Success Metrics & Sustainable Business Models in Social Innovation Design Firms

A thesis submitted to the School of Visual Communication Design, College of Communication and Information of Kent State University in partial fulfillment of the requirements for the degree of Master of Fine Arts by Jordan AG. Kauffman

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# TABLE OF CONTENTS

ACKNOWLEDGEMENTS ....................................................................................................................... v

LIST OF FIGURES ............................................................................................................................... vi

CHAPTER I: INTRODUCTION .................................................................................................................. 1

CHAPTER II: RESEARCH METHODS AND METHODOLOGY ................................................................. 2

  Assumptions ........................................................................................................................................ 2
  Primary and Secondary Research ......................................................................................................... 2
  Limitations .......................................................................................................................................... 4

CHAPTER III: DESIGN ........................................................................................................................... 5

  Introduction ....................................................................................................................................... 5
  Social Innovation Design ..................................................................................................................... 5
  Design for Social Good ......................................................................................................................... 7
  Chapter Synthesis ............................................................................................................................... 8

CHAPTER IV: BUSINESS MODELS ......................................................................................................... 9

  Introduction ....................................................................................................................................... 9
  Three Overarching Business Types .................................................................................................... 9
  For-profit Business Models ................................................................................................................. 15
  Nonprofit Business Models ................................................................................................................ 23
  Chapter Synthesis ............................................................................................................................... 34

CHAPTER V: SUCCESS METRICS AND EVALUATION MODELS ....................................................... 35

  Introduction ....................................................................................................................................... 35
  Design and Impact Measures .............................................................................................................. 38
  Methods and Models Being Used ....................................................................................................... 45
  Chapter Synthesis ............................................................................................................................... 69
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LIST OF FIGURES

Figure 1: Basic Logic Model .............................................................................................................. 46
Figure 2: Situation and Priorities ...................................................................................................... 48
Figure 3: Inputs .................................................................................................................................. 49
Figure 4: Outputs ............................................................................................................................. 50
Figure 5: Outcomes .......................................................................................................................... 52
Figure 6: Assumptions ...................................................................................................................... 53
Figure 7: External Factors ................................................................................................................ 54
Figure 8: Key Evaluation Questions ............................................................................................... 55
Figure 9: Indicators .......................................................................................................................... 56
Figure 10: Basic Pathway of Change .............................................................................................. 58
Figure 11: Four E Framework ......................................................................................................... 67
CHAPTER I. INTRODUCTION

Over the last 20 years, the world has seen the rise of social entrepreneurship, a greater call for corporate social responsibility, and the rise of the socially conscious millennial. This focus on global social good has helped to revitalize the application and discussion of the impact that design can have on addressing wide scale social problems. With this revitalization has come a new field within the broader design profession, called social innovation design, that could be used to help solve these problems, yet it is lacking in wide spread support and acceptance both within and outside the design profession. Some of this lack of support is due to the fact that the term design for social good has become a buzzword at the same time. These terms refer to two separate fields but have been used interchangeably. This has created a confusing and fractured environment, where no one truly understands for certain what is meant when these terms are used. Because of this fragmentation, the design field has lagged behind other fields in promoting its value as a strategic tool in solving some of the world's biggest and most wicked problems. In order for social innovation design to gain broader acceptance and support, designers need to adopt and integrate impact measurement methods into their design processes.

This thesis will begin by defining the terms social innovation design and design for social good as they are used in this thesis. After establishing these two key terms it will take an indepth look at the broad business types with their strengths and weaknesses, and the corresponding business models used in the social innovation design field. Finally, it will look at success metrics and the evaluation models being used in social innovation design and explain why integrating evaluation models into the design process is key for creating lasting social impact and change.
CHAPTER II: RESEARCH METHODS / METHODOLOGY

Assumptions

Assumptions play an important role in any research or design project and that was especially true in this author's experience. The following assumptions helped to guide the early stages of research and provided a starting place for the author in developing questions used during the primary research:

- The design industry needs to look to other fields for evaluating the impact of their work
- Nonprofits needing visual communication design services can’t afford to pay for those services
- Design firms are measuring the impact of their work but don't know how to communicate it with the broader public
- A nonprofit model is not financially viable in the design field

Some of these assumptions were proven correct by the research while others were conclusively proven incorrect. Throughout the research process for this thesis, new assumptions and questions were developed that helped to shape this final product.

Primary and Secondary Research

Comprehensive interviews were conducted with a variety of participants working at social innovation design firms of various sizes and geographic locations. Interview participants included designers, evaluation experts, and design firm founders. These individuals and design firms were chosen on the basis of their work in the social innovation design field and their level of involvement in promoting this field to the broader design and public communities. Interviews typically lasted between forty and seventy minutes and were conducted either in person or over the phone. All interviewees were asked the same questions regarding sustainable business models and project evaluation methods in social innovation design (See Appendix A for the list of questions used). Additional questions were asked during some interviews depending on the interviewees’
professional experiences and expertises. The qualitative data from the interviews was used to guide additional secondary research which was helpful in furthering this thesis.

The author also engaged in a week long studio embed at a small to medium sized design strategy consultancy engaged in social innovation and design for social good work in the midwest to better understand the difference between these fields of work, and to gain insights into the running of a financially sustainable design firm. This firm was chosen for its proximity to the author’s home, its level of success and notoriety in the design industry for doing both social innovation design and design for social good work, and due to the willingness of the firm’s owner to allow the author to shadow and interview their staff throughout the week. The unique experiences and qualitative data from this experience helped the author draw the distinction between social innovation design and design for social good, and influenced the questions asked during comprehensive interviews with experts in this field.

Secondary research centered on literature reviews in two areas: evaluation methods being used in social innovation design and in the parallel fields of social work, community organizing, public health, and education; and for-profit and nonprofit business models and management. The summative publication from the 2012 Social Impact Design Summit co-sponsored by the National Endowment for the Arts, the Lemelson Foundation, and the Cooper Hewitt, Smithsonian Design Museum, provided the starting point for insights into the broader social innovation design field and into parallel fields of interest (Lasky, 2013).

The end result of this research is a thesis influenced by interviews and personal experiences in professional design practice and in the nonprofit industry, and secondary research covering human-centered design, social entrepreneurship, business models, nonprofit management, and evaluation methods in the social sciences.
Limitations

The research conducted for this study faced multiple limiting factors that would be addressed in future studies related to this topic. The primary research was limited to individuals and organizations that responded to the author's inquiries and were able to be interviewed either in person or over the phone. Overall, time was the largest limiting factor and impacted the research in the number of interviews conducted and testing of the evaluation methods.
CHAPTER III. DESIGN

Introduction

Design is a very complex word with multiple meanings. There are many different fields within the overarching umbrella of design. For example, there is visual communication design, interior design, service design, experiential graphic design, user experience design, architecture, engineering, industrial design, and many more. The thing that holds all of these different fields together is the idea that design is a problem solving process that results in a final solution or outcome.

In this paper, design is used to describe both a problem solving process and as an act of developing outcomes. Specifically, this thesis looks at the field of social innovation design and dives deep into the sustainable business models and evaluation methods being used in this dynamic field. The broader design industry uses numerous terms or labels to describe designers and their work for nonprofits, the social sector, and other organizations with a social mission at their heart. This variety of terms has resulted in a fragmented and confusing landscape. Due to this reality, the terms social innovation design and design for social good are used in this thesis to describe two connected yet distinct fields of design practice.

Before delving into sustainable business models and evaluation methods it is imperative to understand what social innovation design and design for social good mean, how they are connected, and how they are different from each other. These two definitions provide clarity and understanding for the rest of the thesis.

Social Innovation Design

There are many different terms for design with a focus on the social sector. For example, there is social design, socially responsible design, design for social good, design for good, design for the other 90%, social impact design, design for social impact, and social innovation design. Each of these terms have different histories and connotations, which has often resulted in confusion and
fragmentation in public awareness of the field of social innovation design (Lasky, 2013, p 6). This reality was voiced at a gathering of design practitioners, educators, funders, and partners at the Social Impact Design Summit in February 2012 (Lasky, 2013, p 6). At this gathering, a stronger call for clear definitions of this type of work, standards of evaluation, and publicity was put forward. From this summit, there has been continued refinement and development of the field of social innovation design.

According to Cheryl Heller, chair of the Design for Social Innovation MFA program at the School of Visual Arts in New York City and one of the leading voices in this field, social innovation design is defined as the design of the relationships between people, things (or physical objects), and systems instead of only the things themselves (Heller, 2014, p 40). Heller's definition describes social innovation design in very broad strokes that works well in theory but not as well in practice. For example, Heller's definition can also be used to describe the design disciplines of interaction design and user experience design, as they both focus on the 'relationships between people, things, and systems'. Social innovation design is the overarching umbrella that utilizes service, system, experience, and program design, along with more traditional visual communication design tools and a human centered approach to bring about positive social change in the world. This human-centered approach, also called human-centered design, is "an approach that puts human needs, capabilities, and behavior first, then designs to accommodate those needs, capabilities, and ways of behaving." (Norman, 2013, p 8). According to Tim Brown, CEO of IDEO, and Jocelyn Wyatt, executive director of IDEO.org, the traditional approach designers and their partners have used to develop services, products, and initiatives weren't truly based on their client's or customer's needs, resulting in poor implementation and no long-term success for social sector projects (2010). The human-centered approach is best suited for creating successful solutions that are desirable, feasible, and viable for all involved in the process (IDEO.org, 2015a, p 14).

Human-centered design has been popularized and championed by design strategy and consultancy firms like IDEO, frog, and many others. In 2009, IDEO and International Development Enterprises (iDE) developed and released the influential and industry changing Human-Centered
Design Kit to help spread the knowledge of this approach to other nonprofits, nongovernmental organizations (NGOs), the social sector, and the broader design community (Nydam, 2016). The latest version of the Human-Centered Design Kit includes an introduction to the human-centered design process, the seven mindsets of a human-centered designer, 57 different methods that can be used to inspire, ideate, and implement a project, and three different case studies from IDEO.org (IDEO.org, 2015). The proliferation and awareness of human-centered design, along with numerous prominent museum exhibitions like the Cooper Hewitt’s Design for the Other 90% in 2007, the launching of social innovation design degrees at universities like the School of Visual Arts and the Maryland Institute College of Art, and the implementation of human-centered design initiatives at prominent international organizations like the Bill & Melinda Gates Foundation and the Clinton Global Initiative (Roper, 2013; Cary, 2014) have helped to elevate social innovation design within the design community as well as the broader public. With this prominent role has come an increased focus on determining the true impact of social innovation design within the design community and the broader public.

Design for Social Good

Another term that continually comes up in connection to social innovation design is the term design for social good. This term, like social innovation design, is extremely broad and has many different meanings depending on the context. For the purposes of this thesis, design for social good refers to design firms that are focused on visual communication design services for nonprofits, social entrepreneurs, socially conscious for-profits, and any other type of organization with a social mission at its core. Design for social good projects include traditional branding, marketing, advertising, print, and web focused work. Another way of thinking about design for social good is a focus on creating or developing artifacts to help a client create more or better awareness for their organization, raise more funding or increase profits, and to better communicate their story to their
target audience. Design for social good does not include service, program, systems, interaction, or experience design work. In contrast, social innovation design is focused on those areas of the broader design field.

**Chapter Synthesis**

The difference between social innovation design and design for social good is extremely important when determining sustainable business models and when evaluating the success or impact of the work. Each of these terms describe different areas within the broader design field that are connected to each other as they are utilizing design to help create a better world. Design for social good focuses on design as artifact making, while design for social innovation focuses on design as process and strategy to help develop systemic solutions to large social problems. For example, a new visual identity system for a nonprofit food pantry is considered design for social good, while a new program, service, or product co-developed by a designer and the nonprofit food pantry is an example of social innovation design. The distinction between these two terms is extremely important as they help to define and describe different areas and views of design within the broader design field.
CHAPTER IV. BUSINESS MODELS

Introduction

There are many different types of business models being used in the social innovation design field, from for-profit to nonprofit to a hybrid for-profit/nonprofit. Within the for-profit and nonprofit types there are even more models that became evident through this research. Regardless of the model chosen by each social innovation design firm, there are key basic principles that underlie them all. All models must be financially viable and sustainable, there needs to be a steady supply and demand for the services offered by these organizations, and they must have a social mission at their core.

Three Overarching Business Types

There continues to be an ongoing discussion in the social innovation design world about business types and sustainability. As a part of this discussion on business types there is a focus on being either a for-profit or nonprofit design firm and which of those two types is best for firms wanting to make an impact on their communities and the broader world. This section looks at the advantages and disadvantages to these broader business types, and provides a look at how some design studios are utilizing a hybrid of these two types.

For Profit.

Most design firms around the world fall into the private for-profit model of business. A for-profit business is a private business with the sole purpose of making a profit, or “a financial benefit that is realized when the amount of revenue gained from a business activity exceeds the expenses, costs and taxes need to sustain the activity.” (Investopedia, n.d.). There are numerous advantages to being a for-profit design studio in comparison to being a nonprofit.

One of the biggest advantages in a for-profit is how easy it is to legally set up in comparison to the process for a nonprofit. Depending on the type of business structure being utilized, there are various amounts of forms to complete before a business is officially established. Designers who
are working by themselves can set up a sole proprietorship which, depending on the state, takes the least number of forms compared to the other business structures. For example, in the author’s home state of Indiana all a person needs to set up a sole proprietorship is to register the assumed business name the state and the city governments. If a business is being established out of a home, a conditional use form must be filed with the city, and an application for a Federal Employer Identification Number (EIN) must be filed with the United States Internal Revenue Service (IRS) (U.S. Small Business Administration [SBA], n.d.a). Some designers might choose to register their business as a limited liability corporation (llc) instead of a sole proprietorship as it gives the business owner the ease of pass-through taxation with the limited liability of a corporation (SBA, n.d.b). The steps to setting up an LLC are very similar to setting up a sole proprietorship with the additional steps of registering a business with the Indiana Secretary of State office and the Indiana Department of Revenue (inBiz.in.gov, n.d.). Along with the easier start up costs in both time and money, for-profits also have easier access to available start-up funding than nonprofits (Rose-Ackerman, 1990; Hansmann, 1980).

For-profit organizations have multiple options they can pursue for funding during their start-up phase compared to nonprofits. For-profits can sell equity shares to investors, obtain loans from banks, and there are even some government grants available for businesses that meet certain criteria (Hansmann, 1980). Nonprofits, on the other hand, are not allowed to sell equity shares, are much less likely to obtain a bank loan due to the inherent unreliable funding most nonprofits experience when they are founded, and most new nonprofits are ineligible for grants from foundations right at their founding (Rose-Ackerman, 1990; Hansmann, 1980). The access to start-up funds in the beginning is an example of the inherent flexibilities for-profit organizations have in comparison to nonprofit organizations.

A for-profit company is able to pivot more quickly, take on almost any projects or clients, and overall is more flexible in multiple ways compared to a nonprofit. During one interview with an owner of a fairly young and small design firm working with both for-profits and nonprofits said, “In some ways it is more flexible to not be the nonprofit because then people aren’t worried about
‘Are we doing enough of the right kind of work to maintain our tax exempt status?’” This same sentiment was reflected in some of my other interviews with other design studio owners. For-profit design firms are also able to work with numerous clients in the social sector without having to provide services or programs impacting certain populations. The studio’s social sector clients are the ones who provide the services and programs allowing the studio to focus on supporting their social sector clients through their tools and methods. Another flexibility trade off is in the decision-making process. Nonprofits are legally required to have a board of directors accountable for the organization’s decisions and initiatives, while in for-profit organizations the owners and founders are accountable for all decisions (Herman & Renz, 2004). Ultimately, the flexibility a for-profit business model offers can be foundational to other endeavors in the future of a company.

For-profit companies are able to bypass the strict financial and overall government oversight required for nonprofits to maintain their tax exempt status. Nonprofits have strict best practices for transparency and accountability, including annually filing Form 990s with the IRS that are then publicly available; reporting on the success of their programs or initiatives to donors, foundations, associations, and accreditors; and following a variety of guidelines implemented by charity watch organizations like Charity Navigator, Better Business Bureau Wise Giving Alliance, and GuideStar in order to maintain a high level of transparency with the public (Jones, 2013). Another key benefit to being a for-profit is the profits the company makes are distributed to the owners and shareholders and are not required to be reinvested into the organization or the services it provides (Jones, 2013).

Even with the number of key advantages to being a for-profit, there are also some disadvantages when compared to being a nonprofit. There are more and more organizations willing to provide grants to for-profit organizations with a social mission at their heart. However, there are still more grants available from the government and various foundations only for nonprofits. Several interviewees said they have started to partner with nonprofit organizations they want to work with by helping to co-write grant applications to support the nonprofit in their mission. By co-writing a grant application, the designer or design studio is not the organization receiving
the grant but will be hired on as a contractor for stated services. Multiple interviewees stated they have begun offering help in finding and soliciting funding and grant writing to their partners/clients as new services. By offering up these new services to nonprofits, these design studios are becoming more than just a service provider but are becoming true partners with the nonprofits in their missions. A for-profit design studio can make an impact on a nonprofit while still getting the benefits of the government regulation (or lack of regulation) put on for-profit organizations or companies. However, nonprofits may not view for-profit design firms as an equal partner in the same way they would another nonprofit because a for-profit design firm may not truly understand the day-to-day difficulties faced by a nonprofit.

**Nonprofit.**

There are numerous advantages to being a nonprofit design studio in comparison to being a for-profit design studio. One of the largest advantages to being a nonprofit is the federal, state, and local tax exemptions. The United States tax code has built-in measures to support and incentivise philanthropy in the form of charitable giving deductions for individual and corporate donors. Another advantage a nonprofit design firm has over a for-profit firm is the ability to directly apply for grants to support the firm’s work. A for-profit firm will have a harder time obtaining grant funding if they are the sole author of a grant application.

The nonprofit industry’s focus on transparency and accountability has helped to create a growing emphasis on and expectation for impact evaluation within the industry and the broader public. This provides an advantage for nonprofit design firms over for-profit firms in access to resources for evaluation work in nonprofits, and an expectation from clients and funders that nonprofit firms will be actively involved in evaluating the impact of their work and communicating their findings to the public. This expectation and support from the partners is not as prevalent in for-profit firms. This is one of the most intriguing and insightful findings from this research. Going forward this is one area that could be further researched to determine if this true across this field. Along with evaluating their work, nonprofit design firms are also able to engage more people in their mission compared to for-profit firms.
Accountability and transparency are key tenets of nonprofits, and are especially important to nonprofit design firms in educating the broader public about the important work they do. As stated earlier nonprofits are required by law to submit yearly financial documentation called Form 990's to the United States Internal Revenue Service and these documents are required to be publicly available for anyone to view. This increased transparency and the structure of the nonprofit charter have been shown to make many view nonprofits as more trustworthy than for-profits (Aaker, Vohs, & Mogilner, 2010; Hansmann, 1980).

Financial disclosure documents are not the only way nonprofits build accountability and transparency with the broader public. One of the key legal requirements for a nonprofit is to have a volunteer board of directors. This increases the number of people who are aware of a nonprofit’s mission, the number of people involved in shaping and guiding the mission, and the number of people who are actively engaged in bringing the mission to fruition. With the increase in people engaged in a nonprofit’s mission there also comes an increase in accountability and transparency.

**Hybrid For-profit / Nonprofit.**

"Your company can be a pillar of strength, because it is profiting. That can help you do nonprofit things. Sort of like a foundation that you can build around and on top of.”

– owner of a small for-profit design firm

For-profit design studios are able to use their profits to start other initiatives or organizations to provide a specific service to a community in need. Their profits support these new ideas and entities while not impacting the original legal structure of the business. If a nonprofit wants to start a new program or service they need to be sure the new initiative is not outside their nonprofit charter and won’t jeopardize their tax exempt status. Through this research a number of for-profit design firms emerged that have leveraged their companies in this way.

Rule29, a creative strategic consultancy in Chicago, Illinois has a program they call GIVE, which is an initiative where Rule29 commits 20 percent of their time and resources (free or at a discount) to causes, ideas, and initiatives that help create a healthier, more equitable, more
sustainable, and more welcoming world (Rule29 | Give, n.d.). One initiative they support through their GIVE program is Wheels4Water. Wheels4Water was founded by Justin Ahrens, Rule29 co-founder, and Brian McDonald, founder of Wonderkind Studios, and a group of their friends to help fight the worldwide water crisis by “hopping on their bicycles to raise funding and awareness.” (Wheels4Water, 2017). Since their first ride in 2014 they have raised over $200,000 for children and communities in Uganda and the Democratic Republic of the Congo in partnership with Lifewater International (Wheels4Water, 2017).

Another Chicago design studio has utilized their company to build another organization to help others. Firebelly, a design studio founded by Dawn Hancock in Chicago, Illinois, has numerous programs and initiatives to help others as a part of their studio’s work. In 2004 they started their annual Grant for Good program, which is a competitive grant for nonprofits in which Firebelly provides comprehensive strategy and design services for an entire year (Grant for Good, n.d.). In 2007 Firebelly launched a 501(c)3 nonprofit organization called Reason to Give to make an impact in the community around Firebelly’s studio in the Humboldt Park neighborhood in Chicago. Reason to Give helps build networks of support and provide the tools and resources their students need in order to reach the goals they’ve set for themselves.

Worldstudio, a strategy and communications firm owned by Mark Randall in New York City, New York, launched a nonprofit foundation called Worldstudio Foundation in 1993, as a vehicle for the company to give back to the creative community (Chong, 2013). Initiatives run through the foundation include scholarship programs for college students (Worldstudio AIGA Scholarships), professional fellowships, mentoring programs, and grant-making (WorldStudio, n.d.). The majority of their professional fellowships, mentoring programs, and grant-making are a part of their initiative Design Ignites Change which was created in 2009 as a result of a partnership between them and the Adobe Foundation to “support architects and designers who want to make a difference in their communities.” (Chong, 2013).

In order to solve the large wicked problems facing our world, designers and design firms are taking these challenges on full time. In order to do this they have looked to these three overarching
business types and developed many different business models to sustainably accomplish this work. The next two sections go into greater depth regarding distinct for-profit and nonprofit business models utilized by social innovation design firms.

For-profit Business Models

The research revealed four distinct business models. These models all follow the same tenets mentioned in the previous section about for-profits. Three of these models are more closely related, as one is a hybrid of the other two. The fourth is another version of a hybrid conventional/consultancy model focused on pro-bono work. This section looks at the differences between these four models and why a firm might move from one model to another. Most design studios start as conventional design studios. They focus on visual communication design. They move into the hybrid between a consultancy and conventional design studio because it enables them to offer services more valuable than the services expected of conventional design studios. Conventional design studios are brought in at the end of a design project to make it visually appealing. They are a straight service provider and not a strategic partner. A consultancy is more valuable because they are working as partners with their clients to develop both solutions and products. The hybrid model continues to focus on visual communication design but with an emphasis on design as strategy and also offering a mixture of service, systems, and product design services to their clients and partners. The double half methodology developed by Matthew Manos of verynice is a provocative model that uses outsourcing to decrease overhead and increase the available skill set to tailor each team to the project. Each of these models has advantages and disadvantages.

Conventional Design Studio.

A conventional design studio is a one that offers general branding, print, and web design to clients while not offering strategic planning, design research or other consulting services. This kind of studio is not viewed by their clients as a strategic partner but as a service provider brought in at the end of a project to make it visually appealing. Conventional design studios rely predominantly on fees for service as their main revenue stream, with some studios developing
secondary revenue streams by selling digital products, like vector artwork, fonts, and textures, to other designers and through paid online teaching opportunities through Lynda.com or Skillshare. A pattern emerged through this research where the majority of these studios had small staffs with between one to five employees. Due to the small size these studios are not able to provide all of the services larger studios are able to. Conventional design studio’s clients come from a variety of for-profit and nonprofit industries. This model is typically where most design studios start out when they are founded before transitioning into a hybrid model or a design consultancy model down the road (Manos, 2014, p 89). This point was supported by multiple studio owners during the primary research phase. Similar to this idea of evolving, or transforming, from a conventional design studio to a hybrid model or design consultancy model is a difference in the focus on design for social good or a focus on social innovation design.

Throughout this investigative process similar patterns developed where studios interested in design for social good follow a more conventional design studio model while studios interested in social innovation design follow the design consultancy model. Studios interested in both areas tended to follow the the hybrid conventional/consultancy model.

**Design Consultancy.**

A for-profit design consultancy is a design studio that offers a variety of design and strategy services to their clients and partners. There are a wide variety of design services these types of studios offer and they include visual communication, service, product, program, and business design. At the core of these studios is a focus on elevating design “beyond just an aesthetic exercise,” to a “strategic tool that businesses can leverage” to be more successful (Stone, 2013). This focus on design not just from the aesthetic perspective but as a tool for businesses and organizations to utilize to be more successful is the biggest difference between design consultancies and conventional design studios.

Design consultancies have similar revenue streams to conventional design studios as their revenues are predominantly made up of fees for services. Along with the various design services offered by these consultancies they also offer workshops on design thinking, design research, and
coaching or training organizations to integrate design as a key component of an organization. In the research for this thesis there was one for-profit design consultancy that kept coming up in both the primary and secondary research.

Greater Good Studio, headquartered in Chicago, Illinois, was founded by George and Sara Aye in 2011. Greater Good Studio utilizes the human centered design process to co-design programs and services with a variety of partners. Greater Good Studio works with nonprofits, foundations, government agencies, and social enterprises to create solutions that serve vulnerable or underserved populations (Greater Good Studio | Good Questions, n.d.). Greater Good Studio has worked on projects in social justice, education, health, and poverty over the last six years. They work side by side with their partners, empowering them by teaching them how to integrate the human-centered design process into their organizations and by including them in every step of the design process. This focus on inclusion and educating their partners was a conscious choice George and Sara made when they founded Greater Good Studio (Greater Good Studio, 2016). At this same time they were trying to figure out if Greater Good Studio should be a nonprofit or for-profit social enterprise. They went back and forth on this decision until they ultimately decided to legally be a for-profit social enterprise. The two main reasons they incorporated as a for-profit rather than a nonprofit were: a nonprofit adds organizational complexity that can get in the way of doing impactful work, and to demonstrate to the design industry that social innovation work is financially sustainable for a studio.

Similar to other design studios, Greater Good Studio relies on diverse funding stream including fees for service, grants, and income from their co-working space, the Logan Share, in downtown Chicago. The services Greater Good Studio offers their partners include design research, design (service, program, and digital), coaching, training, and funding procurement support (Greater Good Studio | Good Questions, n.d.). Greater Good Studio provides ongoing coaching and training for their clients as they continue to integrate the human centered design process into their organizations. Similarly to other social innovation design studios, Greater Good Studio offers their partners a variety of support in finding funding for their projects including co-writing grant
proposals, creating project presentations, and joining meetings with potential funders. By providing coaching for their partners and funding procurement support Greater Good Studio is able to be more than a service provider to their clients and become a strategic partner in the work their clients are doing.

Greater Good Studio has a staff of eight people with a variety of backgrounds and skillsets. Their backgrounds include education, nonprofit, social sector, architecture, and social sciences. This diverse mixture of skillsets and experiences makes Greater Good Studio well suited to tackle the multifaceted problems their partners face on a regular basis. Greater Good Studio works with their partners from the beginning of a project all the way up until implementation where Greater Good Studio will pass off the work to their partners to implement. This allows Greater Good Studio to focus on their strengths of research, coaching, training, and developing the solution, while the implementation of their work is best left to their clients or partners. In this way Greater Good Studio is supporting their partners in the social impact they are making while not being the organization doing the work on the ground. By focusing on their strengths, Greater Good Studio is able to work with more organizations working for the good of society at any one time.

**Hybrid Conventional/Consultancy Model.**

Through the investigative process a pattern emerged where a number of design studios were really utilizing a hybrid of a conventional design studio and a design consultancy studio models. These hybrid studios focus their offerings on the visual communication design services of a conventional design studio while also providing some of the coaching, strategic planning, and design research of design consultancies. The majority of these hybrid studios started off as conventional design studios and over the years began to offer some of the services provided by design consultancies and to focus more on design as a strategic tool rather and not just as an aesthetic tool. This push toward offering more strategic services to their partners is necessary for these studios to remain competitive in the market (Bont, et al, 2013, p 22). Four differentiators emerged during this research between conventional design studios, hybrid studios, and design consultancies and they are: at what point of a project the design studio is brought in, the level
to which the design studio focuses on helping organizations integrate design thinking into the core of their organizations through coaching and training; the amount of service, program, and product design the studio does along with their traditional visual communication design work; and the studios' view of design as an aesthetic practice or as a strategic business and innovation tool. Conventional design studios are most often brought in towards the end of a project to make it visually appealing; there is little to no focus on integrating design thinking into other organizations, little to no experience or focus on service, program, or product design, and view design as an aesthetic practice. Design consultancies are typically brought in at the beginning of all or most projects, there is a strong focus on helping organizations integrate design thinking into the core of partner organizations, the majority of their projects tend to be in service, program, and product design, and they view design as a strategic business and innovation tool. Hybrid studios are brought in at different times depending on the type of project they are taking on, they offer training in design thinking and integrating it into partner organizations but it isn't their main focus, tend to have an equal balance between visual communication design and service, program, and product design projects, and they view design both as an aesthetic practice and as a strategic business and innovation tool.

Along with a mixture of service offerings, there were also a few distinct revenue streams unique to hybrid studios over conventional design studios. Hybrid studios main revenue stream comes from fees for services just like in conventional design studios and design consultancies. It is in the secondary revenue streams hybrid studios exhibit more flexibility due to the unique mixture of services and capabilities they offer. Secondary revenue streams that emerged during the research process include: speaking engagements, product sales, advertising revenue, equity stakes in startups, and consistent revenue from coworking or business incubator spaces run by hybrid studios. Examples of studios that could be classified as hybrids of a conventional design studio and a design consultancy are Rule29 and Firebelly in Chicago, Illinois, GoodGood in Detroit, Michigan, and Each+Every in Kent, Ohio.
**Double Half Model.**

In 2006 a shoe company launched with a revolutionary model where they would give away a pair of shoes to a child in need for every pair of shoes a customer purchased. This company, TOMS Shoes, popularized the one-for-one model all around the world by showing they could make a profit while still giving things away to people in need (Stock, 2014). It was the popularity of this one-for-one model and the increase in social good companies that inspired Matthew Manos to start his own design studio with a similar groundbreaking model.

Manos founded verynice, a global design strategy consultancy, in 2008 with the idea of giving away 50% of the studio’s work to 501(c)3 registered nonprofit organizations. Manos states in his book, *How to Give Half of Your Work Away for Free,* “The verynice model operates on a strategic service-oriented business approach called the “double-half” methodology: double your workload, give half away for free.” (Manos, 2014, p 19). The desire to give half of the work away for free is to counteract the decrease in funding available to nonprofits. The money the nonprofits would spend on marketing and design is therefore reinvested back into their main mission, ultimately increasing the nonprofit’s impact on the communities they are serving.

In order to make this financially viable, a design studio needs to have as little overhead as possible, which requires hiring team members from a broad network of freelancers or contractors, on a project by project basis. By leveraging this group of people on a case by case basis a studio is able to increase its capacity for projects while maintaining lower fixed costs (Manos, 2014, p 20). This network consists of a variety of potential partners with different sets of skills the studio can pull from depending on the needs of each project, resulting in highly specialized teams with the skillsets that best fit each individual project. The design studio hires these freelancers or contractors at their full market rate for for-profit projects and then the studio recruits team members from that same network of remote freelancers and contractors to volunteer on pro-bono projects based on availability, interest, and skill-set.

The pro-bono projects have the same structure in terms of team member roles and working processes as the for-profit projects with the only difference being no one is receiving financial
payment. Even though there is no financial payment on the pro-bono projects the studio does receive an exchange of value on them (Manos, 2014, p 20). Each pro-bono project results in new contacts, which can be leveraged to fuel word-of-mouth marketing, which then serves as primary means of finding more for-profit work going forward. The other exchange of value from a pro-bono project is it gives the studio the chance to grow in experience and skill sets which can be leveraged in the future on for-profit work. Manos states most pro-bono work allows for more “control over the scope and/or creative vision for a project” compared to a paid project (Manos, 2014, p 20). The pro-bono projects don’t add additional overhead to the studio since the people working on those projects are remote volunteers who don’t work for the studio on a full or part time basis meaning the studio isn’t paying salaries, health insurance, or any other fees. To make this model work, the design studio needs to focus as much time as possible on executing paid work while managing the volunteers to get the the unpaid work done (Manos, 2014, p 69–70). By outsourcing the time consuming production work to freelancers or contractors, the design studio is able to focus more on project management, creative direction, design strategy, and research which allows them to increase the amount of projects, both for-profit and pro-bono, they can work on at anyone time.

Verynice relies on four main revenue streams to be profitable: fees for service, product sales, workshops and events, and verynice ventures (Manos, 2014, p 98). Verynice provides a multitude of services to their clients and partners including visual communication design, interaction and experiential design, product design and development, strategic planning, and business design. The for-profit work verynice takes on consists of predominantly start-ups, small businesses, and for-profit social ventures with a few projects with large Fortune 500 companies (Manos, 2014, p 97).

With all of this work and the idea of giving away 50% off your work for free the question becomes how does a design studio measure the impact of their work? According to Manos, a studio using the double half methodology can only measure the impact of their work using quantitative methods. Attempting to measure the impact of a studio’s work using qualitative methods has been
proven to not be financially viable or sustainable due to the increase in resources—financial, skill, and time—qualitative methods require (Manos, 2014, p 35). The quantitative metrics in this model are the amount of financial savings created for your nonprofit partners and where they are located. These metrics don’t add any overhead costs to the studio and are easily tracked using information provided when studios quote projects. Manos also states the purpose of a double half design studio is in supporting the work of their partners as a service provider and not in providing the direct impact to a population (2014, p 35). For example, a food pantry would still be able to provide services to their clients with or without the help of a studio using the double half model. The double half design studio can help make their partner’s impact possible or grow their partners impact through applying the money the partner saved by working with the double half design studio (Manos, 2014, p 35).

**Conclusion.**

There are more than these four business models being used by for-profit design studios but the majority of the for-profit studios studied for this thesis fall into these four models. For-profit businesses and nonprofits all have to follow some sort of model in order to be successful, however not all for-profit business models will work in the nonprofit sector. The nonprofit sector has a long history of taking and modifying the most successful business models and best practices from the for-profit sector to the nonprofit sector. The next section defines specific nonprofit models being utilized in the social innovation design field and the unique differences between them. Before going into the specific nonprofit models it is important to understand the core resource development strategies that make up the base of any nonprofit. The research revealed a model similar to one from the for-profit world and two other distinct nonprofit models. All three of these models follow the same basic nonprofit tenets of being tax exempt organizations focused on helping others, have volunteer boards of directors, require a high amount of transparency to the broader public, and rely on financial and resource donations to be sustainable.
Nonprofit Business Models

The most important component to a nonprofit model is determining how the organization is going to be funded. There are four predominant ways nonprofit organizations in the social innovation design field obtain funding and resources to accomplish their missions: financial donations, grants, gift-in-kind or in-kind donation, and fees-for-service.

Basic Nonprofit Funding & Resource Development.

Financial donations can come from individuals, corporations, or foundations. Financial donations can be either restricted, meaning they can only be used for the programs specified by the donor, or unrestricted, meaning it is up to the nonprofit to determine where the funds can be best used. For example, while the author was working with Habitat for Humanity of Elkhart County there were donors who gave money to be used on a specific building project, which meant those funds could legally only be used on that particular project. At the same time, there were other donors who gave money that wasn’t earmarked for a specific project meaning Habitat could use those funds on multiple projects or initiatives.

Grants, just like financial donations, are integral to the successful work of the majority of nonprofits. They are financial donations given by organizations for a specific purpose or project. They can be restricted or unrestricted just like individual financial donations. The main kinds of organizations that fund grants are foundations, government agencies, and corporations. Currently there are a few grants specifically awarded for social innovation design work and they are the Sappi Ideas that Matter grant, the Curry Stone Design Prize, and the National Endowment for the Arts ART WORKS grant. In order to receive a grant from any organization, a nonprofit must go through the grant application process. Most grants are very competitive and require winning organizations to provide additional reporting of outcomes or impacts throughout the lifetime of the grant as a part of the grant stipulations.

Gifts-in-kind or in-kind donations are any gift or donation given to an organization other than money (HFHI Gift in Kind, 2017). For example, Whirlpool provides Habitat for Humanity an
in-kind donation of a brand new refrigerator and range for every Habitat home built in the United States (Whirlpool CSR, 2017). Another example of in-kind donations is a for-profit product and innovation design consultancy donates office space, equipment, and wireless internet to support the work of a separate nonprofit social innovation design firm. In-kind donations help offset some of the costs nonprofits deal with when it comes to technology, supplies, and other infrastructure items.

The final and most important revenue stream for social innovation design firms is fees-for-service. Fees-for-service are payments from the people you are serving. Unlike in a for-profit design firm, a nonprofit design firm must ensure all projects undertaken in a fees-for-service arrangement align with the missional objectives of the organization, which determine who the nonprofit can work with and the kind of work they do. If a nonprofit were to do work outside their charter, they would be putting themselves at risk of having their federal tax exemption revoked and potential legal action from the federal government. This revenue stream is unrestricted and can be utilized by the nonprofit in anyway they see fit as it relates to their mission.

In order for an organization to have strong returns in financial donations, grants, and in-kind donations they need to focus some of their time on fundraising. Fundraising is key to any successful nonprofit maintaining a steady flow of revenue. Fundraising is all about building strong relationships with people who are inspired by an organization’s mission, want to help the organization succeed, and to be a part of the work the organization is doing. Fundraising can be difficult as it requires continued cultivation of relationships with current and potential donors. Fundraising and donor relations is very similar to new business acquisition in a for-profit company, but a nonprofit has to focus on fundraising on top of acquiring new business. Some nonprofits spend more than others on fundraising, but the the common thread between most nonprofits is they spend time and money devoted to this task.

All nonprofit design firms follow this same structure of oversight and how they access resources needed to accomplish their mission. The primary difference between these three models is the level to which they focus on service, program, and systems design alongside the other services they offer. Nonprofit design consultancies mainly focus on service, program, and product design,
along with visual communication design, while public interest design firms focus on the built environment (architecture, urban planning, and construction), and nonprofit international product design and manufacturing firms are focused on co-designing and selling affordable products to those living on less than $2 a day to help lift them out of poverty (Eucher & Polak, 2012, p 12). The following sections go into greater detail concerning these three models and the differences between them.

**Design Consultancy.**

One of the business models that kept coming up during the research process was the design consultancy model. This model is being utilized in both the nonprofit and for-profit spheres. A design consultancy is a design firm that combines visual communication design with service, product, program, and business design to develop solutions with clients and partners in the social sector. A design consultancy is often considered by their clients and partners as a strategic partner that helps accomplish new things the client or partner wouldn’t be able to do on their own.

One design consultancy firm mentioned multiple times during this research was Design Impact. Design Impact (DI), headquartered in Cincinnati, Ohio, was founded by Kate Hanisian and Ramsey Ford in 2009. During the first few years, DI worked with one nonprofit in India where Ramsey and Kate helped to codevelop two products to solve the nonprofit partner’s problems. The success of this two year deep embedded trial inspired DI to develop a fellowship program in which they would bring designers to India, train them in the Design Impact processes, place them with nonprofit partners, and track their progress (Impact Design Hub, 2016). After two fellowship cycles DI realized the funding model was extremely hard to maintain. This realization caused DI to pivot in 2013 to a new model that allowed “for more dynamic partnerships, and thus more options for funding.” (Impact Design Hub, 2016).

DI’s business model changed from an international product design firm to a regional social innovation design consultancy focused on developing solutions for large social problems through service, program, and product design (Design Impact, 2016a, p 6). At this time DI developed a theory of change focused on empowering communities and organizations to solve complex social
problems through human-centered design and design thinking. This theory of change is the driving force behind all DI does and how it goes about its work. A more in-depth analysis of Design Impact’s theory of change and evaluation methods is covered in Section VI of this paper.

DI’s new model relies on the four different revenue streams most other nonprofits rely on as well. The difference between DI and other nonprofits is the percentages of each of the four streams they rely on to keep them operating and expanding their work to new areas. As a design studio, DI relies heavily on fees-for-service over the other three streams. Services DI provides to their partners are consultation, training in design thinking, program design and delivery, service design, and product design. The second largest percentage of their revenue comes from various grants they’ve been awarded. DI primarily obtains grants indirectly, i.e. grants DI co-wrote with their nonprofit partners, and at times directly, i.e. grants DI has applied for solely to support the services they provide. When DI co-writes a grant they often are not the ones who officially apply for the grant, meaning they are not responsible for providing the monitoring or reporting of the grant’s success back to the organization providing the grant. The third revenue stream, based on percentage of revenue for DI, is in-kind donations. Kaleidoscope, a global innovation and product-design firm headquartered in Cincinnati, Ohio, provides the largest percent of in-kind to DI in “free rent, internet, services, advice, and camaraderie” (Design Impact, n.d.). Other in-kind donations come in the form of deep discounts for computer programs and other technology products other nonprofits are also qualified to receive. The smallest percent of DI’s revenue comes from individual financial donations.

Diverse funding and revenue streams are extremely important for success in both for-profit and nonprofit business models. Relying on a single funding source or market is very risky, and can result in stagnant growth or an inability to continue forward with their work if that source or market goes away (Corner, 2015, p 1). Like other nonprofit and for-profit organizations, DI relies on a good mixture of revenue streams and clients. DI works with a wide variety of clients and partners depending on the nature of the problem they are trying to tackle. The majority of DI’s clients/partners falls into four distinct categories: nonprofit organizations, foundations,
government organizations, and educational institutions. Recent projects DI has worked on have included developing and leading an ongoing social innovation training program for area nonprofits through the United Way of Greater Cincinnati called Studio-C, co-designing and developing new meal programs to address a lack of healthy food options during the summer months with Freestore Foodbank, Sprout Insight, and Feeding America, and co-designing innovative concepts that will help to create a “better place where all children thrive” with the Cincinnati Children’s Hospital and Medical Center (Design Impact, 2016b).

There are a few things that set DI apart from other design studios working in social innovation design and add to their success as an organization. DI currently has twelve people on staff and of those twelve only four are academically trained designers. The remaining staff members come from a wide range of backgrounds with a variety of expertises, such as community organizing, research, education, business, and program evaluation. With this wide range of expertises DI is inherently suited for multidisciplinary and collaborative design that is required to solve the issues they are hired to tackle with their partners. This variety of expertise, when paired with the fact that DI is itself a nonprofit, enables them to be involved in the entire lifecycle of a project, “from the first conversation, to implementing solutions, and to evaluating the work.” (Design Impact, n.d.).

Design Impact isn’t the only nonprofit studio or firm working in this area. A few of the other nonprofit studios that fall into this category are IDEO.org, the nonprofit design consultancy that was spun off of IDEO in 2011; Creative Reaction Labs, a nonprofit focused on bringing Black and Latinx youth together to co-design solutions to address personal and structural forms of racism in their communities; and Catapult Design, a nonprofit focused on designing and developing human-centered products and services to improve the lives of those who need them most. There are many more nonprofits that fall into this category but due to time constraints/limitations during thesis research they were not included in this paper.
Public Interest Design Firm.

Another area that continued to come up during the research phase of this thesis was public interest design (PID) studios in both the for-profit and nonprofit sector. Public interest design focuses on the creation or redesign of products, environments, and systems, with a clear human-centered approach (Impact Design Hub, n.d.). Public interest design is to the design industry what public health is to the health industry (Fisher, 2009). Public interest design firms differ from other SID firms in a few distinct ways.

PID firms are heavily focused on architecture and urban planning as they relate to communities. They provide architectural design, community development, and organizing services to groups that are not served by more traditional for-profit architecture firms. A few specific PID firms kept coming up throughout this research.

MASS Design Group is a nonprofit public interest design firm focused on “improving health outcomes, educational opportunities, and social equity through the design and construction of the built environment.” (Proactive Practices No. 1, 2016). MASS was co-founded by Michael Murphy and Alan Ricks in 2008 when they began working on a joint hospital project in Rwanda with Partners in Health (PIH), an international NGO working on providing “preferential healthcare to the poor.” (Proactive Practices No. 1, 2016). This joint hospital project in the Butaro District of Rwanda with PIH helped to solidify and develop MASS’s core beliefs in immersing the design team in the local cultures and communities by stationing them onsite for the entirety of the project, utilizing projects as long-term economic catalysts for the local communities, and a focus on working with community members to research and develop their projects (Proactive Practices No. 1, 2016). From this early project in Rwanda, MASS has gone on to work on various hospital and healthcare projects in Haiti, Malawi, Zambia, and Sierra Leone, while also expanding their services from design and project management to include research and consultation projects. This growth from focusing on design in the beginning of a studio or firm’s history to also focusing on consultation or similar work later on as it grows and develops is present in other social innovation design studios as well.
Similar to other nonprofits MASS’s business model relies on a number revenue/funding streams to accomplish their work. The largest percentage of funding comes from the fees they are paid for their services (about 60% in fiscal year 2014) (Rogers, 2014, p 1). The remainder of their funding is a combination of grants, corporate donations, and individual donations (about 40% in fiscal year 2014) (Rogers, 2014, p 1).

As MASS continues to grow they have become aware of even larger opportunities for impact specifically in the design education sphere in Africa. Building off of MASS’s core principle of utilizing projects as long-term economic catalysts for local communities, MASS is partnering with IDEO.org to develop and launch the first African based human-centered design centers where people can be trained as architects, systems, service, and product designers who will help address the unmet needs in their communities (MASS Design Group, n.d.).

For more details on how MASS measures the impact of their work please see Chapter 5. Success Metrics and Evaluation Methods.

The other model that kept coming up throughout research related to public interest design is community design centers. Community design centers are nonprofit organizations that provide architecture design, planning, and development services in low- and moderate-income communities. Some community design centers also offer strategic planning and community organizing services on top of the more traditional architecture design and development (Community Design, n.d.). According to the Association for Community Design, there are over 60 community design centers in the United States, and those include a variety of educational, nonprofit, and for-profit partnerships. Some of these community design centers are directly affiliated with colleges or universities, while others are completely separate organizations. A few examples of community design centers connected with colleges or universities are: Rural Studio in Hale County, Alabama, which is a part of the School of Architecture, Planning and Landscape Architecture at Auburn University; Gulf Coast Community Design Center in Biloxi, Mississippi, which is a part of the School of Architecture, Art, and Design at Mississippi State University; and the Cleveland Urban Design Collaborative in Cleveland, Ohio, which is a part of the College of
Architecture and Environmental Design at Kent State University. These community design centers act as living laboratories for students, educators, and industry professionals to work with their communities to jointly develop solutions for the community’s needs. This same ethos or desire is also present in independent community design centers. A few examples of these are: Neighborhood Design Studio in Baltimore, Maryland; buildingcommunityWorkshop in Dallas, Texas; and Environmental Works in Seattle, Washington.

**International Product Design/Manufacturing.**

“The only important thing about design is how it relates to people.” — Victor Papanek

Victor Papanek, in his book *Design for the Real World*, calls for designers to be more mindful and create work with a positive impact on people in the developing world (Papanek, 1985). Paul Polak, an entrepreneur and founder of International Development Enterprises (iDE), has also pushed this mantra, with a “focus on creating products to lift those living on $2 a day or less out of poverty.” (Eucher & Polak, 2012, p 12). Numerous nonprofit product design firms have taken these ideals into consideration by focusing their work on developing affordable products for consumers in the developing world, specifically in healthcare and agricultural industries.

Similar to other nonprofits in the social innovation design field, product design firms have numerous revenue streams consisting of grants, donations (both individual and corporations), and earned income from the sale of their products. The majority of the funding/revenue for the nonprofit product design firms researched for this thesis came from grants from foundations and government organizations. Without these grants these firms would not be able to continue their work as they have yet to reach the required economies of scale or scope needed in order to be sustained by their sales revenues according to their publicly available Form 990s and annual reports. This is due to to the high cost of developing and manufacturing a product and economies of scale required for product design and manufacturing to be profitable. This pattern reveals that product design firms require more resources (financial, human, and material) to make an impact in comparison to other social innovation design firms.
There are numerous product design firms that continued to come up during the primary and secondary research for this thesis, but one stood out above them all: Proximity Design.

Proximity Design is nonprofit international product design firm focused on “designing and delivering “affordable, income-boosting products and services that complement the entrepreneurial spirit of rural families” in Myanmar (Proximity Designs, 2017). Proximity was co-founded by Debbie Aung Din Taylor and Jim Taylor in 2004 as the Myanmar office of International Development Enterprises (iDE) to help address the lack of access rural farmers have to affordable agricultural technologies and best practices. In 2008 Myanmar iDE became Proximity Design, an independent nonprofit social enterprise focused on developing affordable water pumps and irrigation systems headquartered in Yangon, Myanmar (Ashden, 2014, p 1). Proximity utilizes a human-centered approach in all they do, from co-designing new products with small landholding farmers at their research and design facility in Yangon to meeting and working with farmers on a regular basis to better understand the problems they are dealing with (Skoll.org, 2015).

By working side by side with their customers and truly understanding the issues they are dealing with, Proximity has been able to grow their product offerings from one treadle pump design to multiple treadle pumps, drip irrigation sets, water storage containers, and solar powered lights. All of these products are manufactured in Yangon at Proximity’s manufacturing plant using local labor and then sold through an extensive distribution network throughout Myanmar (Rosenberg, 2014, p 18). Farmers have gone from spending six to eight hours hauling water to their fields for irrigation to one to two hours using the treadle pump for the same task (Skoll.org, 2015). This time reduction has resulted in more time for farmers to expand their fields, increase the number of crops planted and harvested each year, and diversify their crops to become more profitable (Rosenberg, 2014, p 18). Along with their focus on developing products to help their customers achieve financial stability and prosper, Proximity Design has developed services to help address the broader, systemic issues their customers are facing.

In 2008 much of Myanmar was hit by the devastating and deadly Cyclone Nargis, killing 138,000 people and wiping out the homes, crops, and draft animals of over two million others.
This natural disaster and the resulting experiences propelled Proximity into developing service offerings alongside the products they sell to help their customers. They offer financial services including micro loans and other forms of credit to their customers, farm advisory services that offer agricultural best practice consultation and education, and small-scale village infrastructure services, where Proximity hires local community members during the farming offseasons to build bridges, roads, canals, and other infrastructure improvements (Rosenberg, 2014, p 19). These services help to empower and equip Proximity’s customers to be a part of the solution to solving the problems they face on a daily basis. The income generated from the sales of Proximity’s products and services plays a key role in the long term viability of Proximity’s business model.

Similar to other nonprofits Proximity’s business model relies on a number revenue/funding streams to accomplish their work. The largest percentage of funding comes from what Proximity calls philanthropic donations, which are a combination of grants, corporate donations, and individual donations (about 79% in fiscal year 2014) (Chan, 2014, p 1). The remainder of their funding comes from product sales and fees for service (about 21% in fiscal year 2014) (Chan, 2014, p 1).

In the years following Cyclone Nargis, Proximity became more and more aware of the systemic issues and barriers holding their customers back from financial sustainability and independence. Specifically Proximity has partnered with a variety of international government organizations, educational institutions, and other groups to research and study these issues and offer actionable solutions. Examples of recent issues they have tackled include governance, economics, peaceful engagement of ethnic groups, and exploitation of natural resources (Rosenberg, 2014, p 24).

Proximity Design isn’t the only nonprofit product design studio or firm working in this area. A few other studios that came up multiple times during research include KickStart International, a firm focused on empowering small landholder farmers in Africa through agricultural products like treadle water pumps (KickStart International, 2017), Design that Matters, a firm focused on developing affordable products to help decrease infant mortality rates in
underserved populations (Design that Matters, 2017), and D-Rev, a firm co-founded by Paul Polak focused on designing and distributing “medical technologies that close the quality health care gap for underserved populations.” (D-Rev, 2017).

**Conclusion.**

The majority of the nonprofit design studios researched for this thesis received full funding or support from another organization when they were founded, fiscally sponsored, or were incubated or spun off by another organization. It didn’t matter which niche market or type of firm the nonprofit became. For example, Design Impact was funded by Kaleidoscope for the first two years of its existence, MASS Design Group was funded by Partners in Health for their first few projects, and Proximity Design was originally the Myanmar office of International Development Enterprises (iDE). The author believes this is due to the high cost in both financial and time resources it takes to start up a nonprofit and the amount of time it takes a newly founded nonprofit to get up and running in order to show potential donors the benefit of the work they are doing.

The majority of the nonprofit social innovation design studios, regardless of their geographic location, offer services that empower their customers, partners, and clients with skills to be a part of the long-term solutions to a variety of social problems.
Chapter Synthesis

There are many different advantages and disadvantages to any business structure whether it is a for-profit, nonprofit, or a hybrid of the two. The same pattern is true when comparing and contrasting the distinct models uncovered in this research. The models described in this section are not the only models being used by designers in the field, but these models are the most prevalent. Each of these individual models also have an effect on how they are perceived by their clients and partners and the expectation on how involved the design firms are in measuring the impact of their shared work. This next section of the thesis delves into these implications, the current frameworks and tools being used to measure the success of social innovation design projects, and the reasons social innovation design firms measure the impact of their work.
CHAPTER V. SUCCESS METRICS AND EVALUATION METHODS

Introduction

Success metrics have always been a part of both the for-profit and nonprofit worlds. Ultimately, success metrics provide organizations and interested parties a means to determine if their strategy is working or if it needs to be adjusted (Holston, 2011, p 138). All organizations have some form or way of analyzing their strategy and subsequent successes, whether it is a conscious or unconscious process, but the most successful organizations are the ones that take the time to consciously do this. In order for organizations to have long-term sustainability and success they must be aware of their past successes and how they are living out their mission and vision on a daily basis.

Success metrics are a measurement of the outcomes or results from any given action or process an organization undertakes or goes through in relation to their objectives and goals. Organizations develop their objectives and goals from their strategic mission and vision statements (Holston, 2011, p 138). Bernard Marr, from the Advanced Performance Institute, states in his white paper, How to Design Key Performance Metrics, performance or success metrics are used for three main reasons: to learn and improve, to report externally and demonstrate compliance, and to control and monitor people (2010, p 5). Success metrics in social innovation design fall under the first two categories but not as often under the third category. An expert in evaluation from a social innovation design firm said when asked about success metrics and measurement in the field of social innovation design, “metrics are about helping us to work better, smarter, and about holding ourselves accountable.” When asked more about the accountability aspect of success metrics in social innovation design, they said, “metrics don’t just hold us [designers] accountable to ourselves but they also hold us accountable to our partners and clients.”

All businesses, regardless of their for or nonprofit status, have to demonstrate compliance when it comes to their yearly taxes and some have to go a step further in showing their success or failures to investors, funders, or donors depending on the business model and funding sources.
Julie Lasky in her review of the 2012 Design and Social Impact Summit from Cooper-Hewitt states, “Metrics boost not only economic support, but also accountability and transparency.” (p 24).

There are many different kinds of metrics in use and they span a variety of industries. There is measureable data all around. In today's world people are obsessed with data and tracking it, whether it is someone tracking their daily active minutes or number of steps taken per day using a wearable fitness device, the number of calories consumed in a day, or the size of someone’s carbon footprint. Entire industries like retail, entertainment, publishing, and professional sports have been disrupted by organizations focused on optimizing their key business processes through data analysis and fact-based decision making (Davenport, Cohen, & Jacobson, 2005, p 1–2).

In the business and academic world there are two overarching groups of data that can be tracked and analyzed: quantitative and qualitative data. Quantitative data is data expressing a certain quantity, amount or range and is represented using numbers and statistics (OECD, 2001). Quantitative data can also be referred to as hard value, which are “things that are tangible, concrete, and easily measured.” (Visocky O'Grady, 2013, p 37). Examples of quantitative data include return on investment, number of people served, number of unique visitors to a website, and dollar amount of sales in a day. The opposite of quantitative data is qualitative data.

Qualitative data is data describing the attributes or properties an object possesses (OECD, 2004). Qualitative data can be thought of as the stories or feelings behind the actions that target customers or clients. Qualitative data is a little bit harder to measure but still very important when determining the success of a project. Qualitative data can also be referred to as soft value, which are “things that are intangible, subjective, and harder to measure.” (Visocky O'Grady, 2013, p 37). Examples of qualitative data are customer experiences, customer or client emotions/feelings, life changes related to service/experience, and increase awareness of an issue or policy.

In the age of Big Data there continues to be a growing emphasis on measuring the success of projects and initiatives in the social innovation design field. In order to build sustainable businesses designers need to be able to see what is working well and what isn’t working. The only way to for designers to do this is by collecting both quantitative and qualitative data throughout the entire
design process of their projects and into the implementation period of those projects.

The business landscape has changed from one focused on the singular bottom line to a focus on the double (people and profit) (Clark, Rosenzweig, Long, & Olsen, 2002, p 2) or even the triple bottom line (social, financial, environmental) (Osterwalder & Pigneur, 2010, p 270). Businesses used to be judged primarily on whether or not they made a profit, which was easily measured and compared with others in the market. Now there are businesses, nonprofits, and social enterprises that measure their success based on whether their actions, experiences, or products brought about a positive social change, which is harder to quantify and articulate compared to economic and more easily quantifiable gains.

**Growing Emphasis on Data in Design and Nonprofits.**

The continued growth and development of collecting and gathering data in the technology sector has bled over into the majority of all professional fields and aspects of daily life. The design and nonprofit industries have not been immune to this change.

Historically, the design field was focused on developing physical artifacts or things that can be held in a person's hands. In the last 50 years the design industry has been greatly impacted by the personal computer and the continually decreasing barriers of entry into this field that has come with the increase in availability of the digital tools used in visual communication design. With the decreased barriers of entry there has been an increase in competition in the industry and the creation of new markets for designers to work in. Some of these new markets are web design, user experience and interface design, interaction design, motion design, and social media content design. These new markets and technologies have brought with them new tools like Google Analytics and similar services that track social media engagements and interactions. These new tools give designers a whole host of data to help them determine the success of their digital work and then to communicate success to their partners. These tools have also given designers the ability to make incremental changes to their strategies and products to make them more successful based on the data and feedback they are constantly receiving from these tools and their users. With these new tools and the increased competition designers are further developing their skillsets and branching
into other strategically valuable areas like consulting and innovation for their partners. With these new endeavors, designers are focusing on communicating their value to their partners, funders, and the broader community.

The nonprofit industry has also experienced an increased focus on measuring the success of their initiatives and programs as a result of this new data focused world over the last 30 years. This is not to say nonprofits weren’t focused on measurable returns before, but they are even more focused on this subject now. Nonprofits have felt this change most acutely in their fundraising efforts, especially in continued funding from foundations and sustaining donors. Foundations of all sizes are focused on investing their finite resources into organizations and initiatives that have the greatest impact on their mission (Ebrahim & Rangan, 2014, p 118). In order for foundations to do this they have begun requiring grantees to include tracking and evaluation of their initiatives in their grant applications. Therefore, nonprofits are more acutely aware of tracking and evaluating programmatic data as it relates to their mission and ongoing funding.

**Design and Impact Measures**

This increase in focus on data and success metrics in both the design and nonprofit sectors has resulted in a variety of factions or different beliefs on the importance of this topic. The design sector has had a more difficult time fully understanding the importance of impact measurement (Impact Design Hub, 2016) and fully integrating impact measurement into their working processes (Zolli, 2013). Through the investigation into this topic, five distinct patterns emerged related to the reasons why measuring the impact of a design project is difficult and the reasons why designers and their partners should be engaged in this process.

**Measuring Impact of a Design Project.**

The success of a design project can be very hard to measure for a number of reasons. During the research for this thesis, five different reasons or patterns came up in relation to why measuring the impact of a design project is difficult.
Pattern One: Design doesn’t happen in a vacuum.

Design, like all other aspects of life, can not be easily separated from the context that surrounds it. The products, services, and outputs that designers create with their clients and partners are intricately woven into the context at that time. For example a design firm is hired by a regional bakery to redesign the packaging for their bread that is sold in all the regional grocery stores with the goal of increasing the sales of this product. A simple quantitative metric for this goal would be the change in sales, whether higher or lower, when compared to the sales with the old packaging. Yet this metric doesn’t take into account any context of what is happening in the world at that moment. The sales might have spiked as soon as the new packaging hit the shelves but maybe that increase was due to a rash of news stories about a worldwide wheat shortage that was going to raise bread prices in the next week, or maybe the sales spiked because all of the grocery stores selling the bread decided to place a special display of this product at the front of the store resulting in a higher increase of awareness and therefore an increase in sales.

One way to solve this dilemma is to not only track the quantitative data (sales figures) but to also gather the qualitative data by talking to shoppers in the stores about why they did or didn’t purchase the product. Talking to the shoppers gives a unique insight into their feelings, thoughts, and the reasons behind their decisions. The qualitative information gathered through these field research methods when paired with the sales figures can give a much clearer picture of the impact the repackaging has had on sales of the product.

Pattern Two: Measuring the impact of a project is resource intensive.

“It is inherently difficult to measure social impact because change occurs slowly and happens over long periods of time.” — Monica Chadha

Change occurs gradually over time and is rarely the consequence of a single, “big-bang moment.” (Harris, 2016). Often, social innovation design projects require changes in mindset, actions, and in systems which are gradual in nature. In order to track these gradual changes,
designers or their partners need to take the time to collect the data relating to the project’s indicators. By taking the time to track these changes there also comes the question of the money needed to pay for a designer or staff person’s time. In order for this work to be sustainable for both a design firm and their partners there needs to be financial support to pay for this work. Larger design consultancy firms like IDEO and frog are able to track the long-term success of their projects due to their scale and their clients’ belief in the value of long-term tracking.

In an interview with an owner of a small design firm specializing in brand strategy, design research, and marketing said it is “very difficult to find or take the time to measure the impact of a project if you haven’t built [measurement] into your process from the beginning.” Robyn Waxman, a design educator and social innovation designer in California, is a strong believer in this idea. In the Designer’s Accord Sustainability Toolkit she said, “measurement should be integrated into the design process, and not used as an external evaluator once the project is finished” (Casey & Waxman, 2009, p 17). In order to build the measurement into the design process, designers need to understand and feel comfortable using new tools and methodologies to successfully track, evaluate, and interpret the data they are collecting.

Integrating measurement into the design process hasn’t been taught in traditional design schools or promoted by professional design organizations until the last 10-15 years. The skillsets needed to track the success or outcomes of a project are specific and just beginning to become more of a focus in design education programs through courses on design research. A few of these skillsets include ethnographic research, measurement, and evaluation (Carroll, 2016). There has been an increase in teaching these methods in design research courses across the spectrum for both undergraduate and graduate students in design over the last 15 years. Yet many designers working in this field are still lacking the confidence and expertise to use these skillsets effectively. This is one of the reasons some social innovation design studios have begun hiring full-time researchers and evaluators from the social sciences or related fields in order to better track the success of their new product, program, and service design solutions. A few firms that have hired full time evaluators are Design Impact, IDEO.org, Greater Good Studio, and Firebelly.
Pattern Three: Figuring out what to measure

It can be difficult to determine what it is designers need to measure in order to determine the success of their projects. Designers are able to work with many different industries or professions on a regular basis and each of these industries have their own sets of metrics or thoughts on how success is measured. For example, a for-profit manufacturer might use a metric showing a change in sales from one month to the next, while a nonprofit might use a metric developed around increase awareness on a certain issue. In both cases, the design firm needs to know how these metrics will be tracked and if their solutions are getting the desired results. There are also nuances and differences within the design field when it comes to measuring the success of a project. The metrics used in brand design are different than the metrics used in service or system design. So it is important to be aware of or open to these differences in the industries designers partner with and within the design field itself.

According to Bernard Marr at the Advanced Performance Institute, businesses and organizations often fall into a trap when they think about success metrics and what they should measure. They identify everything easy to measure and quantify, collect and report data, and then are left with data they don't know how to interpret or how it impacts their overarching strategy (Marr, 2010, p 5). Another effect of measuring data that doesn't connect with their overarching strategy is that this can result in missed opportunities and strategic misfires (Hauser & Katz, 1998). Instead of going for the things that are easy to measure, designers and their partners should take the time at the beginning of a project to think strategically about their goals and develop metrics that align with their mission and strategy (Sawhill & Williamson, 2001). David Holston, in his book The Strategic Designer, states “Measurement provides the organization a means to determine if the strategy is working or if it needs adjusting” (p 138). By aligning their metrics with their goals and desired outcomes, designers and their partners will be more likely to see what is working and what isn't while still being able to make changes or modifications to the project to still reach their desired outcomes.
Pattern Four: Who Does the Measuring

In a similar vein to determining what designers and their partners need to measure, it can be difficult to conclude who will do the data collection and analysis. With the increased focus on data and data analysis, designers have had to become more intentional at the beginning of projects to talk with their clients and partners about this topic. In this conversation designers need to be upfront about the skillsets they have, the services they offer, and what they are not able to provide. The second key part of this conversation needs to be on project scope and if measurement is a part of the original scope and budget. The owner of a mid-sized design firm working with a mixture of for-profit and nonprofit clients said, “it is a difficult dance with clients,” when it comes to the client’s expectations for success metric tracking and the assumption that those services are automatically built into the original cost of a project. By talking about the logistics of success measurement at the beginning of a project, designers and their partners will be able to avoid misunderstandings and disagreements on project scope and budget as it relates to data collection and analysis later in the process.

Pattern Five: Easy to confuse outputs with outcomes

When measuring the success of any project it can be easy for designers or their partners to confuse the outputs of the project with the outcomes of a project. According to Taylor-Powell, Jones, & Henert, outputs are the activities conducted or products created to help achieve the project goals (2003, p 17). Another way of looking at outputs is the tangible or physical deliverable at the end of a specific process (Visocky O'Grady, 2013, p 70). Outcomes, on the other hand, are the “effects generated by the outputs and align with the project goals” (Visocky O'Grady, 2013, p 70). Outcomes can be short or long-term achievements depending on the project or process they are resulting from (Taylor-Powell, Jones, & Henert, p 17). Depending on the area of expertise at a design studio, most studios are not paid to track the long-term outcomes of a given project. This reality can result in studios and their partners thinking the output or deliverable created by
the design studio is in fact the outcome of the project. It is important for design studios and their partners to be aware of this so they are better prepared to track and evaluate the overall impact of the project right from the beginning.

Even with all of these difficulties there are many reasons for designers to be involved in the measuring the impact of their work.

**Why Design Firms Measure the impact of their work.**

From primary and secondary research conducted during the course of this study, several patterns emerged as to why design firms measure the success or impact of their work. These patterns can be distilled down into four main reasons and they are: to learn and get better, marketing and promotion of their work, accountability, and creating greater value for clients and partners.

The first reason design firms measure the impact of their work is to help them learn and get better at what they do. Design inherently is about creating something new, improving efficiencies, and finding a better way of doing something. In order to successfully achieve this, designers are always looking for ways to improve their work and grow their skillset. When asked about learning and growth as it relates to evaluation, an owner of a small design firm said one of the fundamental parts of their design process is soliciting client feedback. From this feedback this designer is constantly evaluating their own processes in order to improve the overall experience their clients and partners have working with them. This drive to improve and get better as a designer is key in making future projects more successful for all involved and to solving complex problems.

The second reason design firms measure the impact of their work is to help them in obtaining more work through marketing and promotions. Ultimately, design firms are businesses and they rely on a consistent flow of work and the corresponding revenue that comes with that work in order to have long-term financial sustainability. In order for new work to be obtained design firms are constantly searching for and gaining new clients and then subsequently building relationships with them (Osterwalder, & Pigneur, 2010, p 64). One of the key tools that help design
firms in this task is their ability to showcase their past successes to potential clients and partners. In social innovation design those past successes need to show the design firm met their intended missions or purposes for their projects otherwise it will be difficult for the design firm to truly show the success or impact of their work. Hence this one of the reasons design firms are putting more emphasis on data measurement and project evaluation. Design firms promote their successes through case studies on their websites, impact reports, testimonials, word of mouth marketing, and many other mediums.

The third reason design firms measure the impact of their work is accountability. One person interviewed for this thesis summed up this reason, accountability, very nicely: “We [designers] are in the business of creating social change so we have to measure that [our work] to know whether or not we are doing it right.” Social innovation designers are not only accountable to themselves for their work but they are also accountable to the broader community, their partners, and any outside funders they might have for the project. By measuring the impact of their work and processes designers are not only more accountable but they are able to become more than just a service provider for their clients and partners.

The fourth and final reason design firms measure the impact of their work is to showcase and demonstrate the broad value they are bringing to their clients and partners. By integrating project evaluation and success measurement into the design process a design firm is better equipped to show their clients and partners this broad value. According to the Danish Design Centre, design is most valuable or profitable for an organization when it is an integrated element in the development process, and/or is a key strategic element in an organization’s business or service model (2001). When design firms are able to demonstrate this value to their clients and partners they are creating stronger relationships with them and showing design firms as key strategic partners in their mission or work throughout the process, rather than a service provider brought in at the end.
Methods & Models Being Used

“Designers should embrace the social science methods of theory of change and logic model which can serve as the meeting ground and shared tool for design and social science.”

— Denis Weil

At its core social innovation design is about creating change in communities, organizations, and the world to better address the wicked social problems affecting millions of people around the globe. Therefore, it is imperative for designers to develop successful interventions and to do that designers must measure and evaluate the work they are doing. Social innovation designers in the nonprofit sector have begun looking to the social sciences, community organizing and development, public health, and education for insights into how they can build measurement and evaluation into the design process. Two methods or models came up multiple times during the primary and secondary research phases for this paper. These methods are the Logic Model and the Theory of Change.

**Logic Model.**

Logic Models are a widely known and utilized tool in many different fields social innovation designers have looked to in order to integrate this model into their design processes. Logic Models are frameworks that graphically illustrate a specific program or initiative’s components, or the inputs, outputs (activities), and outcomes (Anderson & Clark, 2004, p 12). They are utilized in strategic planning and evaluation for a program or initiative, and as an accountability document for the project’s stakeholders (funders, collaborators, staff members, contractors, etc.). One of the most beneficial outcomes of creating and using a logic model is the process of creating it with all stakeholders and the resulting understanding and consensus all involved build around the proposed program or initiative (Taylor-Powell, Jones, & Henert, 2003, p 127). Foundations have long been using logic models as a tool to help them and their grantees to align their missions, to determine success metrics, and short, medium, and long-term goals or outcomes before partnering together.
They also use these to measure their work and to determine if shifts in strategy or financial support need to occur in order to reach their agreed upon goals or outcomes for a specific program or initiative. The use of logic models by foundations in this way helped increase their adoption across the nonprofit and social sectors. In particular, the United Way (Taylor-Powell, Jones, & Henert, 2003, p 10) and the Annie E. Casey Foundation (Reisman, Gienapp, & Stachowiak, 2007, p 2) have played influential roles in the proliferation of this framework. Another organization that helped to spread the use of this framework is the University of Wisconsin–Extensions, specifically in planning and evaluating educational programming. The University of Wisconsin–Extension’s work was brought up multiple times during the primary research for this thesis.

Fig. 1 – Basic Logic Model
(Taylor-Powell, Jones, & Henert, 2003)
The wide adoption of the logic model and simplicity of its framework have resulted in a wide variety of variations, but there are eight key components or parts present in them all: the situation and priorities, inputs, outputs, outcomes, assumptions, external factors, key evaluation questions, and indicators. Each of these areas are critical to fully understanding what an organization and their partners are trying to accomplish with an individual program or initiative, how they are attempting to do so, and how they will measure the success of their program or initiative.

The first section of the logic model contains two parts: the Situation and Priorities. The Situation is the place in the framework where the problem an organization is attempting to solve with a program or initiative is stated, along with the conditions that have shaped this reality. Defining the problem is the key stage to the logic model framework just like defining the problem is the most important stage in the design process. If there isn’t a clearly defined problem there is little hope of accurately measuring the impact of the design process and its outcomes (Murphy, 2017). So as to get to the root of the problem it is important for organizations to answer the following questions (Taylor-Powell, Jones, & Henert, 2003, p 24):

1. What is the problem/issue?
2. Why is this a problem? (What causes the problem?)
3. For whom (individual, household, group, community, society in general) does this problem exist?
4. Who has a stake in the problem? (Who cares whether it is resolved or not?)
5. What do we know about the problems/issues/people that are involved? What research, experience do we have? What do existing research and experience say?
From the answers to these questions, an organization creates a simple but thorough problem statement to guide the remainder of the logic model process. In Fig. 2 the situation is the section on the far left with the large arrowhead connected to it. The second part of this stage is to determine the Priorities or the areas the organization is going to focus on to solve the problem from the problem statement. In Fig. 2 the Priorities are the large arrowhead connected to the Situation on the left. Developing a set of priorities helps an organization in the next section of the logic model, the Inputs.

![Fig. 2 – Situation and Priorities](Taylor-Powell, Jones, & Henert, 2003)
Inputs, as defined by Taylor-Powell, Jones, and Henert, are the resources and contributions organizations and their partners make toward an effort (2003, 40). Inputs can include time, people (staff, volunteers), financial resources, materials, equipment, and partnerships. For example, paid staff time, physical meeting space, and office supplies are some of the inputs for Design Impact and the United Way of Greater Cincinnati in their joint program Studio C. Studio C is a program which seeks to “introduce nonprofits to Design Thinking, Social Innovation, and Leadership concepts to build their capacity to creatively solve the social issues they face.” (Design Impact, 2014, p 2). See Fig. 3 for where inputs are entered. Inputs are used to create outputs.

Fig. 3 – Inputs
(Taylor-Powell, Jones, & Henert, 2003)
Outputs are the activities, services, events, and products that *reach* people (individuals, groups, agencies) who participate or who are targeted (Taylor-Powell, Jones, & Henert, 2003, p 41). Outputs are broken down into activities (what a program or initiative *does* or *offers*) and participation (who is *reached* by a program or initiative) (Taylor-Powell, Jones, & Henert, 2003, p 41). For example, curriculum development, workshop facilitation, and ongoing consultation are some of the activities from Studio C. The target audience for Studio C are area nonprofits with an interest in learning more about design thinking as a tool for innovation. See Fig. 4 for where outputs are entered. Outputs should lead to specific outcomes.

*Fig. 4 – Outputs*  
*(Taylor-Powell, Jones, & Henert, 2003)*
Outcomes are the direct results or benefits from the outputs for individuals, families, groups, communities, organizations, or systems (Taylor-Powell, Jones, & Henert, 2003, p 42). Developing or determining the outcomes is one of the most important steps in a logic model. If outcomes are not fully developed or well thought out then the measurement and evaluation process will not be successful. Hence, outcomes need to be specific and measurable so as to make it easier on the organization and their partners to track the results of their activities. Taylor-Powell, Jones, and Henert, recommend organizations start the outcome discovery phase by asking the following questions (2003, p 69):

1. What will be different as a result of this initiative or program? For whom will this be different?
2. What will be changed/improved?
3. What will the participants or users say is the value of the initiative or program? What will they say about why they participate in the initiative or program?

By answering these questions, organizations and their partners will have a better understanding of the results of their actions over designated amounts of time. Outcomes are broken down into a series of interdependent categories of short-term and medium-term results that build on top of each other to get to the final long-term outcome or impact. This series is called the outcome chain (United Way, 1996, p 32). A person interviewed for this thesis describe another way of thinking about this relationship between outcomes is as change in beliefs (short-term outcomes), change in actions or behaviors (medium-term outcomes), and as change in conditions (long-term outcomes). Long-term outcomes are also referred to as impact or the ultimate consequences or effects of a program or initiative (Taylor-Powell, Jones, & Henert, 2003, p 42). For example, the impact of Studio C is that the participating organizations integrate design thinking and co-design principles into their organization by changing policies and organization structures to make design thinking and co-design central to all of the organization’s innovation efforts. Taylor-Powell, Jones, and Henert recommend organizations and their partners continue to streamline their outcome
chains throughout the development of their logic model by reviewing their outcomes through the following lenses (2003, p 81):

1. **Important** – Do the outcomes represent significant change or improvements valued by all parties involved?

2. **Reasonable** – Are the outcomes linked in reasonable order? Is it likely that one will lead to the next and then will lead to the next?

3. **Realistic** – Are the outcomes realistic given the nature of the problem, the organization’s resources, and their abilities? Will the program or intervention lead to or help contribute to these outcomes?

4. **Potential Negative Consequences** – What are potential negative consequences or effects of the program or intervention the organization and their partners need to consider?

By asking these questions throughout the entire process organizations and their partners will be better prepared for and be successful when measuring and evaluating the program or initiative. If outcomes are not fully developed or scrutinized throughout the process then the likelihood of successful measurement and evaluation goes down. See Fig. 5 to see the Outcomes section.

![Fig. 5 – Outcomes](Taylor-Powell, Jones, & Henert, 2003)
The fifth section of the logic model is the Assumptions section. Assumptions, as defined by Taylor-Powell, Jones, and Henert, are the beliefs the organization and its partners have about the program, the people involved, and the way the organization and its partners think the program or initiative will work (2003, p 43). By stating the assumptions up front all parties involved will be able to discuss and critique these underlying items to determine if they are correct and everyone agrees on them. For example, some assumptions for an advanced manufacturing job-skills training intervention targeted at underemployed and impoverished single mothers might be: these single mothers are interested and willing to take part in the program, the training being offered will be sufficient to prepare the participants for full-time employment, and the resulting income will be enough for them to become more financially stable. All assumptions should be backed by research, past experiences, common sense, or best practices (Taylor-Powell, Jones, & Henert, 2003, p 45). See Fig. 6 to see the Assumptions section.

Fig. 6 – Assumptions
(Taylor-Powell, Jones, & Henert, 2003)
The sixth section of the logic model is the External Factors section. External Factors are things outside the program or initiative that can influence the program’s success (Taylor-Powell, Jones, & Henert, 2003, p 46). These can include social and cultural settings, the physical climate, politics, and economics. These factors can impact the entire program or initiative but by acknowledging these potential occurrences the organization and its partners can determine what they might be able to do to change these factors or what actions or plans they may need to make to mitigate the risk. For example, an external factor for the advanced manufacturing job-skills training program could be a decrease in demand for manufactured products resulting in less job openings for the program graduates to apply for. See Fig. 7 to see the External Factors section. These final two sections of the logic model framework help in the evaluation process.

Fig. 7 – External Factors
(Taylor-Powell, Jones, & Henert, 2003)
The seventh section of the logic model is the Key Evaluation Questions section. Key Evaluation Questions are clear and specific questions which need to be answered in order to determine the success of the program or initiative mapped out in the other six sections of the logic model (Taylor-Powell, Jones, & Henert, 2003, p 176). These specific questions fall into four different categories, Needs (which directly relates to the Situation and Priorities section), Process (which relates to all of the six main sections), Outcomes (which directly relate to the Outcomes section), and Impact (which directly relates to the Long-Term Outcomes subsection) (Taylor-Powell, Jones, & Henert, 2003, p 172). For example a Process question for a summer food program targeted at underserved inner city youth might be “Did more youth in the targeted neighborhood obtain healthy lunches from this new initiative compared to similar initiatives in the past?” See Fig. 8 to see the Key Evaluation Questions section. The answers to the Key Evaluation Questions are what make up the final section of the logic model.

Fig. 8 – Key Evaluation Questions
(Taylor-Powell, Jones, & Henert, 2003)
The eighth and final section of the logic model is the Indicators section. Indicators are quantitative or qualitative variables which provide a simple and reliable means to measure a desired entity (DAC, 2002, p 25). In program or initiative evaluation, Indicators are the data that answer key evaluation questions. For example, the Indicator for the summer food program question in the previous paragraph is the number of youth fed by the new program compared to the number of youth fed by similar initiatives in the past. See Fig. 9 to see the Indicators section.

*Fig. 9 – Indicators*
*(Taylor-Powell, Jones, & Henert, 2003)*
**Theory of Change.**

When evaluating complex programs and initiatives it is extremely important that all involved understand what an organization and its partners set out to do or accomplish and why. If people evaluating a program aren't able to understand these things then the likelihood of determining the long term outcomes from a program or initiative go down. This argument is what helped a group of academics, evaluation experts, and social sector organizations come together in the early 1990's to develop a more explicit evaluation methodology for community-wide programs and initiatives (Clark, Rosenzweig, Long, & Olsen, 2002, p 20). This gathering of experts, called the Aspen Institute Roundtable on Community Change, resulted in the Theory of Change approach (James, 2011, p 3). Simply put the Theory of Change is an ongoing process of reflection to explore change and how it happens (James, 2011, p 3).

Specifically a Theory of Change works by helping organizations and their partners develop a narrative description of *how and why* a set of activities, or outputs, are expected to lead to short, medium, and long-term outcomes over a specified period of time and to create a visual representation or map of the causal relationships between the outputs and outcomes (Taylor-Powell, Jones, & Henert, 2003, p 93). The Theory of Change approach or framework has been widely implemented and refined by those in the social sciences, nonprofit sector, international development sector, and various funders and donors of social sector work. Foundations utilize theories of change for evaluating the success of their grantees with the funds they were given and as a tool to help them determine where to award funds based on the foundation’s mission and vision. Social innovation design firms have looked to this framework to help in evaluating their work since the focus of social innovation designers is to work alongside their clients and partners to create change.

Theory of Changes are similar to logic models in their basic structure but Theory of Changes are used to look at the broader steps and proposed actions needed to bring about a large societal or communal change (Clark & Anderson, 2004). Logic Models on the other hand are used to break down a single program or initiative into its components, and to determine the evaluation
methods and indicators needed to measure the success of that program or initiative (Clark & Anderson, 2004, p 14).

The Theory of Change framework consists of a pathway of change (Fig. 10) and a written narrative that simply describes the assumptions or reasoning behind the various parts of the pathway of change (Anderson, 2004). According to Anderson, a pathway of change “is a map that illustrates the relationship between actions and outcomes and also shows how outcomes are related to each other over the lifespan of the program or initiative.” (2004, p 3). A pathway of change consists of four different types of information or sections and they are: the long-term outcome or impact, preconditions, indicators, and interventions (Fig. 10).

![Fig. 10 – Basic Pathway of Change](Anderson, 2004)
A pathway of change always starts with the desired long-term outcome or goal an organization and its partners want to bring about (Anderson, 2004). The long-term outcome is the large octagon at the top the pathway of change diagram. For example a long-term outcome for a group focused on education might be 100 percent of a county’s students’ graduate high school prepared for college and career. All involved in developing the theory of change then work backwards from this long-term outcome to determine the necessary conditions that have to be met in order for the long-term outcome to be met.

The second piece of a pathway of change are the preconditions. Preconditions, as defined by Anderson, are all the specific short-term and intermediate outcomes on the path that must be met in order for the long-term outcome to be accomplished (2004, p 5). Preconditions must be met in succession in order for the long-term outcome to be met. For example a precondition for 100 percent of a county’s students’ graduating high school prepared for college and career would be students are achieving academically. A precondition of students are achieving academically would be students regularly attending school (Rasic, Collins, & Clark, 2014, p 18). These linked preconditions create one of many precondition sequences required to meet the final long-term outcome (Anderson, 2004, p 4-5).

The third piece of a pathway of change are the Indicators. Indicators are the variables being measured to determine if a precondition has been reached or occurred (Taplin, & Clark, 2012, p 7). Anderson recommends all indicators be constructed so they answer the following questions (2004, p 5):

1. Who or what is the target population of change?

2. How much change has to occur on this indicator for us to claim to have successfully reached the outcome?

3. How long will it take to bring about the necessary change in this indicator in the target population?
By making indicators that follow this level of detail, organizations and their partners and anyone else involved will understand what they will be looking for when moving through the change process (Anderson, 2004, p 5). Indicators are the circles in the pathway of change diagram. An example of an indicator used to determine if students are achieving academically would be an increase in student growth in language arts and math from one year to the next (Rasic, Collins, & Clark, 2014, p 20).

The fourth piece of a pathway of change are the interventions. Interventions are the activities, programs, or initiatives required to bring about each of the preconditions on the pathway of change (Anderson, 2004, p 5). Only interventions that directly address the preconditions are listed, as the focus of a pathway of change is on the broader steps that need to occur in order for the long-term outcome to be met. An example of an intervention related to student academic achievement would be an after school mentoring and tutoring program for high school students (Rasic, Collins, & Clark, 2014, p 21).

During the development of a pathway of change an organization and their partners are also recording their assumptions or reasoning behind the precondition sequences, the indicators, and the interventions. These assumptions are what are used to develop the written narrative that accompanies the final pathway of change (Anderson, 2004). This narrative provides the description of how and why a the final pathway of change will result in meeting the long-term outcome.

**Differences Between Logic Model and Theory of Change.**

During the investigation for this thesis it became clear that there are a lot of similarities between the logic model and the theory of change. Both are visual models or frameworks used to help organizations and their partners understand what change they want to make, what they will need to make change possible, and how they will go about making the desired change a reality. These models can both be used as a planning and issue–framing tool and as a monitoring and evaluation tool (Taplin & Clark, 2012, p 1). Yet with all of these similarities there are four major differences between these two models.
The first and most significant difference between these two models is the Theory of Change is much broader, or big picture focused than the Logic Model. The Theory of Change focuses on all the different programs, initiatives, and any other broad actions needed in order to get to the desired final outcome or impact (Clark & Anderson, 2004). Logic Models focus on an individual program or initiative and breaks down all the different components (inputs, outputs, and outcomes) that make up a program or initiative. The purpose of a Logic Model is to break down a individual program or initiative into its components so a viewer can quickly and easily see how it should work and whether the outcomes are out of sync with the inputs and outputs (Clark & Anderson, 2004, p 14).

The second difference between these two models is Logic Models usually start with an individual program or initiative and illustrates its various inputs, outputs, and outcomes (Clark & Anderson, 2004, p 13). A Theory of Change usually starts with a desired large outcome or impact an organization and its partners want to bring about before defining the programs and initiatives needed to get there (Clark & Anderson, 2004, p 13). For example a Theory of Change related to childhood education would start with the final outcome of all children will graduate from high school and the programs or initiatives needed to get there are an early childhood education program, an innovative K-12 summer school program, and an after school mentoring and tutoring program for high school students. A Logic Model would start with the after school mentoring and tutoring program and break it down into its various inputs, outputs, and outcomes.

According to Clark and Anderson the third difference between these two models is Logic Models do not show or describe why the outputs in a program or initiative are expected to produce the stated or desired outcomes (2004, p 14). In contrast a Theory of Change requires organizations and their partners to list their assumptions (justifications or hypotheses) as to why each output, short, or medium term outcome will lead to the next stage in the process (Clark & Anderson, 2004, p 14).

The fourth and final difference between these two models is the final deliverables from each process. The final deliverables from a Theory of Change are a visual map and a written narrative to simply articulate how the each step and intervention will make the desired long term outcome
possible (ActKnowledge & Aspen Institute, 2004, p 14). In contrast the final deliverable of a Logic Model is a simple visual graphic describing the individual components that make up the program or initiative (Clark & Anderson, 2004, p 19).

*Methods in Action by Social Innovation Design Firms.*

*Design Impact.*

“...only after deeply exploring how we create change can we begin strategizing how we can improve our work.” — Design Impact

As a social innovation design studio, the leadership of Design Impact realized early on that they needed to understand their mission and goals in order to best utilize their skills and resources to make the greatest impact. Developing a theory of change played a key role for Design Impact in this searching process. Their theory of change, called embedded design, focuses on empowering individuals, communities, and organizations to become designers themselves, in order to solve complex social problems through human-centered design and design thinking (Design Impact, 2016, p 11). Embedded design practice, as Design Impact defines it, is the intersection of Design Impact’s three core practices: *creative practice, leadership practice, and social practice.* *Creative Practice* is where Design Impact focuses on training individuals and organizations in design thinking and other change processes to empower them to see and act on opportunities for innovation (Design Impact, 2016, p 11). *Leadership Practice* is where Design Impact focuses on empowering their partner organizations with opportunities to better understand themselves, strengthen their ability to form teams, lead projects, and change organizations. By focusing on this Design Impact is able to nurture leadership potential in all contributors to become effective change makers (Design Impact, 2016, p 11). *Social Practice* is where Design Impact focuses on participatory design and community development, which helps to ensure stakeholder inclusion and engagement toward collective action and change. These three core practices are central to all the services (consultation, training in design thinking, program design and delivery, service design, and product design) Design Impact provides
their partners.

From this theory of change, Design Impact developed their outcomes and indicators based in three different areas or stages of change: a change in mindset, a change in action or behavior, and a change in conditions. In order to create a sustainable and lasting change, the change has to first begin with a change in mindset before moving into the other two areas. These areas of change can be applied to individuals, organizations, and communities. A change in mindset also includes changes in an individual’s attitudes and beliefs towards a given topic or area. For example, participants in Design Impact’s Studio C program often start the program thinking they are not designers and/or creative so they are apprehensive and lack confidence in the design thinking process. Yet by the end of the six month program the majority of those same participants feel empowered to confidently engage with the design thinking process. An indicator Design Impact uses for this outcome in relation to Creative Practice is an individual’s change in thinking about or towards the creative process and design thinking (Design Impact, 2016, p 12). In order to measure this indicator Design Impact utilizes individual interviews and surveys with their partners before, during, and after a workshop. A change in an individual’s actions or behaviors is the next step of the change process and takes a person from thinking about something to physically or actively doing something different. For example, Studio C participants have integrated design thinking and co-design principles they learned during the program into other areas at their nonprofits after their Studio C term ended. By integrating these principles into other areas the Studio C participants are showing a change in their actions or behaviors. In order to track this indicator Design Impact uses the same interview and survey process used to evaluate a change in mindset. These first two areas or stages of change are considered to be individual changes or changes that don’t require changes in policy, outside systems, or forces. The final area or stage of change is a change in conditions. This area is different than the first two areas because it is an external change rather than an internal one. This area requires a change in the outside forces or things that impact an individual, organization, or community. For example, some of the Studio C participants have not just integrated design thinking and co-design principles into their organization but they have gone a step further and
integrated them into their organizations by changing policies and organization structures to make
design thinking and co-design central to all of the organization’s innovation efforts. Similar to the
other two examples, Design Impact utilizes the same interview and survey process to evaluate a
change in conditions.

In 2016 Design Impact embarked on a year long project to compile the impact of their
work from the last three years and to develop an integrated process for measuring their impact on
a regular basis going forward. Design Impact utilized their theory of change, and the outcomes and
indicators developed during the process as the foundation for this initiative. Through this process
of looking back at the work they had completed since 2013, Design Impact was able to develop a
better understanding of the measurable impact they were making and were able to build a clearer
picture of their strengths and areas for growth. Design Impact took the insights they gained from
this evaluation process and developed a new tool to help them integrate impact evaluation into each
of their projects going forward.

This new tool consists of 32 different outcomes and indicators related to Design Impact’s
three areas of practice and three stages of change. Design Impact utilizes these outcomes and
indicators as the evaluation building blocks to co-develop project specific outcomes and indicators
with their partners at the very beginning of a project. Design Impact then builds feedback loops into
the project around these outcomes and indicators to ensure their work will result in their partner’s
desired long-term outcomes and as accountability checks for all people involved in the project.
Design Impact is not the only social innovation design consultancy to develop a system to measure
their impact based off of theory of change and logic models. IDEO.org, an international social
innovation design consultancy, has been at the forefront of measuring the impact of their work
since they were founded in 2011.
IDEO.org.

“Design has always been about impact.” – IDEO.org

IDEO.org, a nonprofit social innovation design consultancy, was spun off the for-profit design innovation consultancy, IDEO, in 2011. IDEO.org was created to solely focus on developing innovative design solutions through the human-centered design (HCD) process to alleviate issues of global poverty. This central focus is reflected in their theory of change which is centered on creating change in the lives of low-income communities all over the world in three ways: DESIGN, FUEL, and INSPIRE (IDEO.org, 2015b, p. 18). IDEO.org’s focus on DESIGN centers on co-designing and developing innovative solutions to social sector problems alongside the individuals and communities who will be utilizing these solutions. For example, IDEO.org worked with Marie Stopes International to develop new contraceptive health services and health centers in Zambia tailored to teenage girls in hopes of decreasing unwanted teenage pregnancy and therefore increasing the likelihood these girls will finish their schooling. IDEO.org’s second focus area, FUEL, revolves around teaching human-centered design to social problem solvers and empowering entire organizations to become innovators through human-centered design. IDEO.org’s third area of focus, INSPIRE, centers on telling stories of human-centered design in action to show others the human-centered design process brings about sustainable and innovative solutions to the social sector. From these three areas of focus IDEO.org developed a variety of outcomes and indicators to help them measure the impact of their work.

Key indicators in the DESIGN area focus on the actions that occur in response to their new service, product, or system interventions. For example, a few of the key indicators IDEO.org and Marie Stopes International utilize on the Diva Center project in Zambia include the number of girls who have visited the centers since they opened, the percentage of those girls who visited who received services, the percent of girls who visited who were between the ages of 15–19 (who are IDEO.org’s target audience), and the percent of girls who are receiving contraceptive services for the first time (IDEO.org, 2015b, 46–49). Other key indicators in the DESIGN focus area can also reflect environmental—or physical changes in economics and infrastructure—changes that occur in
response to the new interventions. For example, IDEO.org partnered with the American Refugee Committee and community members in Bukavu, Democratic Republic of Congo, to develop a community-owned health, agriculture, and water business named Asili to address the underserved. IDEO.org included indicators on this project focused on changes in the local economics and infrastructure by tracking the number of new businesses started since the Asili location opened, and if there were new buildings, roads, electricity or other infrastructure changes since the Asili location opened (IDEO.org, 2015b, p 18–20). Indicators in the DESIGN area are a mixture of quantitative and qualitative data most often collected by IDEO.org’s partners.

A key indicator for IDEO.org when evaluating their work in the FUEL area is whether or not there is an internal organizational push from their partner organizations to put HCD at the center of their process once IDEO.org has worked with them. For example, the United Kingdom Department of International Development (UK DID), an early partner of IDEO.org, has integrated HCD not only into individual programs but it is now a strategic innovation tool championed by UK DID’s leadership team (IDEO.org, 2015b, p 62).

A few key indicators for IDEO.org in the INSPIRE area of focus are adopted from the marketing and public relations industries. Specifically, IDEO.org is looking at the number of new social media mentions of HCD, the number of new published stories or reports about HCD, the number of awards the HCD Kit receives, and for broader shifts within the social sector and the design field. For example, IDEO.org sites the increase in social innovation design courses and programs at top North American design and business schools, and the increase in major funders looking for human-centered partners (IDEO.org, 2015b, p 72).

The Logic Model and Theory of Change are not the only evaluation methods being used in social innovation design. These two methods are the most prevalent in the social sector and have been integrated into numerous social innovation design studios processes. A third method developed by a public interest design firm has a few similarities to a logic model and theory of change, but it breaks down impact into two categories: direct and indirect impact. This method sheds some light on how other social innovation design firms could develop their own hybrid
evaluation methods in order to measure the data that is most important for that firm and their partners.

*Four E Framework (MASS Design Group).*

As stated earlier in this paper, MASS Design Group is a nonprofit public interest design firm focused on “improving health outcomes, educational opportunities, and social equity through the design and construction of the built environment.” (Proactive Practices No. 1, 2016). Because of this multifaceted and all encompassing mission, MASS has developed an evaluation framework that looks to measure the impact of each of their projects in four areas: Education, Environment, Economic, and Emotional (Fig. 11).

![Fig. 11 – Four E Framework](Murphy, 2017)

The first step in this framework is to develop a clearly defined and articulated mission or purpose statement at the beginning of every project (Murphy, 2017). For example, the mission for a recent hospital project headed by MASS was to design a building or complex of buildings that would reduce the maternal and neonatal mortality rates in the region around Kasungu, Malawi. This statement contains both why the project has been brought about (the desire to reduce the maternal and neonatal mortality rates) and in general how they are going to do this (by designing a building or complex of buildings). From this mission statement, MASS and its partners developed their desired long-term outcome or direct impact for the project (Murphy, 2017). Continuing the
example from Malawi, the direct impact for that project was the desire to reduce maternal and neonatal mortality rates in Kasungu, Malawi. This direct impact statement provides the MASS and their partners with key indicators to begin collecting data on from the beginning of the project. In this example those key indicators for direct impact are the maternal and neonatal mortality rates in Kasungu before and after the new hospital is open and the maternal and neonatal mortality rates at other hospitals in the same region before and after the new hospital is open. Once these first two steps are completed MASS Design Group and their partners look at the four Es and their desired indirect impacts in those areas (Murphy, 2017).

The first E stands for Education and in this section of the framework MASS analyzes the impact their skills training program has had on the local craftspeople and artisans they hire to complete the construction of a project. Examples of indicators in this section are the number of people trained in new building techniques and the number of people who utilize the new technique on other projects once the MASS project is complete (Murphy, 2017). The materials MASS uses for its projects come from local and regional sources and often included materials that are devalued or discarded from the regular market. The focus on education and local materials result in a greater and more positive impact overall.

The second E stands for Environment and in this section of the framework MASS analyzes the impact their buildings have on the environment by looking at the materials they are using and the long term building emissions. Examples of indicators in this section are the distance the materials traveled in order to get to the build site, called material sourcing, and embodied carbon, or the amount of “carbon dioxide emitted during manufacture, transport, and construction of building materials, together with end of life emissions.” (Wynn & Lockie, 2012). The indicators in this section are similar to indicators used in other environmental and sustainability evaluation systems used in architecture and construction, such as LEED, BREEAM, CASBEE, and Green Star (Murphy, 2017). By focusing on sustainable building practices, and educational training MASS is able to make a bigger and longer lasting economic impact on the communities in which it works.

The third E stands for Economic and in this section of the framework MASS analyzes the
impact their educational training and building process has from an economic standpoint. Examples of indicators in this section are equivalent number of full time year long jobs created, percent of project cost spent on labor, and percent of project budget spent locally and regionally (MASS, 2017).

The fourth and final E stands for Emotional and in this section of the framework MASS analyzes the impact their work has on the individuals who work on the project and come into contact with the finished work. In this section MASS is specifically looking for changes in beliefs, behaviors, and actions. The indicators in this section are often qualitative in nature requiring MASS and their partners to focus on interviewing local builders and users on each project (Proactive Practices No. 1, 2016). By focusing on interviewing and gathering people’s stories MASS and their partners require more time than it would to collect quantitative data.

The Four E Framework (Fig. 11) has helped MASS measure the long term impact of their work and from that they have been able to obtain larger funding sources to be able to continue doing their work around the world. The key to the success of this framework is that it combines quantitative and qualitative data together with personal stories of impact from people in the communities where MASS and their partners work. By combining these types of data with stories MASS is able to create a more compelling and nuanced case for the impact design can have on social problems.

**Chapter Synthesis**

Even though there are difficulties in knowing what to measure, determining who does the measuring, and the resource intensive nature of impact measurement, the benefits greatly outweigh these negatives. The four main benefits for social innovation design firms when measuring the impact of their work are to learn and get better, marketing and promotion of their work, accountability, and creating greater value for their clients and partners. By using logic models and theories of change, social innovation design firms are able to develop and plan solutions for measuring the impact of their work from the outset with their partners and clients. Although this may seem like it is delaying the real possibility of making change, it is in fact increasing the
likelihood of successful long-term change. These methods also help alleviate potential strategic misfires or distractions by building consensus and understanding around identifying the problem everyone is trying to solve, how they are going to do it, and how they will be able to determine when the change has occurred. By communicating and promoting the value of their work, social innovation design firms can show they are valuable strategic partners in working to solve complex social issues facing our world.
CHAPTER VI. IMPLICATIONS AND CONCLUSION

The primary idea behind this thesis has been to dive deep into the business model and evaluation methods that make up social innovation design. There are countless articles and blog posts about evaluation in social innovation design but they rarely go past the basic argument of whether the impact can be evaluated or how we might get there someday. This was discouraging, as other fields running parallel to social innovation design are past this argument and utilizing evaluation methods to track their impact. The highlight of this research was the fact that unlike the broader design industry having this discussion, there were design firms finding and trying different ways of evaluation that were being applied in these other fields. Most of these design firms were inspired or encouraged by foundations or other nonprofits to utilize theory of change or logic models as a form of evaluation in their design processes. If it weren’t for these outside organizations promoting and pushing design firms to use these methods there is little chance that the design industry would be beginning to measure the impact of their work.

This thesis ultimately helps to begin a new piece of this broader conversation by articulating how design firms are actually building evaluation methods into their processes instead of continuing the broader question of whether measuring the impact of their work is possible or not. The design field needs to move beyond the question of can it be done (which it can be, based on these findings) to the more nuanced conversation of how we can do it, and how do we do it well. Publications like the LEAP Dialogues: Career Pathways in Design for Social Innovation edited by Mariana Amatullo, Bryan Boyer, Liz Danzico, and Andrew Shea are a great continuation of the variety of conversations the broader social innovation design field are having but it is imperative that we take the next step and focus even more on spreading evaluation and success metrics best practices with one another.

There is not one single measurement tool or solution to the problem of measuring the impact or success of social innovation design projects. Instead, there are multiple tools that can be utilized based on the type of design firm doing the work, the nature of the project, and the client and partners capacity and willingness to measure or implement the toolset. When tackling a social
innovation design project it is best to utilize evaluation or research methods that focus on tracking changes in belief, behavior or actions, and in policy or environment over the long-term. Change does not happen instantaneously or in one “big-bang moment” (Harris, 2016), meaning designers and their partners need to be committed to tracking the results of their efforts over the long-term. By utilizing these types of methods designers and their partners will be better equipped to articulate the true impact their efforts had on their defined problem.

A recurring theme that came through this research was the business type and model utilized by a social innovation design firm could have an impact on the role the firm plays in measuring the impact of their work. Nonprofit firms interviewed for this thesis stated that they were actively engaged with their partners in tracking the impact of their joint work, while the majority of the for-profit firms interviewed stated that they were not as involved in evaluating the impact of their work. The majority of for-profit firms stated a desire to measure the impact of their work but were deterred by the perceived extra amount of necessary resources required to do this. The author’s hypothesis is this difference is related to the emphasis on evaluation, transparency, and accountability that is required and expected of the nonprofit sector while this is less true in the for-profit sector. Since there is the emphasis on regulatory and donor accountability on nonprofits to measure the impact of their work, there is then funding and support for these efforts. In the for-profit sector there is not the same emphasis, resulting in a lack of available resources and inherent expectations to do this work. There are some for-profit design firms that do measure the impact of some of their projects when they are working directly with large nonprofits or foundations that emphasize the importance of strategic evaluation as a tool for greater impact and long-term value. In a similar vein it was discovered that the majority of the nonprofit design firms researched for this thesis have hired full time research, evaluation, and impact measurement staff, yet the for-profit firms do not have these staff positions. Further research and study is required in order to better understand this difference and to determine if this is true across the entire social innovation design field. This is one of the future research paths for the author.

Another recurring theme that came through this research was the majority of academically
trained designers are not fully equipped or experienced in integrating long-term project evaluation tools and methods into their design processes. There has been an increase in the number of design research courses being offered in design programs around the United States over the last five years, but these courses are not as widespread as other design courses. More focused research and study around this insight are needed in order for the author to definitively state the impact these courses are having in the professional sphere.

Social innovation design, at its core, is all about co-developing and designing solutions with communities that are desirable, feasible, and viable for all involved in the process (IDEO.org, 2015a, p 14). In order for this to occur, designers and their partners need to integrate project evaluation methods like theory of change and logic models into their processes. Creating change is a difficult and complex endeavor that requires long-term buy in and support. If designers and their partners want to truly solve the large-scale, wicked problems facing communities and societies then they need to build evaluation methods into their processes.
Interview Questions

1. How do you define design for social good and/or social innovation design? Are they the same or are they different?

2. How do you measure success at your firm?

3. How do you measure the success of a project?

4. Do your clients determine the success metrics you all use on a project or do you develop them together?

5. Do you view success metrics as proprietary information?

6. Is project success metrics and evaluation built into every project or your overall processes? If yes, then please describe how they are.

7. Have you found or noticed any frameworks or toolkits for designers to record the impact of their work? If yes then please describe them and how they are used.

8. Have you ever looked to other fields for success metrics to utilize in measuring the success of your work? If you have what fields do you look to and what metrics were they?

9. Please describe the process you or your firm uses to work through a creative problem.

10. Please describe the process you or your firm goes through when a new client comes to you for the first time.

11. When do success metrics and evaluation come up in your processes with clients?

12. How do your clients determine the success of a project they worked on with you? Is it different than how you or your firm determines success on a project? If it is different then please describe how it is different.

13. What motivates a client or partner to chose your design firm over another?

14. What have been your firm's biggest business mistakes?

15. What have been your firm's biggest successes?
16. How would you define the business model that your firm uses?

17. If willing please walk me through the various funding sources that your firm currently uses?

18. How do you go about finding new clients or partners to work with?

19. Is there anyone else that you think I should talk to about their experiences in social innovation design?

20. Are there any resources, like books or journals, that you would recommend that delve into social innovation design that I should look at?

21. Are there other design firms or organizations out there doing work similar to your firm? Who are they?
REFERENCES


