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# IIL2

Impact = Influence + Leverage + Learning

**A FORMULA FOR CHANGE**

Jane Reisman Anne Gienapp

Tom Kelly



**ORSIMPACT**



**HAWAII COMMUNITY  
FOUNDATION**



# Introduction

Too many social change efforts are deemed as “failures” when the number of people who are hungry, poor or uneducated doesn’t substantially change in the predicted time frame. The same goes for environmental impact strategies that focus on protection of hectares or species, and cannot demonstrate that they’ve hit their pre-determined targets. Clearly, human and environmental well-being is the ultimate end game of social and environmental impact work.

Too often, however, we underestimate or altogether fail to acknowledge other powerful changes that occur as the result of implementing thoughtful strategies aimed at creating sizable and lasting impacts. These other types of changes are an inherent part of the formula for creating durable change across multiple systems in complex circumstances.

We call these types of changes “influence” and “leverage”, positing that they are as important to measure and evaluate as the ultimate impacts themselves. Changes in these spheres are tough to make happen because they have often formed ruts and patterns that keep the structural and systemic status quo intact. Yet, influence and leverage outcomes are a paramount part of any formula of change.

We further posit that “learning practice” is also of paramount value to the formula for impact, and that intentional and disciplined learning practice also makes

positive contributions to the advancement of influence, leverage, and impact outcomes. We urge actors who invest in, fund, design, evaluate, and implement social and environmental changes to broaden their views to the full set of elements that create impact in order to know and communicate whether they are making significant progress and the effectiveness of their efforts.<sup>1</sup>

**IMPACT**, simply speaking, represents the various ways in which individual lives or populations are affected, and ranges widely across health, livelihood, education, and other spheres of wellbeing in the social space. Similarly, it includes the range of characteristics

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<sup>1</sup> See: Reisman, J., Orians, C., Picciotto, R., Jackson, E.T., Harji, K., MacPherson, N., and Olazabal, V. 2015. Streams of social impact work: building bridges in a new evaluation era with market-oriented players at the table. Working paper, The Rockefeller Foundation, New York.



that make up the physical well-being of the environment, including healthy and thriving habitats, species, biodiversity, landscapes, waterways, corridors, and forests. **INFLUENCE** is the range of norms, practices, policies, and alignments that constitute the informal and formal system features in which human lives and the environment exist. **LEVERAGE** is used specifically to refer to the flow of capital and resources for addressing social and environmental well-being. **LEARNING** is the application of knowledge and adaptive practices that are intrinsic to well-designed efforts to create positive impacts.

This discussion paper presents and explains the formula that we have identified  $Impact = Influence + Leverage + Learning$  (I2L2). As the formula shows, I2L2 presents the elements of influence, leverage, and learning as contributors to impact. Isolating these elements shifts attention to them, recognizing them as the factors that can enable, accelerate, or amplify impact

— always with the intention of driving toward positive impacts or reducing negative impacts.

This paper is intended to spur and expand thinking about the crucial elements in the change formula so that they are fully recognized. This means influence and leverage outcomes become strategically inserted in theories of change, accepted as crucial areas for monitoring and evaluation, as well as a conduit to communicate gains made and value added from investments and funding, and from the implementation of large-scale change itself.

A primary audience for this paper is the range of actors engaged in selecting, planning, designing, leading, and managing impact-focused strategies, including actors that span philanthropic, market-oriented, non-profit, and governmental sectors as well as cross-sector partnerships. It also targets those responsible for producing and making sense of data in the context of impact strategies including evaluators, impact analysts, and others in data-rich environments.

## I2L2: Why a new formula?

### Contextual factors

We live in amazing and dynamic times and, as we move further into the twenty-first century, the world will continue to change rapidly on multiple fronts. There have been profound advances in science and medicine, major normative shifts fueled by changes in technology and social media, and new flows of capital. Yet, changing times have also yielded large-scale economic disparities, eroded physical landscapes, and led to political and economic instability across the globe. In response to these real and growing pressures, a range of actors has deployed investments specifically meant to tackle large

social and environmental challenges. These impact-oriented investments focus on reducing poverty, assuring equity, repairing and protecting physical environments, transforming communities, and sustaining quality of life. In turn, they can be characterized by several factors.

First, impact-oriented efforts often aim to achieve broad social or environmental change, manifested as changes in people's lives or changes in physical environments.

Second, the set of actors engaged in social and environmental impact causes is growing. While government, non-profit, and philanthropic sectors remain highly engaged, we are also in a remarkable period of



“virtuous capitalism” where an ever-growing number of market-based actors, eager to demonstrate a responsive position — for a multiplicity of reasons — have engaged in social and environmental causes.

Third, impact efforts often cross borders, cross sectors, and involve global-scale collaboration.<sup>2</sup> Having this expanded set of actors in the mix, addressing social and environmental causes goes well beyond funding programs. It actually can advance social and environmental change through vehicles such as impact investing,<sup>3</sup> public-private partnerships and sustainable supply chains.

This expansion of actors engaged in social and environmental causes has brought entrepreneurial and investment sensibilities to the forefront. At the same time, these actors have also brought with them a strong tolerance for risk and acceptance that “failing forward” is a norm. While entrepreneurial values can bring innovation and rapid design cycles to identify impact-oriented solutions, there can also be devastating unintended consequences, especially when “innovations” or “failures” directly affect vulnerable communities or landscapes.

On the flip side, the emphasis on financial returns alongside with social returns in the investment community can limit or curtail pursuit of certain investments or solutions, and could result in steering away from high-need but tough scenarios where expected rates of return are unattractive. As a consequence, this could mean that the most critical social and environmental challenges are addressed incompletely, or that viable solutions are dismissed in the face of preference for easier, surer deals. The growing popularity of “collective

impact” approaches exemplifies this potential pitfall. In a collective impact scenario, capital resources of multiple investment and funding partners are aligned to address a common impact agenda. As a result, the programs and services that fit within the shared agenda get prioritized while other possible solutions may get left out of the funding rubric and, in turn, struggle to survive despite their direct contribution to impact.

## Why is a new formula needed?

The actors engaged in driving social and environmental impact are no doubt committed to their causes. However, mechanisms that would allow for full understanding of the differences they are making are underdeveloped. A more robust formula is needed to demonstrate what success looks like. More specifically, a robust assessment formula should recognize, name and legitimate structural and systemic elements as major variables in the impact equation.

Achieving impact often requires shifts in systemic and structural variables — partnerships, policies, practices and norms. Commonly, systemic and structural variables are relegated to the margins of impact-oriented work as either external factors, or “mere” process measures. And as stated earlier, structural and systemic variables may even be missing completely from the impact equation. More commonly, outputs, performance targets, or population-level indicators represent success. Even when interim or longer-term outcomes are identified, they are typically focused on change in lives or physical environments, and not the systemic and structural elements that enable change. Given the size and complexity of the problems that the actors seek to solve, there is a mismatch between current measurement approaches and the ability to adequately describe how efforts ultimately add up to impact.

2 See: Picciotto, R. 2015. The Fifth Wave: Social Impact Evaluation. Working Paper, The Rockefeller Foundation, New York.

3 Impact investing refers to capital investments intended to create positive social and environmental outcomes while generating financial return. See: [thegiin.org/impact-investing/need-to-know/#s1](http://thegiin.org/impact-investing/need-to-know/#s1).



## I2L2: A useful new formula

I2L2 legitimates systemic and structural change as equally relevant and equally weighted with impact. I2L2 names influence, leverage, and learning as powerful variables that are intrinsic parts of the formula related to changes that advance durable and large-scale transformations. Without including influence, leverage, and learning in the formula, decisions about impact strategies and judgements about progress are profoundly limited. I2L2 builds out the dimensions of change, making them accessible to those who are designing and measuring change. This allows for adaptation of models and, ultimately, more powerful results.

### WHAT ARE UNIQUE CONTRIBUTIONS OF IMPACT, INFLUENCE, LEVERAGE AND LEARNING?<sup>4</sup>

**Impact** is the most commonly thought of dimension of change. It relates to changes in the lives of individuals or populations, or changes within geographical areas or ecosystems. Impact outcomes can be changes in attitudes, knowledge, behavior, skills, perceptions, beliefs, practices, relationships, or conditions. Examples of impact outcomes include changes in people's political attitudes or personal aspirations, improved parenting skills, decreased risky behaviors, improved health status, greater educational attainment, improved economic stability, and changes in species' migration patterns and rates of species survival.


4 The concepts of impact, influence and leverage were noted in the work of the Annie E. Casey Foundation in the early 2000s. The Foundation adopted these concepts as a way to talk about the Foundation's community change initiatives. Tom Kelly managed evaluation activities at the Annie E. Casey Foundation during this period and worked closely with ORS Impact to apply I2L2 in evaluative thinking at both the Foundation and in the broader field. The current paper is based on numerous conference presentations and earlier drafts of working papers.

**Influence** is a category of outcome that reflects a wide range of systems-level changes that may happen among or within organizations, institutions, networks, partnerships, policies, practices, or shared norms. These changes relate to areas such as organizational practices, degree of alignment across groups and organizations, public will, political will, public policies, and business practices. Examples of influence outcomes include adoption of new policies on health care, sharing and prioritizing of community goals among many groups and organizations, greater availability of community services in key neighborhoods, more efficient delivery of services, decreased community tolerance of violence, changes in philanthropic practices, and changes in levels of corporate engagement in social impact.

**Leverage** refers to changes in the commitment of resources. In some cases, leverage outcomes may relate to changes in the levels of funding to implement a policy or mandate. It may also mean allocation of non-monetary resources, such as staffing dedicated to a particular issue or service, or in-kind resources. Examples include pooled funding to implement a partnership between private businesses and post-secondary institutions, aligned funding across many foundations to support nuclear security issues, and contribution of staff time towards a particular cause.

**Learning** relates to activities that encourage or advance field-building and knowledge acquisition. The I2L2 formula posits that learning is a critical and necessary part of any impact endeavor, as learning practices help answer questions about how to design and implement social impact initiatives in ways that can powerfully advance desired outcomes. Learning can inform the specifics of a particular impact initiative, and can also cross-fertilize different initiatives. Learning practices generate insights and knowledge, which can then be applied broadly to guide and shape decisions





about the selection, combination, or implementation of practices. Application of insights or knowledge can generate a range of influence, leverage, or impact outcomes, e.g., strengthened practices among strategy partners, more targeted investments, and changes in health conditions.

### **HOW DO IMPACT, INFLUENCE, LEVERAGE, AND LEARNING RELATE TO EACH OTHER?**

Importantly, there is a hierarchy to the I2L2 formula. Impact is at the heart of accountability — it is the “prize” that everyone keeps eyes on. Influence, leverage, and learning typically occur in service of impact. That said, there are times when it is both relevant and right to prioritize influence or leverage outcomes as well as learning practice in order to hasten or deepen impact.

Typical sequencing is that influence and leverage outcomes occur on the way to impact but, at times, they also may follow impact. For example, influence and leverage outcomes follow impact when circumstances — such as social, financial or community norms, or political forces — are shifting and there is a desire to maintain hard-fought social gains.

### **HOW IS THE I2L2 FORMULA RELEVANT TO THEORY OF CHANGE AND MEASUREMENT EFFORTS?**

The I2L2 formula is relevant to impact initiatives faced with articulating a theory of change, and measuring and evaluating what are, essentially, complex change efforts. The formula helps to break through the common trap of focusing on *impact outcomes* as the sole success measures, and labeling *system- or structural-level changes* as mere process measures. I2L2 provides a way to articulate how impact outcomes are interconnected with and inseparable from concrete and measurable changes in organizations, communities, policies, norms, and investments that affect individuals, populations, or species.

I2L2 is easily accessible and understandable to those involved in social impact endeavors — including those engaged with communications, collaboration, and collective impact. The formula offers a way to describe and communicate how social change advances in a way that accurately portrays the complexity of the work. Significantly, the formula maintains a level of simplicity that is attractive and understandable to non-evaluators, and speaks to a wide range of organizations.

## What are strong examples of I2L2?

The tables below provide numerous concrete examples of I2L2 outcomes that can be applied in many different contexts. Some are generic, some are specific, but all represent the outcomes of a large swath of programs. By factoring other levers of change into pre-determined outcomes, it is possible to see impact on a much larger scale.

TABLE 1 **IMPACT** [ Individual and Family Outcomes ]

OUTCOME AREAS	SAMPLE OUTCOME STATEMENTS
Changes in attitudes, e.g., perceptions and beliefs	<ul style="list-style-type: none"> <li>Increased perception among pregnant women of the importance of antenatal care for maternal and infant health</li> <li>Increased feeling of safety among community members</li> <li>Increased confidence among girls that they have the qualities to become good leaders</li> <li>Increased the beliefs of youths that they will have positive futures</li> </ul>
Changes in knowledge	<ul style="list-style-type: none"> <li>Increased knowledge among emerging leaders about different styles of leadership</li> <li>Increased knowledge of parents and caregivers about child development milestones</li> </ul>
Changes in awareness	<ul style="list-style-type: none"> <li>Increased awareness among community members about cultural traditions</li> <li>Increased awareness among community members about WHO and UNICEF breastfeeding recommendations</li> <li>Increased awareness of the effects of toxins in storm water</li> </ul>
Changes in behavior	<ul style="list-style-type: none"> <li>Increased parent involvement in their children's education</li> <li>Improved hand washing practices among school-age children</li> <li>Increased engagement in the electoral process among people residing in rural areas</li> </ul>
Changes in health conditions	<ul style="list-style-type: none"> <li>Decreased blood pressure</li> <li>Improved birth weight</li> <li>Increased access to safe, nutritious, and sufficient food all year round</li> <li>Decreased percentage of women with anemia</li> </ul>
Changes in financial status	<ul style="list-style-type: none"> <li>Increased family income</li> <li>Increased land ownership among women in Ghana</li> <li>Increased savings and/or investments among people with modest means</li> <li>Decreased percentage of women and girls who live in poverty</li> </ul>

TABLE 2 **IMPACT** [ Population and Species Outcomes ]

OUTCOME AREAS	SAMPLE OUTCOME STATEMENTS
Changes in health	<ul style="list-style-type: none"> <li>Reduced the incidence of asthma attacks</li> <li>Reduced the incidence of lead poisoning</li> <li>Increased health of salmon population in the Pacific Ocean</li> <li>Reduced the incidence of malnutrition</li> </ul>
Changes in education	<ul style="list-style-type: none"> <li>Increased percentage of high school students who graduate</li> <li>Improved student scores on standardized tests</li> </ul>
Changes in social or environmental conditions	<ul style="list-style-type: none"> <li>Increased community cohesion</li> <li>Decreased level of violence in a region</li> <li>Increased access to safe water in schools in India</li> <li>Increased free movement of large mammals through wilderness corridors</li> <li>Increased percentage of fragile marine ecosystems designated as marine protected areas</li> </ul>
Changes in economic conditions	<ul style="list-style-type: none"> <li>Decreased poverty</li> <li>Decreased unemployment</li> <li>Increased profitable businesses within the sustainable agriculture sector</li> </ul>
Changes in safety	<ul style="list-style-type: none"> <li>Decreased number of victims of sexual assault</li> <li>Decreased gun violence</li> <li>Decreased exposure to environmental threats</li> </ul>





TABLE 3 **INFLUENCE** [ Systematic and Structural Outcomes ]

BROAD OUTCOME AREAS	SAMPLE OUTCOME STATEMENTS
Changes in visibility of issue	<p>Increased accuracy by local media in reporting the message(s) of a media campaign</p> <p>Increased the frequency of media coverage of an issue</p> <p>Increased public or community priority level given to an issue</p>
Changes in norms	<p>Decreased community tolerance of pollution in local streams</p> <p>Increased view of social issues through a racial equity lens</p> <p>Decreased waste generation per capita</p>
Changes in partnerships	<p>Partnering organizations jointly implemented actions toward agreed-upon goals</p> <p>Partners improved group functioning</p> <p>Formal partnerships improved articulation of roles and responsibilities within the group</p> <p>Collaborators used a common framework</p> <p>Collaborators shared data with each other</p> <p>Partners routinely used data to evaluate their efforts and refined strategies to achieve specific results</p>
Changes in organizational capacity	<p>Increased capacity to implement strong communications</p> <p>Increased ability of organizations to make strategic pivots in response to changing opportunities</p> <p>Increased sustainability of advocacy organizations' general operations funding</p> <p>Increased ability to obtain and utilize relevant data</p> <p>Enhanced use of knowledge and learning practices to develop solutions, policies, and strategies</p>
Changes in availability of data or analyses	<p>Increased availability of data related to racial disparities</p> <p>Improved identification and assessment of problems, issues, and opportunities</p> <p>Increased cross-fertilization of insights and knowledge</p> <p>Increased "actionable knowledge," i.e. knowledge that informs decisions and behaviors</p>
Change in public will	<p>Community members became motivated to take action on an issue</p> <p>Community members increased their communication with policymakers about a specific issue</p>

TABLE 3 **INFLUENCE** [ Systematic and Structural Outcomes ] *continued*

BROAD OUTCOME AREAS	SAMPLE OUTCOME STATEMENTS
Change in political will	<p>Political leaders increased willingness to take action on issues</p> <p>Legislators co-sponsored bills that support community priorities</p>
Change in policies	<p>Policies are adopted that protect water from industrial pollution</p> <p>Policies are developed using a racial equity lens</p> <p> Policymakers adopted common language in policies and regulations</p> <p> Policymakers funded legislation at a level that is sustainable</p> <p> Administrative policies enforced legislation</p>
Change in regulations	<p>Specific regulations change</p> <p>Regulations that support a specific community goal increased</p>
Changes in service practice(s)	<p>Service providers increased their linguistic competence</p> <p>Service providers changed the hours of service delivery to better match the availability of consumers</p> <p>Service providers changed the locations of service delivery to better match the location of consumers</p> <p>Service providers routinely elicited consumer feedback and otherwise evaluated their performance to improve effectiveness</p> <p>Increased or improved structures to promote problem solving and learning, e.g., communities of practice</p>
Change in business practice(s)	<p>Key businesses (grocery stores, pharmacies, banks) opened in underserved communities</p> <p>Corporate boards increased diversity among their board members</p> <p>Businesses changed recruiting practices to attract a more diverse pool of qualified applicants</p> <p>Percentage of businesses that meet standards for sustainable fishing increased</p>

TABLE 4 **LEVERAGE** [ Resource and Investment Outcomes ]

OUTCOME AREAS	SAMPLE OUTCOME STATEMENTS
<p><b>Changes in public funds</b></p>	<p>New public funds allocated toward community priorities</p> <p>Public funds redistributed toward community priorities</p> <p>New funding methods (pooled, matched, blended) increased monetary resources to support community priorities</p> <p>Public funding practices (bidding processes, selection criteria) changed to increase availability of funds for community priorities</p>
<p><b>Changes in philanthropic investments</b></p>	<p>Increased grant funding allocated to community priorities</p> <p>Engagement in new funding methods (pooled, matched, blended, collective impact)</p> <p>Increased monetary resources to support community priorities</p> <p>Increased engagement in impact investing (e.g., MRIs, PRIs)</p>
<p><b>Changes in resources available to the community</b></p>	<p>New physical resources (water filtration systems, schools, libraries, community centers) available to the community</p> <p>New transportation resources (roads, public transportation) available to the community</p> <p>New technological resources (e.g., cellphone service, internet access) available to the community</p>
<p><b>Changes in private investment</b></p>	<p>Increased adoption of innovative financing mechanisms that deliver positive socioeconomic and environmental outcomes</p> <p>Investments in commercial development increased</p> <p>Private investments in housing development increased</p> <p>Level of social impact investment among investment community increased</p>



TABLE 5 **LEARNING** [ Practices that produce insights and knowledge about advancing impact ]

PRACTICES	EXAMPLES OF POTENTIAL INSIGHTS OR KNOWLEDGE
Learning circles	Co-investors gained understanding about the factors that affect desired impact and were able to target investments in order to create optimal leverage
Strategic debriefs	A foundation became able to isolate criteria for the most effective and productive grant making
Emergent Learning <sup>5</sup>	A collaboration of actors saw where flex and fine-tuning of strategies was needed in order to match well with different circumstances in different community settings
Communities of practice	Best practices were identified for addressing pressing community issues  An organization recognizes the value of learning, and develops, promotes, and engages in more regular, intentional learning activities

## When is the I2L2 formula relevant?

### 1. When the unit of analysis is at the “enterprise” or system level

In this document, “enterprise” refers to a large undertaking or body of work that is complex, requires significant effort, and encompasses an organization’s mission, strategy, operations, and ultimate impact. Traditionally, evaluation efforts have focused on discrete programs, i.e. those that determine the effectiveness of a related set of services. However, there is increasing recognition of the limitations of traditional evaluation frames and approaches among those concerned with better understanding social and environmental impact. Recent shifts in the field have spurred new thinking about how evaluation frames can better gauge and describe the value and effectiveness of comprehensive community change efforts, complex systems change efforts, collaborations

seeking collective impact, advocacy, and policy change efforts, and other types of cross-cutting social impact efforts.

An essential feature of the shift in evaluation frames is an enterprise-level orientation: what constitutes evidence that progress is being made toward significant and lasting impact changes? Going beyond “counting”, or seeking to document only “bottom line” changes in individual lives, the focus on enterprise considers the extent to which the environment, practices, policies, norms, and funding contexts are moving in a direction that enables, accelerates, or otherwise supports large-scale impact. When the enterprise is the unit of analysis, multiple parts of the endeavor and interactions within the full enterprise become relevant for measurement and evaluation, while influence, leverage, and learning assume a central position in the evaluation and analytical approach.

<sup>5</sup> Emergent Learning, a set of tools and techniques developed by Marilyn Darling and others, is aimed at helping groups learn as effectively and efficiently as individuals learn. See: [4qpartners.com/4QP\\_EL\\_Platform.html](http://4qpartners.com/4QP_EL_Platform.html).



## 2. When social or environmental change is the end game

Sometimes, organizations involved in impact initiatives tend to focus their evaluation efforts on gauging the changes that result from a particular program, advocacy effort, policy change effort, or funding initiative. However, measurement of social change goes beyond documenting the outcomes of any specific program. Social change is a broad concept that includes, e.g., beliefs and norms, institutional structures and practices, social structures, comprehensive policies, leadership, engagement, social interactions, and power dynamics. Impact is also a long-term endeavor, which means any enterprise aimed at social change must consider the dynamic flow of progress and setbacks. Therefore, influence, leverage, and learning are natural and essential companions to impact and social change.

## 3. When there is a willingness to be adaptive

Some evaluation efforts are performance oriented — focusing on whether or not a certain target or goal was attained. This type of evaluation approach is an example of an accountability model that often rewards success and sanctions failures. With performance-focused evaluations, influence, leverage, and learning would be irrelevant and distracting. Influence, leverage, and learning only have meaning when there is an adaptive philosophy built into an organization's culture and practices. This culture and grounding would include an authentic commitment to understanding the factors that contribute to enabling conditions, testing, and refining working hypotheses, and an openness to ongoing adaptations in tactics and strategies. Moreover, an adaptive philosophy links accountability to advancing the

mission, not to attaining a predefined set of performance targets — targets which may not maintain relevancy in the context of changing systemic or environmental conditions.

## 4. When qualitative data is respected

Many of the measurement, evaluation, and learning approaches that facilitate the best understanding of influence and leverage outcomes are qualitative. While some data can be quantified, such as the level of collaboration, the percentage of policy proposals adopted, or the perception of empowerment, qualitative data often provide rich perspectives and insights about influence and leverage that, in turn, foster learning. Therefore, the I2L2 formula is most relevant when qualitative data are regarded with the same level of credibility as those data that are quantitative in nature.

## 5. When management structures can balance efficiency and effectiveness

Put simply, seeing many patients and delivering good diagnostics would both be valued in the management of clinical work. Increasingly, the structures that govern the work of so many organizations are deemphasizing the goal of why they exist in order to demonstrate lean processes and relatable achievements. Management structures associated with achieving social impact work best when they are comprehensive enough to include an array of quality outcomes — recognizing that no single outcome is sufficient to stand alone when the desired ends relate to advancing meaningful change in intractable and sticky social problems. As an extreme example, the I2L2 formula will not be relevant if an organization opts to focus its measurement on how cheaply it is able to supply a certain number of bags of food to homeless



individuals. While arguably important, if the effort occurs without the link to understanding the root causes of poverty, then the organization is focused merely on its own efficiency rather than on what it might take to improve systems and policies, and develop actionable knowledge that spurs an overall change in conditions for populations which are subject to hunger. The I2L2 formula maintains an inherent preference for the highest quality outcomes in any impact initiative.

## Key insights regarding the I2L2 formula

Systems thinking is an essential aspect of the formula.

Impact outcomes, often the bottom line for social change efforts, are embedded in the dynamic interactions between populations, systems and environment. It is important to recognize that advancing social change occurs in a context of complexity, and the I2L2 formula works well in this realm. Linear logical frameworks that imply simple causal relationships between actions and results (e.g., program logic models) are insufficient for describing social change, as they don't account well for systemic factors that may have bearing on desired impact. Systems theorists provide a wealth of models and tools that relate well with the I2L2 formula.

Ultimately, the I2L2 formula allows for greater definition and understanding about the systems and environments in which impact is sought, and helps to lift up: i) where key changes may be most needed on the way to impact, ii) where there is the greatest opportunity to affect change and iii) how measurement and learning support ongoing intentionality, accountability, and progress towards desired impact.

The formula promotes articulation of underlying beliefs and assumptions regarding how impact will be achieved, and may at times guide useful shifts in thinking.

The child welfare system long held a common operating assumption that child safety was the primary driver of positive child outcomes. As such, standard practice was to take children out of their homes in order to ensure their safety. In the 1990s, a family reunification model implemented by the US-based NGO, Homebuilders, took a different point of view, positing that the primary driver of positive child outcomes is family permanence. Once that shift occurred, it opened up new strategic options within the child welfare system and resulted in a range of practice changes. Interestingly, the shift in beliefs and practice changes aimed at rapid family reunification and maximizing permanence also resulted in reduced costs to the child welfare system.

By identifying what is in the way and what systemic changes are needed on the way to impact, the I2L2 formula helps clarify the operating paradigm and assumptions that guide an enterprise, and creates the space to adjust assumptions as needed. For example, when addressing homelessness, one can take the view that it is important to engender greater personal connection to the issue, which will lead to greater public compassion, care, and direct support for homeless individuals. However, others might take the view that because many people are only one paycheck away from homelessness, a more stable economic structure is needed. As interim categories of change are conceptualized, underlying assumptions emerge. Making these assumptions explicit can sometimes result in useful dialogue regarding the best, most relevant strategic



approaches. Making assumptions explicit can also illuminate key external or contextual factors that may facilitate or impede progress towards outcomes, including, e.g., prevailing beliefs and norms, the political or economic landscape, or current events.

### The term “influence” can be misunderstood or have negative connotations.

In the I2L2 formula, the term influence is a noun describing certain types of outcomes, including those that occur in structures, systems, organizations, norms, policies, or practices. However, influence is also a verb, and sometimes social change involves certain actors influencing others in order to, e.g., align with collective efforts, take certain actions or make certain decisions, or act within a particular timeframe. To some, the term “influence” may conjure up notions of people being pressured, or rule changes that come about at the behest of those with power, privilege, or wealth. Therefore, some shy away from the term because it suggests insider workings, manipulation of thought or production, or privileged access to power brokers. In the I2L2 formula, the term influence is meant to be positive and active — those who desire social change need to be able to have influence in order to achieve certain types of changes and, ultimately, realize robust impact. For those in the business of impact, influence is likely to be an essential component of realizing end goals.

### This I2L2 formula offers a fresh way to conceptualize and talk about success.

The I2L2 formula recognizes that impact-oriented investments are likely to have multiple components and be implemented via multiple grants. The

formula also recognizes that value is often determined qualitatively, and not always by the volume of outputs. As the various components of an overall investment are implemented, there may be synergistic effects created from what may appear to be a relatively small effort or output of a single organization. The I2L2 formula offers a way to focus on the most meaningful changes, as well as on the accumulation of effort across an entire initiative, and to assess progress at the enterprise level, instead of viewing each singular grant or component as having been a stand-alone “win” or a “loss”.

For example, in the Casey Jobs Initiative, an eight-year, six-city effort to connect inner-city adults to family-supporting jobs and improve urban labor markets, the city of Milwaukee hit every volume-jobs target. In contrast, the city of New Orleans did not hit its targets. However, New Orleans was able to place an African American woman in a mechanics union job, an unprecedented placement. Although it was only one job placement, this reflected a significant “win”, as it led to longer-term changes in job opportunities for African American women. The I2L2 formula highlights the value of this type of change.

To step back from the emphasis on quantity over quality, using stoplight colors can be an effective approach to conceptualizing progress. If the intent is to deliver knowledge, influence, and relationships, showing progress with green, yellow, and red rather than numbers can be a way to step back from the normalized understanding of learning — which often emphasizes quantity over quality of work. In the case of the Casey Jobs Initiative, the stoplight color for New Orleans might have been green, because it was making strides in disrupting the status quo and creating enabling conditions for economic self-sufficiency among people previously



left out of good-paying jobs, even though the total number of job opportunities created was lower than other cities.

By driving real-life decisions about strategies and actions, and shedding light on reasons why incremental changes may or may not match expectations, learning is an integral part of advancing impact.

The I2L2 formula posits that when the focus is social impact and social change, measurement and learning go hand-in-hand. Unless one is diligent about identifying those systemic changes that are needed to advance impact, and unless one commits to integrating learning about progress and using learning to inform adaptations and refinements, the chances of successfully advancing social impact decrease.

Learning involves reflection on evaluative data, as well as on other types of information and experiences. The I2L2 formula promotes purposeful and intentional reflection so that generated insights will, ultimately, inform choices about strategies and actions — or decisions about implementation of strategies and actions — so that impact can best be achieved. When learning is activated, questions about how an organization can best advance its mission become a focus. This stands in contrast to more compartmentalized focus on the success of individual grants or interventions, and highlights how learning is a key ingredient in realizing social change.

At different points in the life cycle of a social change initiative, learning might focus on the insights that best support tactics, program development and improvement, or strategic decisions. For example, the early part of a social change initiative is typically a discovery phase where learning is much more likely to inform the selection or combination of

tactics and programs. Later in an initiative, learning is more likely to generate insights that inform strategic decisions — e.g., how much effort is needed, when effort is most needed, or what factors facilitate or challenge implementation of efforts. Regardless of when the learning occurs, it is only as good as its application.

It is likely that organizations will need to consciously and intentionally build skills to better incorporate learning as a way of doing business. To some extent, incorporating learning will involve becoming comfortable with acknowledging when things did not go well. Having power-neutral processes and a safe learning culture — e.g., a culture where learning is integrated with accountability — creates the opportunity for honest reflection and, ideally, allows organizations to move forward without repeating the same mistakes over and over. This type of learning is essential when the work is multi-faceted, complex and long-term. Lessons learned are often applicable to multiple organizations or partnerships, and it is often valuable to share insights with the field.

## Conclusion

This working paper provides an overview of the I2L2 formula and describes how all elements of the formula — impact, influence, leverage and learning — are inter-related. The paper offers a glimpse into how we have been applying and using the I2L2 formula in our work. We view the formula and the categories of change as decisively useful to measurement of social and environmental change efforts. We have found that naming and including all factors that contribute to durable, large-scale change ensures that measurement efforts are relevant and productive.







