

URL: <https://ecorner.stanford.edu/in-brief/measuring-and-hiring-for-social-impact/>

When it comes to measuring social impact, says Abl founder and executive chairman Adam Pisoni, every organization's methods will need to be slightly different. To stay on target, he advises social entrepreneurs to not only set some clear goals early on, but to hire the sorts of domain experts who will hold the leadership team accountable to those goals.



Transcript

- A lot of the students we work with and people 00:00:05,610 in our audience are relatively familiar with the idea of how do you measure financial performance.. But for those who are interested in thinking about going into social enterprise, or creating not a financial price that wants to do good and measure against that in this quantitative world.. What do impact investors look for? And how, should social enterprises be measuring in ways that aren't financial to balance that tension a little bit? - It's a really great question.. 00:00:30,542 And it's not an easily answerable question because finances are easy to measure They're singular, they're, you know, we have clear measurements, but when you talk about impact, it's so dependent on what are you trying to impact and who? And a really good example of that is we've worked with a number of organizations in Education.. And when we've asked about impact measurements, they tend to come and talk about test scores or you know, impacting, and that seems obvious, that's what we're trying to do.. But here we are on the administrative side where we work with superintendents and the impact we're trying to have, first of all measuring test scores is very, very lagging indicator of some of those things.. And second of all, we have all these proxies, we're trying to improve around equity and around.. And I think we can see that even some of the past measurements on test scores hid some of the inequity.. So if your goal is to impact inequity, you can show a school rising test scores, but actually having worse, you know, less equity.. And so I think that the key is not that there's universal measures, but more that you as the founder, make some early decisions and adjust them over time about what is the impact you're trying to have? And and how are you driving towards it? How are you speaking loudly about that to your investors to your company, and allowing them to hold you accountable..

now, the most likely people to hold you accountable to that are your employees.. And the way that you make sure they do that is by hiring people that really care about the things that you're trying to impact and telling them that that's your goal.. And you will tend to hear from them if you start to drift away from that.. I find that like a healthy tension that is difficult as a leader, but a super healthy tension.. So, I think as a CEO, the hardest thing to balance is, you have these skits of phrenic, like I've got to drive the business, I need to drive revenue, I need to raise money I need to this, I'm also trying to have impact and really understand my customer.. And in the case of K-12, I think where this is hyper exaggerated is if you were to ask, what is the fastest way to make the most money in K-12? You could find things you can definitely find some various things.. But if you were to ask what are the most pressing problems they're facing, those are like a very narrow Venn diagram.. And if you just chose the things in the intersection, then you're leaving out so many things that need addressing that clearly, any kind of social enterprise like if we are trusting social enterprise to help fix education, it cannot do that.. Unless it has a broad definition of financial success because there's just too many problems in Education that are not gonna lead the universe...