



Social Impact Management Guidelines Ver.2

Highlights and Key Points

October 2021

Social Impact Management Initiative (SIMI), Japan

Outline of the Guidelines

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Principles for Social Impact Intention

Regardless of our differences in positions and roles in society, we collectively aim to create a better society by engaging in projects and activities with the following social impact intention.

Develop and improve businesses with an emphasis on social impact

We commit to actively working with or supporting businesses that prioritize social impact. We articulate logical path, time horizon, and resources required for problem-solving and value creation from a long-term perspective. We also evaluate the social impact and implement the PDCA cycle.

Work in collaboration with diverse entities

We commit to facilitating collaborations across industries and fields among non-profit organizations, corporations, funders, intermediaries, individual citizens and governments to bring together knowledge, experience, technology and other assets for problem-solving and value creation.

Disseminate business models for scale

We commit to creating business models that can be replicated in other locations and sectors through active communication and sharing the knowledge gained from individual initiatives. We will scale good practices and increase social impact.

2

Why of Social Impact Management

Conducting social impact management fulfills the following purposes:

1

Better decision-making and improvement

To generate better decision making and business improvement (decision making and improvement) by learning from the changes and values created by projects and initiatives.

2

Promoting participation and collaboration

To enable stakeholders to obtain information on the progress and social impact of projects and initiatives, and to participate in decision-making and improvement processes.

3

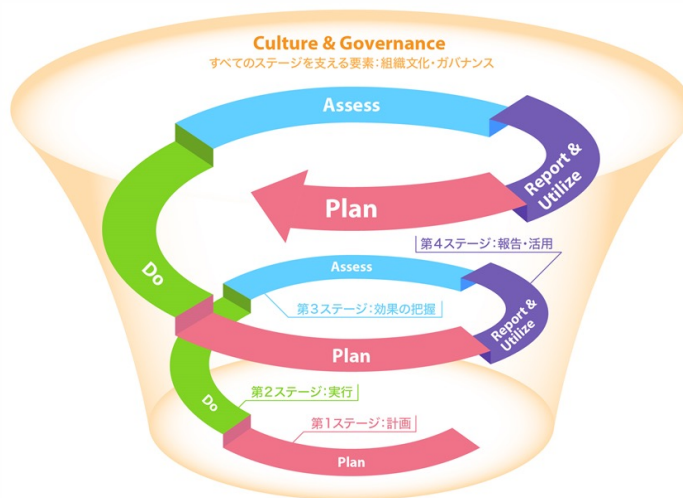
Contribution to problem solving and value creation

To advance social problem-solving and value creation, and to contribute to knowledge building for these purposes.

3-1

Practicing Social Impact Management

Practicing Social Impact Management is to work on the Impact Management Cycle, which consists of 4 stages and 1 element that supports all stages.



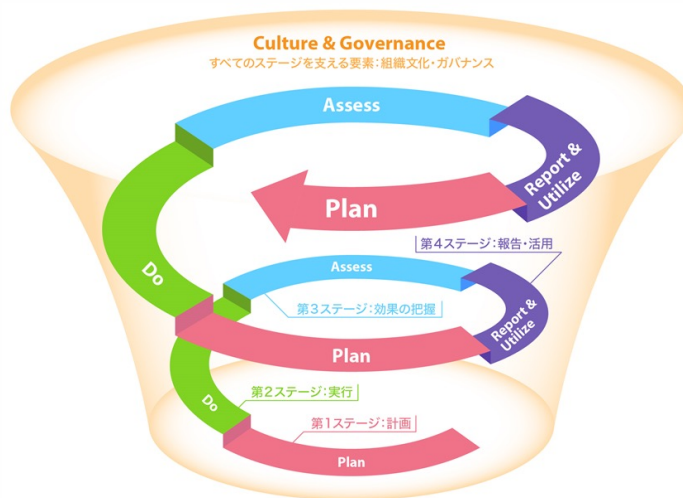
Stage 1	Plan
Stage 2	Do
Stage 3	Assess
Stage 4	Report & Utilize

One element that supports all stages: **Culture & Governance**

3-2

Practicing Social Impact Management

Three characteristics of the Impact Management Cycle



1. Applying evaluation

It is essential to have a clear intention and practice to make decisions based on solid impact information and to utilize them to the improvement of projects and initiatives.

2. From cycle to spiral

In some cases, it is important to think of multiple projects as a unit, or to expand the number of organizations and people involved, in order to develop projects and initiatives that address root cause of the issue at hand. The impact management cycle is not one project cycle, but rather a progression of cycles (i.e., spiral) for problem-solving and value creation with a comprehensive approach.

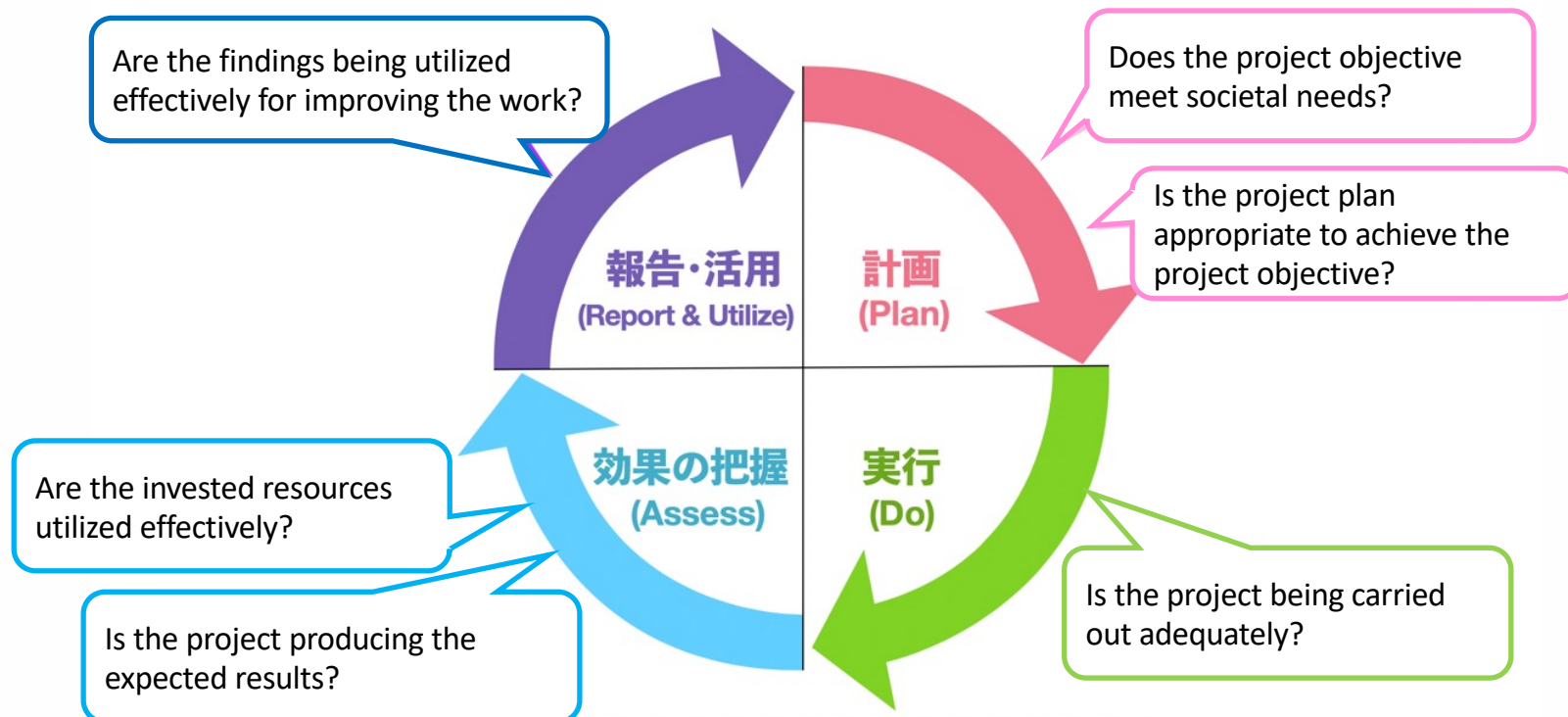
3. Importance of corporate culture and governance

In order to expand the spiral, organizations' capacity needs to be enhanced. Specifically, fostering a corporate culture and improving governance with impact at the center are two important components.

3-3

Evaluation for Social Impact

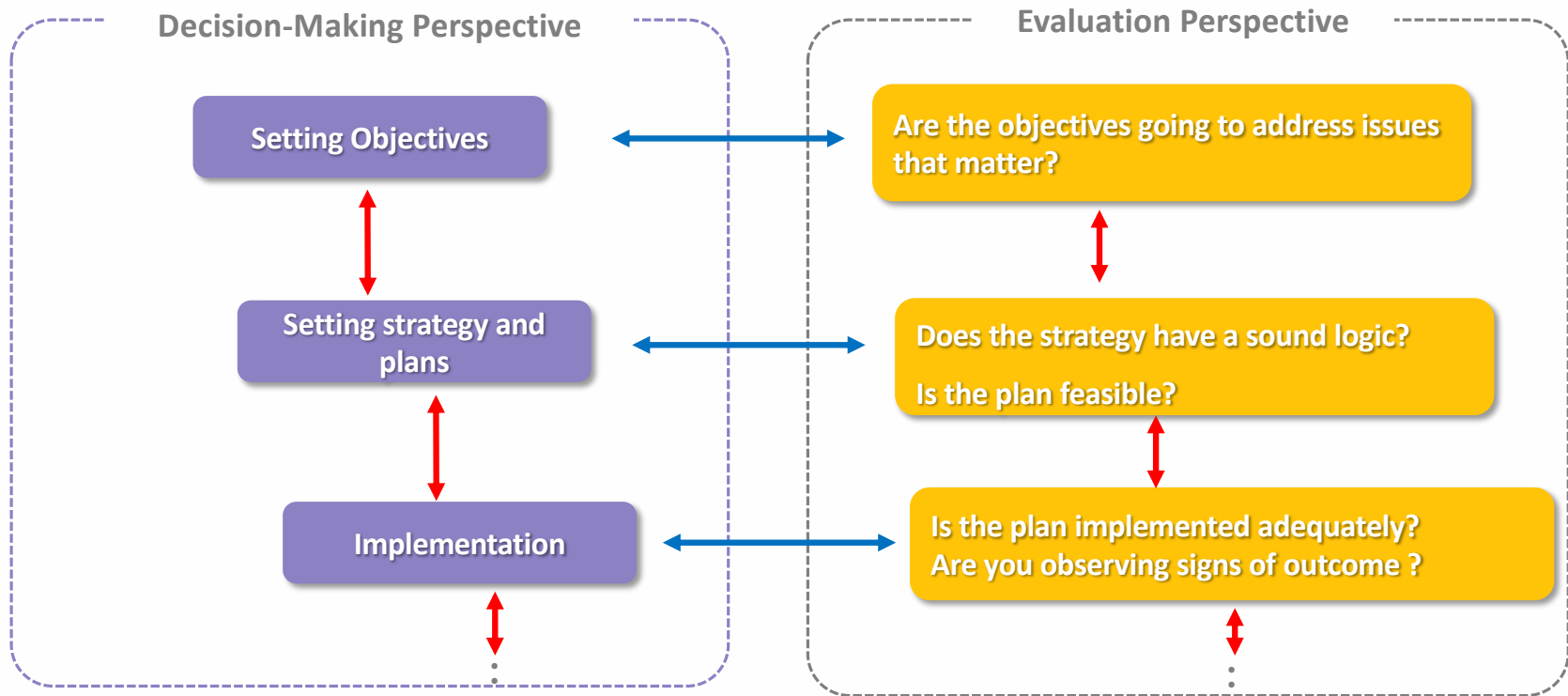
Any projects or initiatives, stand-alone or collective efforts, that aim to solve problems or create value need to answer the questions related to design logic and validity of the implementation process. These evaluation questions are embedded in the impact management cycle.



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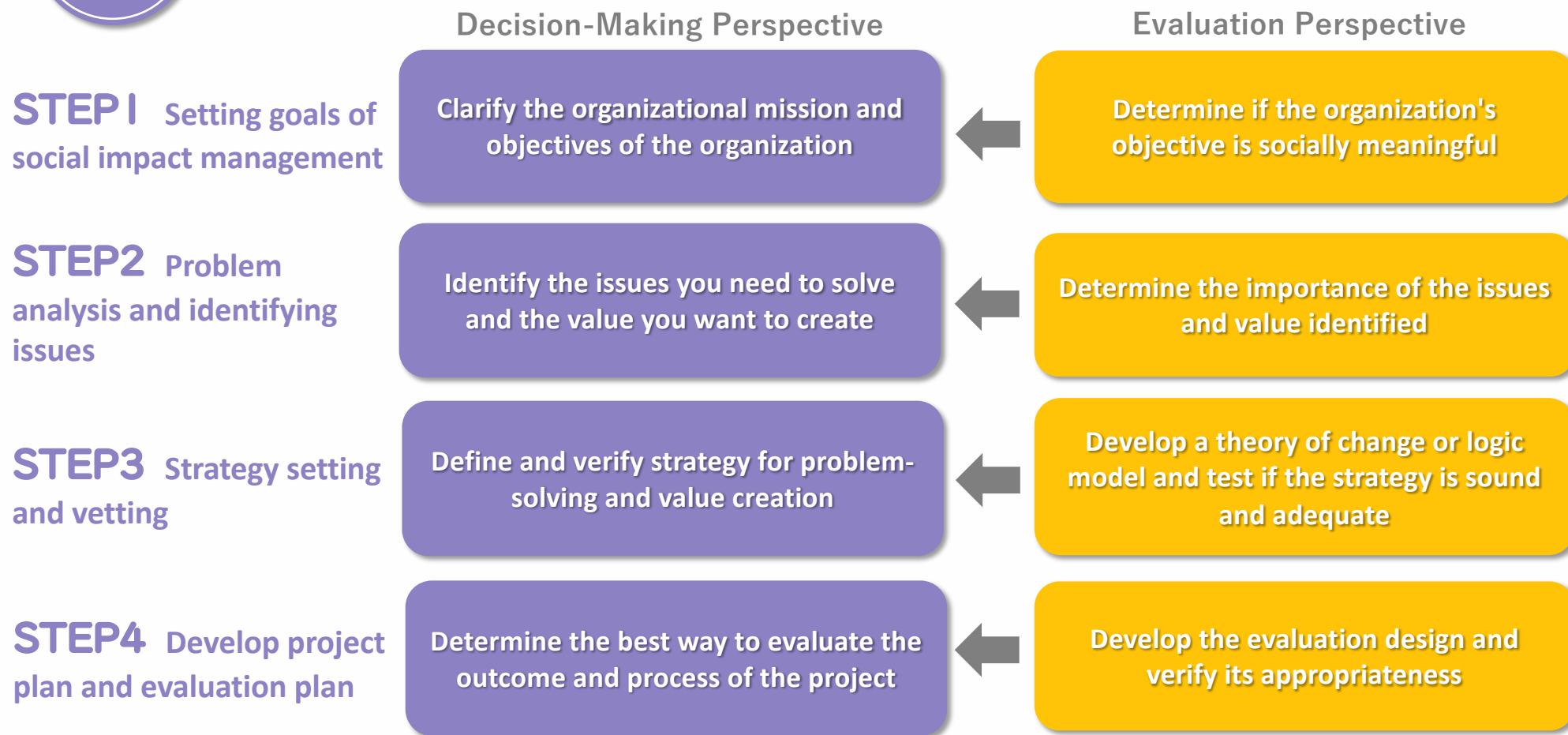
Alternating between the two perspectives

In the Social Impact Management process, you will need to incorporate the two distinct perspectives, work on an iterative process to hop from one perspective to the other and repeat the process, so that decision-making at each step is informed by evaluative judgment.



5-1

Going through the Steps for **STAGE 1: Plan**



5-2

Going through the Steps for **STAGES 2, 3, 4**

Decision-Making Perspective

Evaluation Perspective

STAGE 2: Do

STEP5 Implementation and monitoring

Assess the project progress, and review the strategy and plan as needed.

Monitor and evaluate the status of the project (process and outcome) and verify progress

STAGE 3: Assess

STEP6 Data analysis

Identify the final outcome of the project or initiative

Validate the final outcome of the project or initiative

STAGE 4: Report & Utilize

STEP7 Reporting and utilization

Prepare a clear and easy-to-understand report

Prepare a report that fully discloses the basis of factual identification and value judgment



The Guidelines (in English) in full will be available to download from the SIMI website (<https://simi.or.jp/en>).
We hope that the English version will be useful for enterprises and businesses outside Japan who are seeking to optimize impact of their work.

For inquiries, please write to:
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