

Using the Demonstrating Value Lenses

The information you gather in the enterprise has to be directly relevant to the decisions you make and be compelling for others to learn about your value. To work out what information is most useful, always keep the following simple question in mind: **'What do we want to know and show?'** In essence, you need to think about the story you want to tell. What are you here for and why should anyone care? What are you doing that is unique? Why should your board, your funders or the public support you? What evidence - e.g. numbers, pictures, quotes, video - do you have to back up your story?

The two lenses shown below can help you focus your answer. The first asks: **'What information is important?'** and the second asks **'How is information used?'** The first helps you pinpoint what data, indicators, and other information are most valuable to gather, while the second helps you respond as efficiently as possible to different reporting needs.

What do you want to know and show?



Because you have business and community objectives (social, environmental and/or cultural), information that relates to both of these areas is equally important to gather. You'll also want to know if you are developing the assets, resources and practices needed to sustain the enterprise in the long-term. Consider your information needs from three perspectives:

What information is important?



An Organizational Sustainability Perspective - What information can help you understand whether you are developing and maintaining resources to meet your purpose in the long run? For example, in understanding whether you are building adequate human resources, you may want to track how long your employees stay with you, whether your staff has professional development activities available or whether you have regular board meetings.



A Mission Performance Perspective - What information can tell you about the ability of the social enterprise to successfully contribute towards the social, cultural and environmental objectives set out in its mission? For example, an environmentally focused organization may want to learn whether the community is adopting more environmentally sustainable practices as a result of its work, while an organization focused on employing at-risk youth may want to show progress to hiring targets for different population segments. You may want to extend that

measurement to understand the enterprise's influence on outcomes. In the examples, these could be such outcomes as youth quality of life improvements or changes in environmental outcomes (like greenhouse gas emissions, air quality, water quality)



A Business Performance Perspective - What information can tell you about the business and financial success of the social enterprise? For example, to understand whether you're financially viable, you'll want to measure your costs, revenues, assets, liabilities and cash flow. You'll also want to know about trends in your sales and customers, and key elements of your operations (like safety, product quality, efficiency).

The second lens helps you think about how you will use the information you gather. It is likely that the same information is wanted by different people, and can be used for different purposes. What are these needs, and how can you respond as efficiently as possible? Take the time to assess what information meets the following needs.

How is Information Used?



The second lens helps you think about how you will use the information you gather. It is likely that the same information is wanted by different people, and can be used for different purposes. What are these needs, and how can you respond as efficiently as possible? Take the time to assess what information meets the following needs.



An Operational Perspective - What information do you need to support day-to-day decisions by management and staff? For instance, what can help you stay on top of sales, costs, product quality, and delivery of your mission?



A Strategic Perspective - What information do you need to support strategic decisions that are often made by a governance body such as a board? These decisions will typically involve a longer time horizon, and set out key objectives and directions of the enterprise. Many of the people making the decisions, such as a board of directors, will not be part of the daily activities of the enterprise, so this information will also need to clearly inform and educate your audience about key trends and events that have occurred.



An Accountability Perspective - What information do you need to foster and maintain support of the enterprise? This includes support by investors, community members, employees and beneficiaries of your mission. The purpose of this information is to educate others about what the social enterprise does, and to show the value of its activities. This audience needs this information shown very clearly and concisely. The public or an investor may have very limited knowledge of who you are and what you are trying to accomplish so your "story" needs to be very crisp.

Going Further

These lenses are used in the **Demonstrating Value Process** to critically assess your information needs and to design your own Social Enterprise Snapshot. For more information, see the Demonstrating Value website. (www.demonstratingvalue.org). The **Tools and Resources** section also offers tools to help you identify your specific information needs in the areas highlighted by the lenses. This includes specific tools to get the most out of your financial accounting and suggestions for indicators to monitor.