step is described by IDEO U as "*Frame a question - Identify a driving question that inspires others to search for creative solutions*", while social impact assessment involves the framing and defining of the social impact assessment process through a research question.

The third stage of Impact Design still overlaps Mulgan's first innovation stage. This is when the ideation phase in design thinking, defined by IDEO U as "**Generate Ideas**—*Push past obvious solutions to get to breakthrough ideas*" meets the social impact assessment stage of generating research hypotheses through the identification of the project's Theory of Change with the relevant stakeholders.

These first three steps of Impact Design make up the first stage of Mulgan's social innovation process, and it is therefore crucial for the sustainability of this first stage of innovation that evaluators are involved in these first three steps and can work with designers and innovators following the criterion of coherence (OECD 2019).

The fourth stage of Impact Design, "Developing ideas and prototyping" is the only stage that is specific to design thinking and social innovation, insofar as it implies the development of the solution and of the outputs that will then be measured (what is called "the activity" in the Theory of Change: this fourth stage overlaps with Mulgan's second stage, "*Developing, Prototyping, and Piloting Ideas*" and constitutes the fourth step of Design Thinking theory: "**Make Ideas Tangible**—*Build rough prototypes to learn how to make ideas better.*"

This is when evaluators take a step back, although the previous three steps of the social impact assessment process integrated into the design and innovation processes will be crucial for the success of the designers and innovators' work in developing the solution and the outputs through a creative process, which is indiscernible from the social innovation process.

The fifth stage of Impact Design is Validating hypotheses through data collection which is when evaluators and social enterprises themselves with some rigorous self-assessment methodologies in place, can collect data relevant to the research questions and hypotheses formulated in stages two and three.

The sixth stage of Impact Design is Impact management towards social innovation through the exploitation of results. This last step emphasizes the need for innovation to be evaluated in order to validate its effectiveness, otherwise it remains an invalidated claim whose success might rely on other factors than social impact (social enterprises often mistakenly rely on satisfaction and output data to validate the effectiveness of their social innovation). Not only is this stage required to ensure social innovation does not rest on unfounded claims (as many assessments have demonstrated in the past), but also that the results of the assessment are used to adjust and maximise the impact of the social innovation.

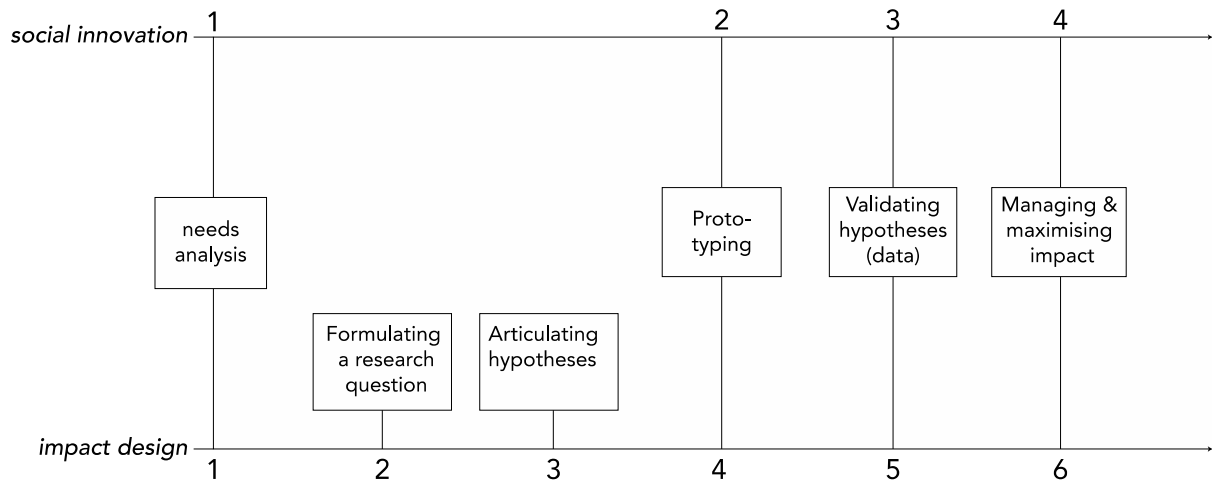


Fig. 3 Impact design and social innovation stages, Leclerc & Sibieude, 2021

The parallel processes of these three approaches, combined as an Impact Design approach in six operational stages encompasses all three dimensions of social innovation, design and social impact assessment. These operational steps are key to supporting social innovation and the social and solidarity economy in harnessing social impact assessment processes as early as the very first stage of their innovation process in order to manage their impact and mostly to maximise their action. Indeed, maximising impact and taking it to scale is integral to social enterprises strategies towards fulfilling their goal of responding to unmet needs.

This is why weaving operational social impact assessment stages throughout the social innovation process from the outset is crucial for the SSE sector: impact maximisation relies on social enterprises understanding their impact and monitoring it to ensure maximisation. Being content with achieving social impact without a larger ambition or improving their practice and maximising that impact would be a missed opportunity for many social enterprises to contribute to their primary social goal.

Conclusion

Impact design as an operational method supporting social innovation and blending commercial and social innovation principles illustrates the need for social and solidarity ecosystems to harness social impact assessment and reclaim it as a pragmatic process integral to their social innovation instead of a costly expert technique reserved to researchers and consultants. ESSEC's research into how social enterprises and social incubators can implement social impact assessment through an Impact Design approach has demonstrated that as social impact assessment is slowly being adopted by the social and solidarity sector, the sector is also shaping social impact assessment processes as a assessment tool and contributing to the design of the tool itself for the wider sector.

While commercial innovation design principles (such as design thinking or human-centred design) started to inspire social innovators as early as the 1990s, with designers adapting their thinking for

social enterprises¹, reverse phenomenon is beginning, with businesses from the market economy turning to social innovators to become more ethical in their innovations and to learn how to measure this new environmental and social trend. While this recent movement of traditional businesses trying to be more ethical for their customers has sometimes led to the phenomena labelled as “green-washing” or “impact-washing”, a number of initiatives have emerged to create real collaboration between businesses and social innovation. As Sir Ronald Cohen’s 2020 book “*Impact*” predicts, enterprises will be at the centre of future social innovation and social enterprises within the social and solidarity economy are therefore bound to take centre stage in resolving social needs. Impact design should enable them to measure and manage their impact concurrently towards its maximisation.

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¹ A report published by IDEO and the Rockefeller Foundation is thus advising design consultants wanting to work for the third sector to prioritise content over outlook in order to be more efficient for a sector that has limited financial resources.

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This paper was prepared by Elise Leclerc and Thierry Sibieude in the framework of OECD Global Action “Promoting Social & Solidarity Ecosystems”.

The opinions and arguments expressed herein are those of the authors and do not necessarily reflect the official views of the OECD or its member countries nor can they in any way be taken to reflect the official opinion of the European Union.



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This project is funded
by the European Union

