

Toolkit for social enterprise

Terms for Talking About Impact

GUIDE

Be clear on what different terms mean when developing your social enterprise!

Use this tool to:

1. Understand the different words and phrases relating to the world of purpose-led business as used by The Impact Initiative and Ākina.
2. Understand how and when to use these terms in your work.

How to use this tool

This tool is a guide designed for you to use as a constant reference for the terminology, definitions and phrasing used in the social enterprise and purpose-led business area. Use this tool while going through the other tools and resources on this site. The intent of this tool is to create a shared language for all working in this space.

Please note this tool does not cover any and all terminology and definitions you may need. We'll keep updating it as we go.

Guide

Terms for talking about impact

Term	Our definition
Buyers	An organisation (public or private) that purchases products and services through a procurement function.
Capability building	The process by which individuals and organisations obtain, improve, and retain the skills, knowledge, tools, equipment and other resources needed to do their jobs competently or to a greater / improved capacity.
Charity	A society, an institution, or the trustees of a trust that is or are furthering charitable purposes in accordance with the law of New Zealand and registered as a charitable entity under the Charities Act 2005.
Cooperative	An organisation which is owned and run jointly by its members, who share the profits or benefits.
Community enterprise	Community owned and led purpose driven businesses that trade to deliver cultural, social, economic and environmental benefits in a particular community of place.

Term	Our definition
Impact	The positive social, cultural or environmental changes, or outcomes, that happen as a consequence of an activity
Impact enterprise	A business that delivers impact as part of their work. This is a broader category than social enterprise but is sometimes used interchangeably.
Impact investment	Investing with the intention of generating a measurable and beneficial social or environmental impact alongside a financial return.
Impact model	<p>A visual representation of the logic of how an activity will lead to social or environmental change. The framework identifies the intended causal links between activities, and outcomes over a length of time.</p> <p>Also known as: theory of change, impact logic model, programme logic, programme theory, causal model, outcomes hierarchy, results chain, or intervention logic.</p>
Indicator	Indicators are clues, or measurable markers that show whether progress is being made on a certain condition or circumstance. Different indicators are needed to determine how much progress has been made toward a particular output, outcome or impact.
Not for profit	An organisation that does not operate for the private gain of any individuals (for example, by prohibiting the distribution of dividends to shareholders in a constitution or similar restrictions in its trust deed or rules) and instead reinvests all surplus into achieving its objectives.
Outputs	Something that happens immediately after your activity. It is usually expressed as something countable (number of...).
Outcomes	The changes that happen in people's lives because of your activities (e.g. your products or services). These are usually expressed as changes over time, and include things like change in attitude, behaviour, or conditions.

Term	Our definition
Procurement	The process (and often a function in an organisation) for acquiring and delivering products, services and physical works. Business-to-business (or B2B) procurement refers to trade between businesses and organisations, and generally involves higher value transactions.
Social enterprise	A purpose-driven business that trades to deliver positive social, cultural and environmental impact.
Social entrepreneur	A person with enterprising skills who establishes a venture with the aim of solving social problems or effecting social change.
Social entrepreneurship	The process of solving social, environmental, and cultural problems that the market and government are not able to solve and this process being able to be expressed in many different forms.
Social procurement	The intentional purchase of products and services that results in positive change. (See ‘Procurement’)
Start-up	An organisation that is in the early stages of testing their idea or product. They are usually backed by investors and are working towards high-growth.
Strengths based	Recognising the positives of a person instead of negatives, including when their circumstances are out of their control, and using this to frame an approach, e.g. “person with disabilities” instead of “disabled person”
Supplier	A social enterprise that supplies products or services to buying organisations. (See ‘Buyers’)
Systems thinking	A method to understand a system (e.g. environment systems or social systems) by examining the links and interactions between the parts of the system to know what effects your activities may have on that system.
Trade	The organised exchange of products and services for money. Trading is what enables social enterprises to deliver impact and social procurement offers an opportunity to scale and grow impact even further.

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