



FRII's Quality code; Impact Report

As a member of FRII (Frivilligorganisationernas insamlingsråd), Reach for Change reports towards FRII's Quality code, including FRII's Impact Report. The following report is describing Reach for Change's operational year 2014.

Reach for Change, 802426-5590, Foundation.

What Reach for Change tries to achieve:

Reach for Change Foundation is a non-profit organisation founded by the Kinnevik Group and Sara Damber to improve children's lives. Reach for Change finds and develops *Change Leaders* - local social entrepreneurs with innovations that solve pressing issues facing children. Launched in Sweden in 2010, Reach for Change is now present in 16 countries on three continents, supporting more than 50 Change Leaders globally. The foundation is steadily moving into more markets and increasing its global impact.

The goal of Reach for Change's support is to help the social entrepreneurs to develop and scale financially sustainable organizations that will bring significant impact to millions of children all over the world - especially those in disadvantaged positions - by ensuring that they are better educated, in better health, better protected and rehabilitated, and better integrated and able to participate in society and join the workforce.

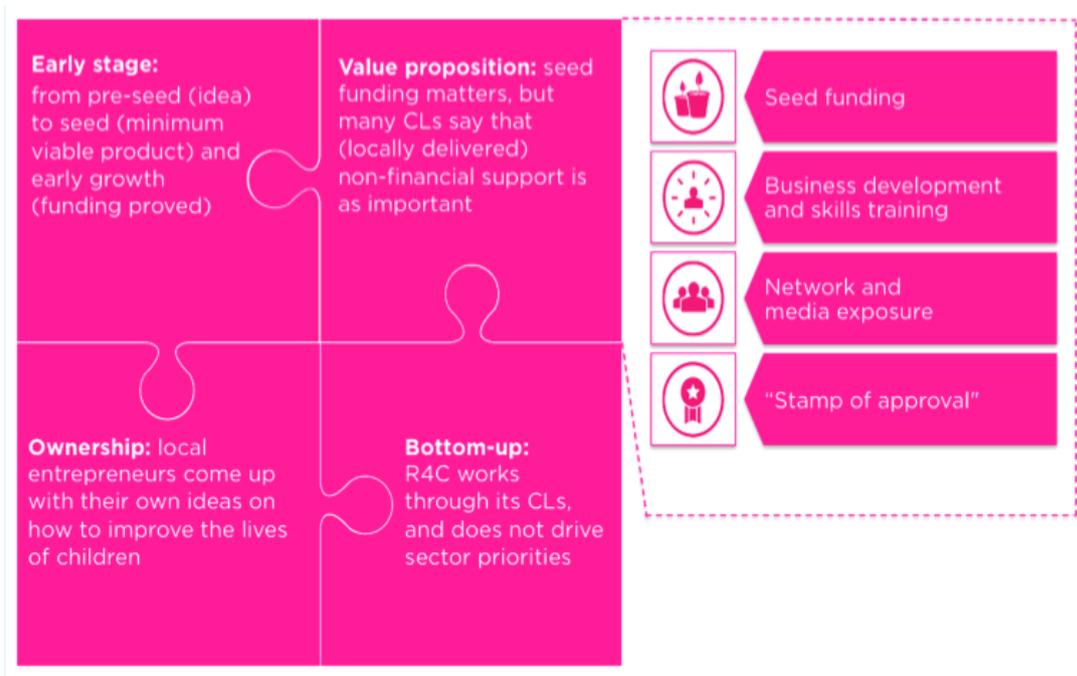
Reach for Change's strategies to achieve the purpose:

Reach for Change believes that social entrepreneurs are valuable catalysts who can help address social challenges innovatively and that the highest impact can be achieved through early-stage investments. Reach for Change find people that are passionate about creating a better world for children and who have an innovative idea on how to do it, but need support to realize it. This is where Reach for Change contribute value - by helping them succeed.

The Reach for Change runs an Incubator that offers Change Leaders seed funding, business development & skills training, network & media exposure, and credibility. The seed funding aims to give Change Leaders the opportunity to work full time building their organization. The business development & skills training consists of advisory sessions, coaching, trainings and tools in areas such as strategic planning, impact evaluation and leadership. Reach for Change recognizes a special value on



transferring skills from the business sector to the social sector. Therefore, entrepreneurs in the Incubator program gets connected with personal advisors from Reach for Change’s corporate partners who provide business expertise and strategic advice. Closely connected with this is access to a vast network and key relationships both locally and globally. The last building block of the Reach for Change’s value proposition to Change Leaders is credibility. Making it through Reach for Change’s highly competitive selection process serves as a stamp of approval, and being named a Change Leader in many cases opens doors to new opportunities and investors.



Reach for Change’s capacity and expertise:

Reach for Change provide support in local incubators, for local social entrepreneurs, by local staff through a global program.

The tools of the incubator program have been developed through global experience and best practice on the field, but also advice and mentorship from the local business partners adapted to the context the social entrepreneur operated within. The implementation of the program is the local Program Manager’s responsibility.

Each program manager is trained and coached by regional and global staff and they all contribute their experience to jointly evaluate and improve the programs further



together with a global program development team. The Program Managers also deliver local knowledge, expertise and network that can help the social entrepreneurs build relationship with key influencers in the business, NGO or governmental sectors. In 2014, Reach for Change had on average 31 employees, spread over 16 countries to support 59 Change Leaders in the Incubator and 105 social entrepreneurs in total. All Change Leaders are also connected to each other, to leverage a bigger network of expertise in how to start and run a social enterprise.

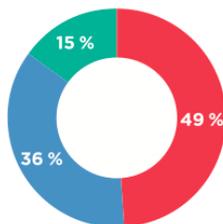
The combination of Reach for Change’s global knowledge, efficient tools and the local expertise and network is the basis of its success.

Reach for Change’s programs are delivered in close collaboration with partners from the corporate, social and public sectors. The partnerships not only generate funding for programs, they also bring invaluable resources such as business expertise, network and media exposure. Reach for Change engaged 1,111 co-workers from the partner organizations that voluntarily engaged in the effort of finding and developing social entrepreneurs.

The revenue during 2014 were SEK 36.7 millions. The external operating expenses were SEK 23.3 millions (incl. grants paid to Change Leaders), and personnel costs were SEK 13 millions.

Cost per region

- Northern Europe
- Africa
- EECA



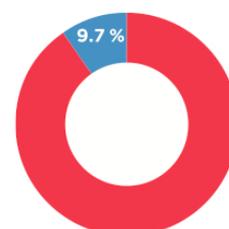
Reach for Change financial resources are spread across regions depending on needs. In the diagram below you can see the costs per region during 2014 as of the total budget.

During 2014, administrative costs were only 9.7 % of Reach for Change’s total spending. The remaining 90.3 % were spent towards its objectives, i.e., going to the organization’s core operations.

Reach for Change is channelling its financial resources efficiently to improve and help their different operations to move forward and the high share of “investment in objectives” shows this clearly.

Spend on objective vs administration

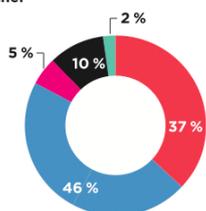
- Investment in objectives
- Administration





Revenue sources

- Stenbeck foundation (HSS)
- Other founding partners
- Other programs
- Social and public collaborations
- Other



Reach for Change has a number of different revenue sources. The biggest financial partner is the Stenbeck Foundation (HSS), which contributes 37 % of Reach for Change's funding.

Reach for Change's organizational context:

Reach for Change works with partners from the public, corporate and social sectors. In the countries of operations, it cooperates with local partners and local staff, which provides it with local insight and the entrepreneurs with valuable local networks. Reach for Change co-design its incubator programs in close partnership with the business sector, e.g. the Kinnevik group. The partner companies' staff delivers core modules of the support towards the social entrepreneurs, e.g. advice, mentoring, marketing and exposure.

Reach for Change also collaborates with other non-profit players: in identifying pressing issues in the markets, finding and validating innovations to invest in, and sometimes through running programs together, e.g., Unicef in Ghana or Postkodsstiftelsen in Sweden.

Building relations with the public sector in partnership with the social entrepreneurs are key to both understanding the countries Reach for Change work with, but also to be able to implement solutions and deliver impact on a bigger scale. This unique combination of partnerships provides Reach for Change with a particular edge.

Reach for Change is part of a wide international field of "Venture Philanthropists" and organizations working with social entrepreneurship and/or impact investment, and strives to be a prominent and innovative organization within that field. As a member of The European Venture Philanthropy Association (EVPA), Reach for Change contributes its experience and develop methods of achieving social change for all working within the field. EVPA and Reach for Change partner in tool development, e.g., through being part of developing EVPA's new non-financial support manual, as experts in the field. Reach for Change is also providing a case study on impact measurement, to help improve EVPA's impact measurement guidelines. EVPA in its



turn provides Reach for Change with a vast network, peer-to-peer learning as well as valuable research.

In Sweden, Reach for Change is part of a collaboration called Samverkansgruppen. Samverkansgruppen is a group consisting of, among others, Reach for Change, Ashoka, Leksell Social Ventures, MSI, Inkludera Invest, CSES and the Impact Hub. Together, this group is aiming to build the social entrepreneurship ecosystem in Sweden. The group meets every other month to strengthen the network of players in the field, discuss challenges and opportunities and find common areas of interest in which they can collaborate.

In Africa, Reach for Change is launching the African Social Entrepreneurship Network (ASEN). This network will bring together high impact social entrepreneurs to learn from each other, conduct research to broaden understanding of the social enterprise landscape, raise financial investments for social entrepreneurs and provide an organized group to engage and develop strategic partnerships with international donor agencies, sector experts, governments and corporations both nationally and regionally.

How Reach for Change track progress:

If the entrepreneurs in Reach for Change's portfolio succeed and make progress, then so does Reach for Change. Reach for Change takes great pride in the thorough and extensive method it has developed to measure their impact and development. The collection of impact data in a credible manner is challenging in some of its markets, since they have different infrastructures and conditions for documentation. On top of this, the issues that the entrepreneurs are addressing vary greatly

To work around these challenges, Reach for Change uses a wide variety of both quantitative and qualitative data collection methods to maximize the understanding of the achieved impact. Qualitative methods include interviews and story collection with entrepreneurs and children, as well as field visits to the sites where the entrepreneurs carry out their work. Quantitative methods include collecting data through an online social impact reporting platform where entrepreneurs provide quarterly reports on selected indicators. There are also annual surveys to both Change Leaders and applicants, in order to understand how they are impacted, as well as to allow them to evaluate Reach for Change's support. Additionally, the senior management of the business partners that acts as advisors to the Change Leaders are surveyed, to capture their perception of what it is that drives impact.



Reach for Change recognizes the deep value of constant monitoring and evaluation with the main purpose to demonstrate that programme efforts have had a measurable impact, and to learn from experiences to improve practices and activities in the future. The quarterly reporting on selected indicators provides Change Leaders as well as Reach for Change an indication of their own organizational development, and gives Reach for Change the opportunity to develop its program to make sure that the organization gives the best and the right kind of support to its entrepreneurs (to enable more children being supported and opportunities to develop in terms of system change). These quarterly reports are closely audited by Reach for Change staff to make sure that Reach for Change, as an organization, supports their entrepreneur to reach the end goal, each quarter.

Reach for Change uses the following indicators to measure its impact.

Indicators for impact on entrepreneurs:

- **Applicant Continued Idea Development.** Indicates to what extent the application process encourages and enables applications to continue to develop their ideas.
- **Change Leader Development.** Captures two perspectives of the entrepreneurs' development: strengthening of organizational capacity as well as scaling of social impact.
 1. **Annual Turnover.** Indicates the financial sustainability of the entrepreneurs' organization. Loans and Reach for Change funding are not included.
 2. **Human Resources.** An indicator of the size of the entrepreneur's organization and operations. It is defined as either employees or volunteers.
 3. **Geographical Footprint.** An indicator of reach where each entrepreneur has selected a footprint unit that is appropriate for their operation.
 4. **Children Supported.** Indicates how many children the entrepreneur has supported during the reporting period. The children shall as a direct (face-to-face provided support) or indirect (support provided through something/someone else than the entrepreneur or their staff, for example an app or school teachers) result of the activities of the entrepreneur have had increased opportunities to have their rights fulfilled in accordance with the UN Convention of the Rights of the Child. Each entrepreneur must verify this number with documentation. Reach for Change defines children as individuals below 18 years of age.



Indicators for impact on children:

- **Outcomes** signify the specific change that each entrepreneur aims to achieve for their target group. Outcome indicators signal progress in the targeted outcome.

Indicators for impact on society:

- **Key Influencers** is an indicator of to what extent influential individuals in society are engaging with Reach for Change and the Change Leaders. Key influencers are people that influence society and/or opinion, i.e., have the power to affect structures in society or what other people think, including politicians, celebrities and experts.
- **Ideas submitted** indicates how many aspiring entrepreneurs that are activated through Reach for Change's challenge campaigns. It measures the number of unique applications to Reach for Change's Incubator program.
- **Unique votes indicates** the level of public engagement in Reach for Change's selection process, when Reach for Change invites the public to engage in the selection process by voting for their favorite candidates. Votes are submitted online or via text message. Typically, a maximum of one vote per voter, candidate and selection process is counted.

Indicators for impact on partners:

- **Partner Key Executives Satisfaction** indicates the level of satisfaction with the collaboration among key decision makers in Reach for Change's partner companies. They are defined as the individuals in each organization with decision-making power over the collaboration with Reach for Change or direct influence on success of the collaboration.
- **Partner Co-workers Engaged** are individual co-workers from Reach for Change's founding and senior partners who are actively engaged in the mission, either through participating in Reach for Change activities, or contributing to its organization by helping with contacts, services, expertise, screening applications, money or by spreading the word about Reach for Change.

All of these indicators help Reach for Change to evaluate the operations in all markets against its purpose.



The Reach for Change impact 2014

2014 was an important year for Reach for Change. It was the most expansive year in the organization's history. Reach for Change opened up operations in seven new countries and supported almost one million children spread over three different continents. Throughout 2014, 59 Change Leaders across 10 countries were supported through the Reach for Change Incubator. In addition to these Change Leaders, 36 new social entrepreneurs were invited to the program at the end of the year. Including participants in the Lab program, a one-year light touch support program, a total of 105 social entrepreneurs were supported by Reach for Change in 2014.

In 2014, the Change Leaders in Reach for Change's Incubator impacted 941,616 children. These children have been helped by the Change Leaders to receive the rights that they are entitled to. The illustration below shows the number of children supported across Reach for Change's six investment themes:



The illustration below shows the number of children supported across Reach for Change's three geographic regions:



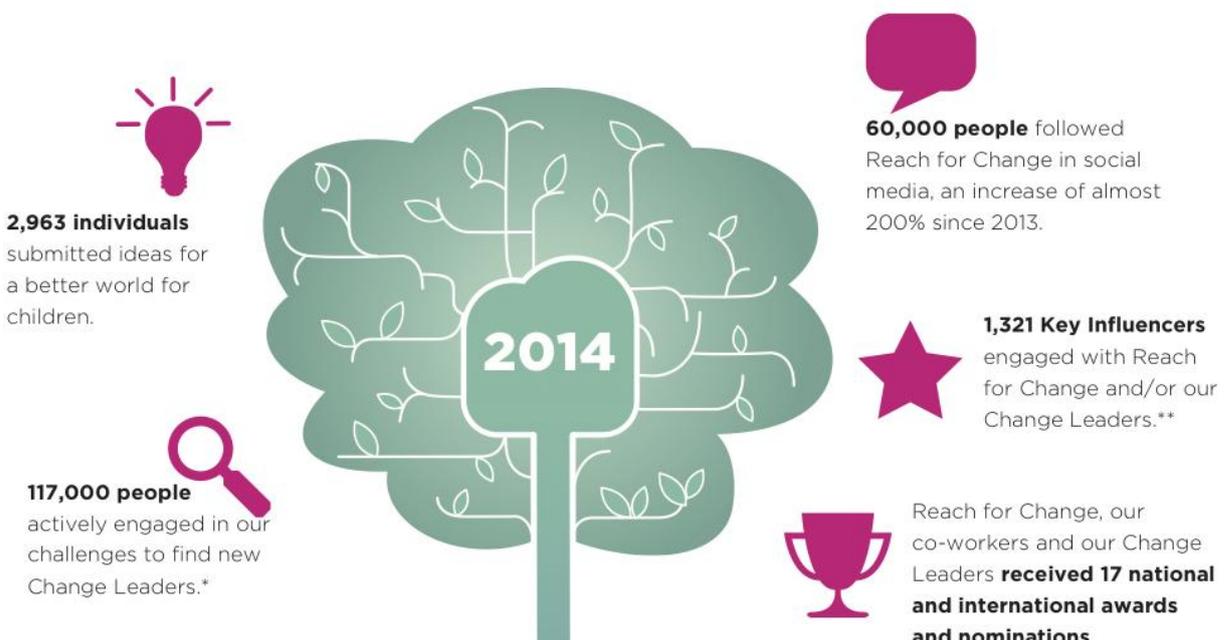


All Change Leaders in the Reach for Change Incubator works toward creating change beyond individual lives, through changing the underlying system creating the problem that they are addressing. This way, the entrepreneurs aim to create an everlasting impact on society. To give some examples, Swedish Change Leader Georgios Karpathakis (founder of Underbara ADHD) spreads information through various channels in order to influence public knowledge and attitude towards people with ADHD. In DRC, Congolese Change Leader Naomi Kuseyo (founder of ONGD Naomi Les Écoles du Coeur) works to improve access to education for hospitalized children. However, beyond increasing access by starting schools inside hospitals, she lobbies to strengthen the legal rights to education for these children.

To extend the impact beyond the individual change that the Change Leaders create, Reach for Change work to create visibility and public engagement around social innovation for children. This is done primarily in three ways:

- **Challenging individuals** to come up with innovative ideas through Challenge campaigns.
- **Inspiring change** by highlighting Change Leaders as role models, showing that change is possible.
- **Strategically engaging with Key Influencers** in society, e.g. through events and conferences such as the C10 Summit.

Below are some of the results of the work to create visibility and public engagement in 2014.





In 2014, **1,111 co-workers** from Reach for Change's partner organizations actively engaged in its work. In a survey conducted with key executives in the partner organizations, **71 percent stated being very or extremely satisfied** with the collaboration with Reach for Change (another ca 20 percent identified themselves as satisfied with the collaboration)

It is still too early to assess whether or not all factors that makes Reach for Change what it is today are helping to reach the long-term goal. In the future, an evaluation of the entrepreneurs exiting the program as alumni will be conducted to get a clearer understanding on whether or not the program actually works in terms of helping them create system change. Closely connected to this is the factor that it is actually too soon to do an in-depth study of the effects on society. Reach for Change has only existed in this form since 2010. To evaluate changes on society from 2010-2014 is therefore not going to give a fair or accurate result.

From Ghana to Sweden, all entrepreneurs in the Reach for Change Incubator are creating change for children. Reach for Change is looking forward to years to come of social change to be able to assess even further how the work can improve and how its effect on the entrepreneurs in the program in turn affects society.