Assessing Social Impact in Base of the Pyramid Markets

By Will Swanson
Mentor: Dr. Keith Warner OFM
Reader: Dr. Joseph Schuchter

Abstract

This research evaluates two different impact assessment tools for social entrepreneurs. The Base of the Pyramid (BoP) Impact Assessment framework, created by Ted London, and the logic model were both designed to help guide the impact evaluation methods of organizations working in developing world markets. This research takes two social enterprise case studies, Operation ASHA and the Sankara Eye Foundation, through both systems to determine the strengths and weaknesses of each and what types of organizations they best serve.

Based on this case study application, London’s framework is found to be an effective tool for businesses working in the developing world and looking to establish a social mission. However, the logic model better fits the needs of social enterprises like Sankara Eye Foundation and Operation ASHA. Both of these enterprises were built around a compelling social mission and would find a logic model that translates that compelling social mission directly into a monitoring and evaluation system more helpful.

Ted London’s Impact Assessment Framework

The Logic Model and London’s Framework

The Challenges of Impact Evaluation

Monitoring social impact is one of the biggest challenges for social enterprises working in the developing world. The foundational idea of the social entrepreneurship sector rests on the premise that social enterprises create a positive change in the communities they operate in. If enterprises are unable to articulate this impact, they become indistinguishable from commercial businesses in the developing world and, as such, are unable to find vital funding from impact investors and grant-making organizations. However, impact assessment is far from a straightforward calculation that every enterprise can do, in fact, Jill Kickul and Thomas Lyons describe it as, “One of the most challenging and potentially frustrating aspects of a social entrepreneur’s work.” What makes impact evaluation so difficult is a series of challenges including; providing the financial and human resources to calculate impact, deciding what type of impacts to track, and monitoring impact in a way that is transparent, reliable, and compelling.

References

- Pictures can be found at: [http://globalsocialbenefit.institute/education.html](http://globalsocialbenefit.institute/education.html)

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Of these two approaches to evaluating impact, the logic model is likely the best tool for organizations as far along in the social enterprise lifecycle, as Sankara Eye Foundation and Operation ASHA. These social enterprises were founded as a response to compelling social issues, and as they grow in their social enterprise lifecycle they have thoroughly explored the impact of their intervention on that issue. That is why these enterprises would benefit more from the more advanced logic model, which translates more clearly into a monitoring and evaluation system. However, London’s framework could be a valuable tool for impact enterprises. These enterprises could use the framework as a comprehensive tool to explore social impact and determine not just how they positively affect the communities they operate in, but also any potential negative impacts. This creates a comprehensive picture of an organization’s impact, and would be a valuable first step in establishing a social mission and creating a social impact monitoring system.