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Overview

In 2010, Keystone Accountability worked with a cohort of seven impact investors to conduct a comparative survey amongst their 330 investees. This report summarizes the feedback that CAF Venturesome’s investees gave about their experience with CAF Venturesome. Results are shown in comparison to those of the other six impact investors who participated in the survey or to the cohort as a whole. The impact investors who participated in the survey and whose results are used as benchmarks in this report are:

- Acumen Fund
- E+Co
- Grassroots Business Fund (GBF)
- Gray Ghost Ventures (GGV)
- IGNIA
- Root Capital
- CAF Venturesome (Venturesome)

All of the impact investors share a common operating model using loans, equity and other instruments with financial returns to achieve social impact. This commonality provides the basis for useful comparison through benchmarks.

The cohort is not representative of impact investors as a whole. Participants in the survey represent those impact investors who are most open to honest feedback and to learning from their investees about how operations and support to social / environmental enterprises might be improved. Therefore, those with the lowest ratings in this survey are likely to rate comparatively higher if the comparison was made with a wider sample.

This survey does not pretend to be an objective scientific assessment of Venturesome’s performance. It captures one perspective only: the perceptions of current investees. They are the constituency most directly affected by Venturesome’s policies and practices and best qualified to provide insights in how well Venturesome enables them to succeed. Therefore, investees’ views need to be taken seriously and engaged with. Doing so will enable Venturesome to enter a valuable learning process with investees, identify specific opportunities for improvement and understand - from an investee perspective - what the most enabling practices are.

The survey results are grouped into eight separate sections. The first section describes the general characteristics of the investees while the subsequent five sections give insight into key areas of impact investor performance including:

- Application and due diligence process
- Financial investment
- Non-financial support
- Relationship and interactions
- Reporting

Sections on the general perceptions of investees, feedback on tailored questions only posed to Venturesome’s investees, as well as feedback on the survey itself conclude this report.

From the responses, six weighted indices were derived that summarize the core dimensions of effective operations and relationships of impact investors, including:

- Efficiency: How efficient are the investor’s operations?
- Learning: How well does the investor enable learning and improvement by investees?
- Net Value: What value does the investor add for investees beyond the finance?
- Transparency: How open is the investor in its communications with its investees?
- Credibility: How is the investor seen in terms of professionalism and peer standing?
- Satisfaction: Overall, how effective is the investor at enabling investees’ success?
Introduction

Next steps

A number of next steps are suggested that may be useful for Venturesome to build on and to leverage the findings of this survey:

- Discuss the survey results at board level.
- Discuss the main findings with staff and investees to verify and deepen the analysis and to demonstrate that feedback is taken seriously.
- Identify opportunities, constraints and specific actions for making improvements in dialogue with investees and strengthen a culture of continual improvement, mutual respect and open dialogue.
- Discuss opportunity and offer to assist investees in collecting their own client feedback and explore potential for creating benchmarks across investees. Investees may be able to develop internal benchmarks, e.g. comparing performance of different departments or across different regions, or identify external benchmarks. Consider developing common approaches and facilitating learning between investees.
- Collaborate with other impact investors that are tackling similar issues, including those in this cohort, to share best practice and drive up standards in the sector.
- Consider publishing feedback reports, potentially coordinated with other impact investors. This could develop a new norm in impact investing reporting, similar to the new norm among US foundations of publishing grantee feedback reports. This could strengthen the links between performance, reporting and funding decisions, creating powerful incentives for improvement.
- Repeat the survey in 12 to 24 months to monitor progress and to strengthen culture of continual dialogue and improvement.
Methodology


The survey questionnaire was designed building on Keystone’s experience in working with impact investors and in conducting feedback surveys.\(^1\) In 2009, Keystone piloted two similar non-comparative surveys to collect feedback from investees of each Grassroots Business Fund and Acumen Fund. After these first runs, Keystone further refined the questionnaire. In consultation with the seven impact investors participating in the Keystone Performance Survey: Social Investment 2010 the questionnaire was put into its final form to conduct the current comparative survey.

The questionnaire consisted of 40 core questions with a total of 88 data points, using a mix of Likert scale, multiple choice and open-ended formats. In addition, each participating impact investor was given the option to include up to five investor-specific questions that were administered only to their investees.

A pilot with 20 social enterprises showed that the questionnaire was easy to understand and to fill in. By agreement with the impact investors, the questionnaire was produced and administered in English and in Spanish. The English questionnaire was translated by a professional translator and edited by Spanish native-speakers of two participating impact investors to ensure adequate translation.

Every participating impact investor was asked to supply the names and contact email addresses of all their current investees. The questionnaire was delivered via email as interactive pdf form to investees of six impact investors in August 2010. Investees completed the questionnaire offline and then emailed the responses back to Keystone.

For one of the participating impact investors a largely similar questionnaire was delivered as online survey already in May 2010. 23 data points – roughly one fourth of the total 88 data points – coincided or largely coincided with those in the questionnaire realized in August and September 2010. These were included in the overall results where applicable and respective graphs are marked accordingly (see section ‘Reading the graphs’).

Of the total of 330 investees surveyed 215 returned an either partially or fully completed questionnaire, representing an overall response rate of 65% (the average response rate for all impact investors was 72%). 57% of the responses were received in English and 43% in Spanish. For Venturesome the questionnaire was sent to 30 investees. 24 investees sent their feedback giving a response rate of 80% for Venturesome.

<table>
<thead>
<tr>
<th>Venturesome</th>
<th>Cohort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nº of invitees invited to respond</td>
<td>30</td>
</tr>
<tr>
<td>Nº of responses received</td>
<td>24</td>
</tr>
<tr>
<td>Response rate</td>
<td>80%</td>
</tr>
</tbody>
</table>

96% of Venturesome’s respondents hold the position of CEO / Executive Director or Senior Manager / Department Head in the organization.

<table>
<thead>
<tr>
<th>Venturesome</th>
<th>Cohort average</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO / Executive Director</td>
<td>83% 77%</td>
</tr>
<tr>
<td>Senior Manager / Department Head</td>
<td>13% 19%</td>
</tr>
<tr>
<td>Program or Investment Officer</td>
<td>0% 1%</td>
</tr>
<tr>
<td>Other</td>
<td>4% 4%</td>
</tr>
</tbody>
</table>

\(^1\) Keystone gratefully acknowledges the precedent provided by the Center for Effective Philanthropy and their support for Keystone Accountability’s 2008 benchmarking survey for East African grantmakers.
46% of Venturesome’s respondents filled in the questionnaire with some consultation or by consensus with all those with relevant experience. The rest provided feedback on the basis of their own knowledge.

<table>
<thead>
<tr>
<th>On the basis of my own knowledge</th>
<th>Venturesome</th>
<th>Cohort average</th>
</tr>
</thead>
<tbody>
<tr>
<td>With some consultation with colleagues</td>
<td>54%</td>
<td>55%</td>
</tr>
<tr>
<td>By consensus with all those with relevant experience on most questions</td>
<td>42%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Completed questionnaires were captured in survey management software and transferred to spreadsheet and statistical analysis software for data processing including capturing of all responses, coding open-ended responses, cleaning data, and conducting statistical analysis. 8% of the filled questionnaires had to be entered manually due to having been submitted via fax, as a scan or due to other technical reasons.

Questions in Likert scale format were projected from a 1 to 7 scale in the questionnaire onto either a 0 to 10 scale (one-dimensional scale, e.g. from ‘Not at all useful’ to ‘Moderately useful’ and ‘Extremely useful’) or a -10 to +10 scale (two-dimensional scale, e.g. from ‘Extremely unlikely’ to ‘Extremely likely’) to make it easier to understand and interpret results.

The benchmarks are calculated as the averages of the results of the participating impact investors as opposed to the averages of all survey respondents. This reduces the chance that data is skewed by the different numbers of responses received per impact investor.

The six weighted indices in the performance summary each convert responses to a number of specific questions into a single score (details see annex). All indices are calculated in the same way: the average scores of the individual impact investor on the original 1 to 7 scale for selected questions are weighted and added up. The resulting score is projected onto a 0 to 10 scale.
**Reading the graphs**

A number of different graph types are used throughout the report to present the data. Depending on the type of question a suitable graph type emphasizes Venturesome’s performance compared to that of the other impact investors or the cohort as a whole.

Graphs or data points that display feedback from all seven investors are labeled with *. Graphs or data points without * display the data of six investors.

In addition to simple bar charts, the following two graph types are used:

**Sample graph: Type 1**

Graphs such as in Sample graph: Type 1 present how respondents rated the investors’ performance regarding a specific question on a scale from 0 to 10.

The orange diamond indicates the mean rating given by Venturesome’s respondents (in the example: 4.6). The grey bar shows the range of mean ratings across all impact investors in the cohort (in the example: 4.6 to 7.4) while the grey diamond indicates the mean of these investor ratings (in the example: 5.8).
Sample graph: Type 2

Full statement:
1: ‘The Social Investor adds value to our business.’

Graphs such as in Sample graph: Type 2 present how respondents rated specific statements about the investors’ performance on a scale from -10 to +10.

The complete statements are written out in full underneath the graph while within the graph they are referenced with a number.

In addition to the items shown in type 1, type 2 graphs indicate the share of the investor’s respondents that gave ratings of below 0 on the left (e.g. disagreed with the statement, in the example: 25%) and those that gave ratings of above 0 on the right (e.g. disagreed with the statement, in the example: 50%). The graph does not show benchmarks for these figures. Where meaningful, benchmarks are provided in the text below the graph.

Underneath each graph, bullet points highlight some of the main results.
Results
Performance summary

**Venturesome Performance Indices**

<table>
<thead>
<tr>
<th>Index</th>
<th>Social Investor score</th>
<th>Cohort mean</th>
<th>Cohort range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>8.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Learning</td>
<td>7.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Value</td>
<td>6.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transparency</td>
<td>7.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credibility</td>
<td>7.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td>9.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Comparative strength**
- Communications and Interactions

**Area with room for improvement**
- Reporting requirements
Performance summary

- **Efficiency**: Venturesome ranks highest in terms of the efficiency of its operations as seen by its respondents. This high rating is mostly driven by how respondents view Venturesome’s responsiveness and respondents’ little need to collect extra information to fulfill reporting requirements. Venturesome’s respondents also agree more than other investors’ respondents that the investment provided is adequate to achieve agreed objectives.

- **Learning**: With regards to how well it enables learning and improvement by investees, Venturesome ranks in the middle of the cohort. While Venturesome’s respondents express very positive views regarding the relationship factors that enable learning and improvement, Venturesome’s reporting requirements are not seen as beneficial, particularly those to measure and report social outcomes. Also, Venturesome’s respondents only have a moderately good understanding of how Venturesome uses information reported to it, which suggests potential for moving towards more thoughtful responses and improvement-oriented dialogue.

- **Net value**: All investors score comparatively low for the value they add for investees beyond the finance. While respondents strongly agree that Venturesome adds value to their business in terms of a positive relationship, reporting requirements are not seen as valuable. Respondents say that Venturesome’s application and due diligence process is moderately useful. Those who do receive non-financial support from Venturesome find it somewhat useful, however, they agree only to a low extent that this support has resulted in significant performance improvements. 37% of Venturesome’s respondents say they have not received any non-financial support.

- **Credibility**: With regards to its perceived professionalism and peer standing, Venturesome is rated close to the top of the cohort. Adding to Venturesome’s credibility is its respondents’ above average rating of the adequacy of its investment amounts to achieve agreed objectives. Venturesome’s respondents also see Venturesome as performing better than other investors they have, particularly in all aspects directly relating to staff performance. However, Venturesome’s respondents have fewer expectations than others regarding Venturesome’s likelihood to improve based on the results of this survey.

- **Transparency**: Venturesome ranks second in the cohort on how open it communicates with its investees. According to respondents, particular strengths are staff ability to listen and respond respectfully to concerns and questions as well as staff respectfulness and helpfulness. Transparency regarding how information of investee reports is being used and costs of non-financial support provided are rated rather low.

- **Satisfaction**: Overall, satisfaction of Venturesome’s respondents is the highest in the cohort. Venturesome’s respondents believe Venturesome adds value to their business and within the cohort they are the respondents most likely to suggest their investor to peer entrepreneurs.
Section 1: Respondents profile

Venturesome’s respondents indicate a variety of areas as their primary line of business. 13% of respondents work in healthcare (benchmark: 11%) and 13% in education (benchmark: 4%). 4% (or one) of Venturesome’s respondents work in each culture (benchmark: 1%), environment (benchmark: 1%) and IT (benchmark: 5%). With 63%, the majority of Venturesome’s respondents said they work in ‘other’ lines of business (benchmark: 16%), namely:

- Reuse & training
- Retail (re-use goods)
- Sports & Recreation
- Wealthfare to work
- The funding and nurture of societal well-being
- Employment
- Voluntary Adoption Agency
- Charitable - children and young people
- Disabled children
- Charity providing accessible service for ICT to disabled people
- Food redistribution
- Social Enterprise
- Social Justice, capacity building
- International NGO
- Office/meeting space for commercial use and social benefit + regeneration

- On average, Venturesome’s respondents run their operations longer than any other investor’s respondents. A total of 79% of respondents have been operating in their line of business for more than 5 years (benchmark: 57%) and 58% of respondents even more than 10 years. Only 4% are less than 3 years of age (benchmark: 18%).
- Venturesome is one of three investors that have rather older respondents with less than 10% of respondents working in their fields for less than 3 years and more than 40% working in their fields for 10 years or more.
Half of Venturesome’s respondents have an annual operating budget of 1 to 3 million USD (benchmark: 27%). Compared to other investors in the cohort this is a strong concentration in one category.

25% of Venturesome’s respondents have budgets of 3 million USD or more (benchmark 28%) and 25% of less than 1 million USD (benchmark: 45%).
88% of Venturesome’s respondents pursue rather social / environmental over financial value creation (benchmark: 34%).

On average and on a scale from 10 (100% financial) to 10 (100% social/environmental), Venturesome’s respondents rate themselves at 6.7 towards social/environmental value creation (benchmark: 1.0 social/environmental). The investor closest to Venturesome’s in this dimension is rated at 1.9 social/environmental.

Only 4% of Venturesome’s respondents say they pursue financial rather than social / environmental value creation (benchmark: 26%).
The time since respondents’ first investment from Venturesome varies from less than 1 year to more than 4 years with more than 20% having received their first investments less than 1 year ago (benchmark: 26%), 21% between 2 and 3 years ago (benchmark: 20%), and more than 4 years ago (benchmark: 17%).

88% and thus the large majority of Venturesome’s respondents have received their most recent investments in the form of long-term loans (benchmark: 44%). 4% have received short-term loans (benchmark: 18%) and 8% equity investments (benchmark: 37%).

Venturesome’s respondents are one of three groups in which more than 75% have received loans. More than 60% of the other three investors’ respondents have received equity investments.

One investor’s respondents also received grants.
For 71% of Venturesome’s respondents the application and due diligence process took less than 4 months (benchmark: 35%).

Only for one respondent the application and due diligence process has taken 12 months or more (benchmark: 8%).
Section 2: Application and due diligence process

Full statements:
1: ‘Venturesome clearly explained the application and due diligence process including the timeline for making an investment decision and what information would be needed.’
2: ‘Venturesome’s application and due diligence requirements help us to manage our business better.’
3: ‘Overall, Venturesome’s application and due diligence process was excellent.’

- Overall, 83% of Venturesome’s respondents agree that Venturesome’s application and due diligence process was excellent (benchmark: 79%). With an average rating of 5.7 Venturesome receives the highest rating among the cohort (benchmark: 4.6).
- Venturesome’s respondents rated the helpfulness of the application and due diligence process at only 3.5 (benchmark: 3.8). 34% of Venturesome’s respondents do not agree with the statement ‘Venturesome’s application and due diligence requirements help us to manage our business better’ (benchmark: 35%).
- In terms of transparency of the process, Venturesome’s respondents rate their investor second highest in the cohort with 6.1 (benchmark: 5.4).
- 63% of Venturesome’s respondents provided additional comments (benchmark: 48%). 87% of them were positive (benchmark: 40%) often referring to Venturesome’s good understanding of the investee’s specific circumstances, for example: “It was a very engaging process with staff working with us and trying to really understand what we do and the outcomes we are trying to achieve. The process was also quick and within our time constraints.”
Section 3: Financial investment

Venturesome’s respondents express the strongest agreement in the cohort with the provided investment being sufficient to achieve the agreed objectives. The second highest rating is with 3.3 much lower than Venturesome’s 5.3 (benchmark: 2.9). However, still 25% of Venturesome’s respondents do not agree that ‘The amount of Venturesome’s investment is sufficient to achieve what you agreed to achieve’ (benchmark: 37%).

Out of the three aspects listed above, Venturesome’s respondents give the highest score for the statement ‘Venturesome’s financial investment significantly contributed to your financial outcomes.’ None of the respondents disagree with the statement.

In terms of the financial investment’s contribution to the achievement of the intended social and/or environmental outcomes, Venturesome’s respondents gave a lower score of 5.8 (benchmark: 5.9).

Full statements:
1: ‘The amount of Venturesome’s investment is sufficient to achieve what you agreed to achieve.’
2: ‘Venturesome’s financial investment significantly contributed to your financial outcomes.’
3: ‘Venturesome’s financial investment significantly contributed to the achievement of your intended social and/or environmental outcomes.’
Section 3: Financial investment

Venturesome ranks third out of six in terms of the helpfulness of its investment to attract further investment. On average, Venturesome’s respondents gave a score of 4.3 on a scale from -10 to 10 (benchmark: 2.9).

One respondent who was able to secure additional investment commented:

“Venturesome provided [our organization] with a committed loan facility at a time when the organisation was not able to secure credit by any other means. Although [our organization] have not had to draw down from the loan facility the commitment from Venturesome provided confidence for grant-making trusts to help us and has provided us with credibility and a sense of financial security enabling us to plan long term.”

Of those additional investments 35% were from for-profit institutions on purely commercial terms, a share below the cohort average (benchmark: 56%).
63% of Venturesome’s respondents received non-financial support from Venturesome or third parties paid for by Venturesome (benchmark: 64%).

The main areas of non-financial support received by Venturesome’s respondents are ‘Improving financial analysis and reporting abilities’ and ‘Improving access to further investment’.
’Other’ areas Venturesome’s respondents have received non-financial support in include strategic planning and sourcing support for human resource recruitment.

In all but one of the above categories Venturesome provides a smaller share of its respondents with non-financial support than the cohort average.
In terms of usefulness of non-financial support, Venturesome scores above cohort average in all but one area mentioned above.

In those areas in which more than 20% of respondents have received non-financial support from Venturesome, the area found most useful is ‘Improving access to further investment’ with an average rating of 8.5 (benchmark: 6.5). In this area and in ‘Improving communication with clients’ Venturesome ranks highest amongst the cohort.
In those areas in which more than 20% of respondents have received non-financial support from Venturesome, the areas found least useful are ‘Improving business partnerships with other enterprises’ and ‘Improving communication with external stakeholders’.
Venturesome’s respondents rate Venturesome higher than the cohort average on all above aspects regarding non-financial support. However, in absolute terms and compared to ratings for other dimensions within this survey, all investors are rated low by their respondents.

- 57% of Venturesome’s respondents do not know the costs of the financial support they have received from Venturesome (benchmark: 59%) while 43% say they do (benchmark: 29%).
- Venturesome’s respondents feel more than respondents of any other investor in the cohort that they have the influence they want over the non-financial support offered by their investor. 78% agree that they have the influence they want (benchmark: 55%) and 11% disagree (benchmark: 24%).
- 56% of Venturesome’s respondents agree that Venturesome’s non-financial support has resulted in significant performance improvements (benchmark: 54%). With 11%, the share of Venturesome’s respondents disagreeing is smaller than the cohort average (benchmark: 27%).

Full statements:
1: ‘We know the costs of the non-financial support we have received from Venturesome.’
2: ‘We have the influence we want over the non-financial support offered by Venturesome.’
3: ‘The non-financial support from Venturesome has resulted in significant improvements in our performance.’
Section 4: Non-financial support

- With 80%, the large majority of Venturesome’s respondents say that ‘improving access to further investment’ would be the most useful area for future non-financial support (benchmark: 49%). This is a larger share of respondents than for any other investor in the cohort.
- ‘Improving market access’, ‘Improving business partnerships with other enterprises’, as well as ‘Improving financial analysis and reporting abilities’ are other areas respondents have indicated to be most helpful. The former two are also amongst the three most preferred areas considering the cohort average.
- With 27%, a bigger share than the cohort average would count support in ‘Improving financial analysis and reporting abilities’ amongst the most useful areas (benchmark: 17%).
Section 4: Non-financial support

- Venturesome’s respondents most prefer to have non-financial support delivered by peers or Venturesome itself.
- More than respondents from any other investor, Venturesome’s respondents dislike non-financial support form foreign experts. 63% dislike this delivery type (benchmark: 15%) while only 11% like it (benchmark: 63%).
- Respondents of most investors prefer delivery of non-financial support by the investor itself. Delivery through online training / materials received the lowest average rating.
Section 5: Communications and interactions

- Compared to respondents of other investors in the cohort, Venturesome’s respondents have less frequent contact with their investor. 50% of Venturesome’s respondents say they are in touch with Venturesome on a quarterly basis (benchmark: 18%) and the remaining 50% have contact with Venturesome monthly or more frequently (benchmark: 80%).
Section 5: Communications and interactions

Full statements:
1: ‘We feel comfortable approaching Venturesome to discuss any problems we are having.’
2: ‘We feel comfortable questioning Venturesome’s understanding or actions if we disagree with them.’
3: ‘Venturesome listens and responds respectfully to our questions and concerns.’
4: ‘Venturesome is flexible and open to suggestions and criticism from us.’
5: ‘Staff from Venturesome ask us for our advice and guidance.’
6: ‘Venturesome’s staff are respectful, helpful and capable.’
7: ‘Venturesome responds to our queries in a timely manner.’
8: ‘Venturesome adds value to our business.’
In terms of the average respondent score across all aspects listed above, Venturesome ranks highest in the cohort.

More than 90% of Venturesome’s respondents agree with six out of eight statements above. The statement ‘Venturesome is flexible and open to suggestions and criticism from us’ finds agreement among 75% of respondents (benchmark: 74%). 46% agree with the statement ‘Staff from Venturesome ask us for our advice and guidance’ (benchmark: 57%).

With average ratings of 8.6 and 8.5 respectively, Venturesome’s respondents express strongest agreement with the statements ‘Venturesome’s staff are respectful, helpful and capable’ (benchmark: 7.5) and ‘Venturesome responds to our queries in a timely manner’ (benchmark: 6.0). These ratings are also higher than those of any other investor in the cohort.

42% of Venturesome’s respondents provided additional comments on their relationship and communications with Venturesome (benchmark: 40%). All of the comments included positive remarks (benchmark: 50%), for example:

“Staff really engage with us to understand the issues and work how they can best help us.”

“Venturesome have struck the perfect balance of interested rather than interfering investor: we have neither sought nor been forced into the receipt of ‘wisdom and advice’ from Venturesome: we would not have welcomed it if offered but greatly appreciate that we could have asked for it had we wished.”

Some respondents also commented on areas for potential improvement:

“Excellent. We feel we need to allocate more time to realise the full potential in the relationship. Perhaps if Venturesome were to make it very clear what type and amount of support is possible/available to make sure we don’t feel like we are asking too much.”

“Venturesome account managers are excellent on theory but (in our experience) have limited working knowledge of the reality of running a social enterprise. This caused tensions initially - however Venturesome’s willingness to listen enabled us to resolve these.”
Section 6: Reporting

Venturesome’s respondents rate Venturesome second to lowest and lowest with regards to the helpfulness of Venturesome’s requirements to measure and report financial returns and social/environmental impact for investees’ learning and improving.

With an average rating of 4.9 (benchmark: 5.8), Venturesome’s respondents express that they find the financial reporting requirements moderately useful.

The helpfulness of reporting requirements for social/environmental impact is rated even lower at 2.4 (benchmark: 5.4). This makes Venturesome one out of two investors in the cohort that are rated below 6.0.

With regards to Venturesome’s overall reporting requirements one respondent suggests:

“Understand the pressures of day-to-day delivery and operation versus level of detail and analysis required when dealing with small organisations (less than 10 employees). There seems to be very little requests on our social impact reporting or evidence in update meetings.”
To fulfil the investor’s reporting requirements Venturesome’s respondents need to collect hardly any extra information that they would not otherwise collect. With a rating of 1.0 (benchmark: 4.2) on a scale from 0 – no extra information to 10 – all is extra information, Venturesome ranks clearly below the cohort average.

Venturesome’s respondents say that if extra information is required Venturesome provides more support than most other investors in the cohort. The respondents’ rating of 7.2 (benchmark: 5.1) ranks Venturesome second in the cohort.
Most of Venturesome’s respondents say that Venturesome has provided a moderately thoughtful or very thoughtful response to their last report. With a rating of 6.4 (benchmark: 6.1) Venturesome ranks third out of seven and slightly above the cohort average.

On average, respondents of all investors say they have only a moderate understanding of how information reported to the investor is being used. With a rating of 5.4 (benchmark: 5.3) also Venturesome shows room for improvement in this aspect.
Venturesome’s respondents rate the strength of evidence of their social and/or environmental impact below average at 6.1 (benchmark: 6.5). This is despite their general strong focus on social and/or environmental objectives compared to the respondents of all other investors in the cohort.

74% of Venturesome’s respondents formally report what they have learned from their monitoring activities to their clients / beneficiaries (benchmark: 46%). This is a higher share of respondents than for any other investor in the cohort.
Section 6: Reporting

- 100% of Venturesome’s respondents currently collect feedback from their clients / beneficiaries to improve products or services (benchmark: 82%).
- Venturesome’s respondents most commonly used method to collect feedback from clients/beneficiaries is systematic feedback collection by themselves. 92% use this method (benchmark: 67%). 38% involve an independent third party to collect feedback (benchmark: 24%).
- Amongst the cohort, Venturesome has the biggest share of respondents that regularly review feedback data in management meetings.
- However, only 25% of Venturesome’s respondents track how corrective actions influence their feedback scores (benchmark: 36%). This is a smaller share than for any other investor in the cohort.
Section 7: General perceptions

Venturesome’s respondents rated Venturesome’s understanding of their organization’s strategy and context with a high 8.5 (benchmark: 7.8). This ranks Venturesome second in the cohort and resonates what respondents commented on the communications and working relationship with Venturesome above (see section on communications and interactions).
Section 7: General perceptions

1. Application requirements
2. Due diligence process
3. Investment structure
4. Non-financial support
5. Reporting requirements
6. Responsiveness when there is a problem
7. Knowledge and expertise of staff
8. Helpfulness of staff
9. Other
In five of the eight aspects Venturesome ranks highest in the cohort. Additionally, with 5.7, Venturesome is also ranked highest in the cohort for the average of all the aspects mentioned above (benchmark: 3.7).

Venturesome’s respondents rate their experience with Venturesome as better compared to their experience with other investors they have.

Particularly in those aspects that refer to communications and interactions with investor staff Venturesome is considered as much better than other investors Venturesome’s respondents have. This reconfirms the ratings respondents indicated in the survey’s section on communications and interactions.

Non-financial support and the investment structure are rated lowest compared to the other aspects listed above.
The average rating of Venturesome’s respondents for their overall satisfaction with Venturesome is 8.2 on a -10 to +10 scale, which is the highest in the cohort (benchmark: 6.6).

All investors received high scores on the question how likely it is that they recommended their investor to peer entrepreneurs. On a scale from -10 to +10, Venturesome’s respondents gave an average score of 8.2 (benchmark: 7.8) making Venturesome the third most likely to be recommend by their respondents. 96% of Venturesome’s respondents say it is likely that they would recommend Venturesome to their peer entrepreneurs who were seeking social investors (benchmark: 94%).

How respondents would describe Venturesome if it was a person:

- “A risk taker who has become a friend for life!”
- “Intelligent, organised, articulate, intuitive, busy. A successful big brother with a demanding family.”
- “helpful, someone that knows lots of other people, interesting to talk to”
- “A good friend - comfortable to praise, comfortable to criticise and comfortable in the quality of the relationship to know that they can do either and we will listen with equal weight.”
- “A well wishing person, their heart is in the right place, a bit stuck in their ways and not particularly decisive. Make promises that they don’t always keep.”
Section 8: Feedback on tailored questions

Most of Venturesome’s respondents have received an investment to develop organisational capacity. Least received start-up investments.
On a scale from 0 – not at all to 10 – very significantly, Venturesome’s respondents indicated that Venturesome was moderately involved in developing their investment proposals.

Asked to what extent Venturesome’s involvement in developing the investment proposal has strengthened the organization, respondents gave an average rating of 6.3.
• Asked how much pressure respondents felt to modify their priorities in order to create a proposal that would receive investment, respondents gave an average rating of 2.2.

• Asked how influential Venturesome is in shaping policy and practice in its field from their point of view, respondents gave an average rating of 6.7.
Section 9: Feedback on the survey

- Asked how likely they think it is that Venturesome will improve because of the results of this survey, Venturesome’s respondents rated Venturesome with 6.4 lowest in the cohort (benchmark: 7.4).
- With 4.2 on a scale from 0 – Not at all useful to 10 – Extremely useful, Venturesome’s respondents rated the usefulness of the survey lower than the respondents of any other investor in the cohort (benchmark: 6.6, range: 4.2 to 7.8).
- One respondent commented: “A good relationship with the account manager has meant we have fed back directly in detail (hence not a useful exercise for us today).”
Annex

Calculation of indices
Calculation of indices

The **Efficiency index** describes how respondents view the impact investor’s performance in building efficient operations including the quality of the application and due diligence process, the amount of interaction between investor and investee as well as the sufficiency of the financial investment to achieve the agreed upon objectives. The questions whose results are included in this index and their weights are as follows:

- Venturesome clearly explained the application and due diligence process, including the timeline for making an investment decision and what information would be needed. – 10%
- Overall, Venturesome’s application and due diligence process was excellent. – 10%
- The amount of Venturesome’s investment is sufficient to achieve what you agreed to achieve. – 20%
- The amount of contact with your Venturesome representative during the period of your most recent investment was... – 10%
- Venturesome is flexible and open to suggestions and criticism from us. – 20%
- Venturesome responds to our queries in a timely manner. – 10%
- To what extent does satisfying the reporting requirements of Venturesome require you to collect extra information that you would not otherwise collect? – 10%
- If collecting extra information was required, to what extent did Venturesome provide the support you needed to meet its reporting requirements? – 10%

The **Learning index** shows how respondents perceive the impact investor’s capacity in enabling learning and improvement. Amongst the individual ratings that are considered in this index are the impact investor’s perceived openness in discussing and addressing problems as well as how much impact investor’s processes and requirements help the investees in their learning. The questions whose results are included in this index and their weights are as follows:

- Venturesome’s application and due diligence process help us to manage our business better. – 10%
- We feel comfortable approaching Venturesome to discuss any problems we are having. – 20%
- We feel comfortable questioning Venturesome’s understanding or actions if we disagree with them. – 20%
- Venturesome listens and responds respectfully to our questions and concerns. – 20%
- How have Venturesome’s requirements to measure and report your financial returns helped you in your own learning and improving? – 10%
- How have Venturesome’s requirements to measure and report your social and/or environmental impact helped you in your own learning and improving? – 10%
- How well do you understand how Venturesome uses the information that you report to them? – 10%

The **Net Value index** summarizes investees’ perceptions on what value the impact investor provides beyond the finance. This includes both non-financial support as well as general perceptions of value added. The questions whose results are included in this index and their weights are as follows:

- Venturesome’s application and due diligence process help us to manage our business better. – 20%
- The non-financial support from Venturesome has resulted in significant improvements in our performance. – 30% (respondents who did not receive non-financial support were counted as if they gave a rating of 1)
- How have Venturesome’s requirements to measure and report your financial returns helped you in your own learning and improving? – 30%
- How have Venturesome’s requirements to measure and report your social and/or environmental impact helped you in your own learning and improving? – 10%
- Venturesome adds value to our business. – 10%
Calculation of indices

The **Transparency index** shows the perception of the investor’s openness in its communication with the investee. It refers mainly to relationship ratings (e.g. if the investor clearly communicates with investees) but also to transparency in terms how information provided by investees is being used. The questions whose results are included in this index and their weights are as follows:

- Venturesome clearly explained the application and due diligence process, including the timeline for making an investment decision and what information would be needed. – 10%
- We know the costs of the non-financial support we have received from Venturesome. – 10%
- We feel comfortable approaching Venturesome to discuss any problems we are having – 10%
- We feel comfortable questioning Venturesome’s understanding or actions if we disagree with them. – 10%
- Venturesome listens and responds respectfully to our questions and concerns. – 10%
- Venturesome is flexible and open to suggestions and criticism from us. – 10%
- Staff from Venturesome ask us for our advice and guidance. – 10%
- Venturesome’s staff are respectful, helpful and capable. – 10%
- How did Venturesome respond to your last report? – 10%
- How well do you understand how Venturesome uses the information that you report to them? – 10%

The **Credibility index** provides insight into how the investor is seen in terms of its peer standing and in relation to investee ideas of what capabilities a highly credible social investor should have. The questions whose results are included in this index and their weights are as follows:

- The amount of Venturesome’s investment is sufficient to achieve what you agreed to achieve. – 20%
- Venturesome’s investment was helpful in securing additional investment. – 20%
- How well does Venturesome understand your organization’s strategy and the unique context in which you work? – 20%
- From your point of view, how does your experience with Venturesome compare to your experience with other investors in each of the following areas? – 20%
  - Application requirements
  - Due diligence process
  - Investment structure
  - Non-financial support
  - Reporting requirements
  - Responsiveness when there is a problem
  - Knowledge and expertise of staff
  - Helpfulness of staff
- How likely do you think it is that Venturesome will improve because of the feedback from this survey? – 20%

The **Satisfaction index** summarizes respondent’s views on the investor’s added value, the respondents’ overall satisfaction, as well as how likely the respondents would be to recommend the impact investor to peer entrepreneurs. The questions whose results are included in this index and their weights are as follows:

- Venturesome adds value to our business. – 25%
- Overall, how satisfied are you with your experience with Venturesome. – 50%
- How likely would you be to recommend Venturesome to your peer entrepreneurs who were seeking social investors? – 25%
Keystone helps organisations develop new ways of planning, measuring and reporting social change. We focus on feedback and constituency voice.

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