

BUSINESS CALL TO ACTION



BCtA Impact Measurement Services (BIMS) Case Study

¡Échale! A Tu Casa

1. Introduction

This case study describes the experiences of inclusive homebuilder ¡Échale! A Tu Casa with social impact measurement¹ through BCtA Impact Measurement Services (BIMS). The case study begins with an analysis of Échale's core business model and social mission, followed by an assessment of its business activities and potential contribution to social outcomes. The study then details the 'BIMS process' that Échale engaged in to develop a social impact measurement framework and integrate regular social impact data collection into its operations. It concludes by raising a set of questions that highlight the lessons learned by Échale, which can benefit the broader inclusive business community.

This publication is part of a series of case studies on the **BCtA Impact Measurement Services (BIMS)**, a Business Call to Action (BCtA) initiative, demonstrating how inclusive businesses can measure and apply social impact data.

Twenty one of BCtA's members are BIMS participants. BIMS provides them technical expertise and technology to design and implement survey-based data collection for assessing their operational and social performance.

BIMS is implemented by BCtA with support from our implementing providers, **Arthify** and **Echo Mobile**.

The photo was taken during the BIMS field training.

Guiding questions for measuring impact

- Why should businesses measure social impact?
- How should they measure it?
- What kind of data should they collect?
- What should they do with this data, and how is it useful?
- How can they contribute to global priorities and commitments such as the Sustainable Development Goals (SDGs)?²

Inclusive businesses³ across the world face these fundamental questions – whether they are multinational corporations, national conglomerates, small or medium-sized enterprises.

The BCtA Impact Measurement Services (BIMS) works with select BCtA member companies to answer these important questions.

- 1 In this case study, 'social impact measurement' refers broadly to the measurement of social, economic and environmental performance of inclusive business.
- 2 Adopted in September 2015 by all United Nations member states, the SDGs are a set of 17 global goals and 169 targets related to key development issues facing society today. Countries will aim to achieve them by 2030.
- 3 Inclusive businesses are commercially viable business ventures that engage people living at the base of the economic pyramid (BoP) as consumers, producers, suppliers and distributors of goods and services. BCtA defines BoP as those living on less than \$8 PPP per capita per day in 2005 US dollars.

2. About ¡Échale! A Tu Casa

¡Échale! A Tu Casa is a social enterprise that provides affordable eco-friendly housing solutions to underserved communities in Mexico. The company has spent the last 15 years building homes and stronger communities in 23 Mexican states.

Échale's integrated approach to strengthening communities goes beyond constructing homes to include workshops that actively involve community members and encourage them to be more engaged citizens. Workshop topics include 'designing your dream house', 'learning to read blue prints' and 'training on financials'. The Échale team also works closely with communities to build eco-friendly adobe blocks that are used for the majority of its house construction.

Following the community workshops, Échale begins working with community members to build their houses. Between 30 percent and 40 percent of construction costs are covered by government subsidies; homeowners can take loans for 50 percent of the cost charged by Échale and the remaining 10 to 20 percent must come from savings plans that homeowners start in Échale's workshops. All individuals who help with the construction of homes, including homeowner household

members, are paid for their labour. It generally takes three weeks to construct each home – depending on the community size, between 20 and 120 homes are built at a time.

Échale works in underserved areas of Mexico mainly in rural areas that are vulnerable because they are not covered by any government safety net. 52 percent of Échale's clients are single mothers and most families have at least three children. While its target population faces many obstacles, Échale also sees the potential of this market: many of its clients are eligible for government housing subsidies that they do not know exist. They are also eager to learn new skills that will help them to find employment, fight for their rights and plan for their financial future.

It is important to note that Échale's partner company manufactures the machinery that creates adobe blocks. Échale is able to make its business sustainable by renting these machines to communities when they need to produce adobe blocks, and charging them a rental fee. Since adobe blocks are mostly composed of locally available materials, they are environmentally sustainable, sturdy and easy for communities to maintain.

3. Measuring Social Impact

Through its various interventions centered on community participation in home building and improvement, Échale aims to engender a greater sense of citizenship and accountability among communities with better housing, education and skills.

In order to achieve these goals, Échale's team believes that the organization must make people part of the solution. This involves listening to people's needs and engaging them in meeting the challenges facing their communities as well as teaching them the fundamentals of house construction. The company is seeking an impact that is much greater than just building homes – it is aiming to enhance communities' social fabric.

According to Alejandra de Rosenweig, Échale's Director of External Affairs, the most striking impact of the company's work is the change in community members' attitudes. When Échale first enters a community, most individuals do not look at its staff members in the eye; they are very soft spoken and timid. But by the time the workshops have concluded, they directly engage with Échale staff and open up about the issues they are facing – and how they might be resolved. Following

these events, community members demonstrate new confidence, trust and engagement that continues to push these communities forward even when Échale staff are no longer present.

While the anecdotal evidence above gives Échale's staff a strong sense of purpose, this BCtA member company participated in BIMS in order to quantitatively assess its success in achieving the goal of creating stronger communities. Échale's team also wanted a more nuanced understanding of the business' social impacts since it aims to contribute to several of the SDGs. Working with BIMS, the company focused on these five goals:

SDG 1: No poverty

SDG 4: Quality education

SDG 6: Clean water and sanitation

SDG 8: Decent work and economic growth

SDG 11: Sustainable cities and communities



With the support of BIMS, Échale developed a **Social Value Chain** to delineate the business goals, strategies and operations that contribute to achieving its targets for social impact. The Social Value Chain is an analytic framework combining Theory of Change⁴, logframes⁵ and Value Chain Analysis⁶ that helps companies to strategically assess the business’ social objectives.

Social Value Chains enable companies to articulate their social objectives and identify the inputs, activities and outputs that help them to meet those objectives. These parameters are then transformed into indicators that can: (i) be measured; and (ii) inform decision making to improve the company’s social impact.

Figure 1: Échale’s Social Value Chain

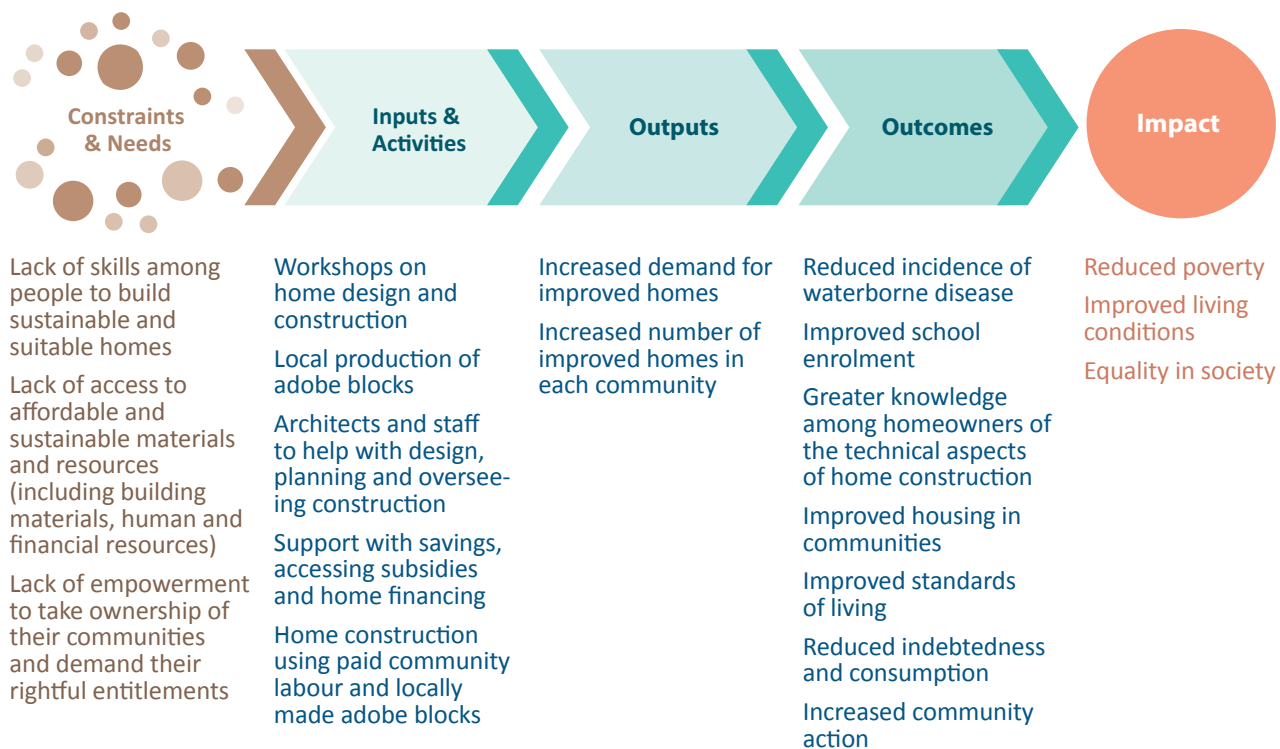


Figure 2. Échale’s Indicators

Social Value Chain component	Parameters	Indicators	Decision-making questions
Inputs and activities	<ul style="list-style-type: none"> Provide skills for planning and designing homes Ensure timely, sustainable, affordable and attainable home solutions 	<ol style="list-style-type: none"> Proficiency of staff members (number of people motivated to sign up in a given time period) Number of ongoing and completed projects per staff member Number of months working in a community Previous work in construction Number of persons per room in beneficiary homes 	<p>Are the company’s customers from low income-groups that are not reached by the existing market?</p>

⁴ <http://www.theoryofchange.org>

⁵ <http://www.adb.org/documents/using-logical-framework-sector-analysis-and-project-design-users-guide>

⁶ Porter, M. (1998) *Competitive Advantage: Creating & Sustaining Superior Performance*.

Figure 2. Échale's Indicators (continued)

Social Value Chain component	Parameters	Indicators	Decision-making questions
Outputs	Demand for home construction	Number of persons in each village; number interested in building homes/eligibility for government subsidies	Are people interested in the service that Échale provides?
	Availability of other options and forms of support	Number of persons who sign up for Échale	Of people who are interested Échale's model, how many sign up (as opposed to alternatives)?
Outcomes	Reduction in incidence of waterborne disease	Source and treatment of drinking water	Are new homeowners treating their water?
	Improved school enrolment of boys and girls	Proportion of children in households currently in school	Now that families have homes, can they afford to send their children to school?
	Greater knowledge among homeowners of the technical aspects of home construction	Number of homes built using the principles of sustainable construction (e.g. adobe blocks, open spaces, ventilation, toilets) Number of home improvements made Number of people engaging in paid construction work	Did people acquire skills in homebuilding from the workshops and the home construction process?
	Increased housing start-up/completion index in communities	Number of new home construction projects completed in each community Number of improvements to existing homes	Are there more (and improved) homes in the community now?
	Improvement in family living standards	Progress-out-of-Poverty Indicator (defined by Grameen Foundation)	Has home ownership increased families' standard of living?
	Reduced indebtedness	Number/amount of loans that individuals owe	Does home construction remove a financial burden from families so that they no longer need as many loans?
	Increased community action	Existence of community organizations and number of people in community involved in community groups	Has the experience working with Échale motivated community members to become more involved in community organizations?

4. Implementing BCtA Impact Measurement Services (BIMS)

BIMS engages participating companies in planning and implementing social impact measurement through a three-step process. Companies commit to working with the BIMS team for a two-year period. The first six months are focused on developing the Social Value Chain, impact measurement indicators and survey tools; the rest of the period is dedicated to data collection.

Articulating the Context and Rationale for Measuring Social Impact

This phase requires the company to take a macro view of its business in terms of expected returns, the maturity of its activities and the purpose of measuring impact.

Échale’s parameters are as follows:

1. **Expected Returns:** Échale defines itself as a social enterprise with a mandate to demonstrate how it is strengthening community cohesion by engendering greater citizenship and accountability, and by ensuring that each family has access to environmentally sustainable and dignified housing.

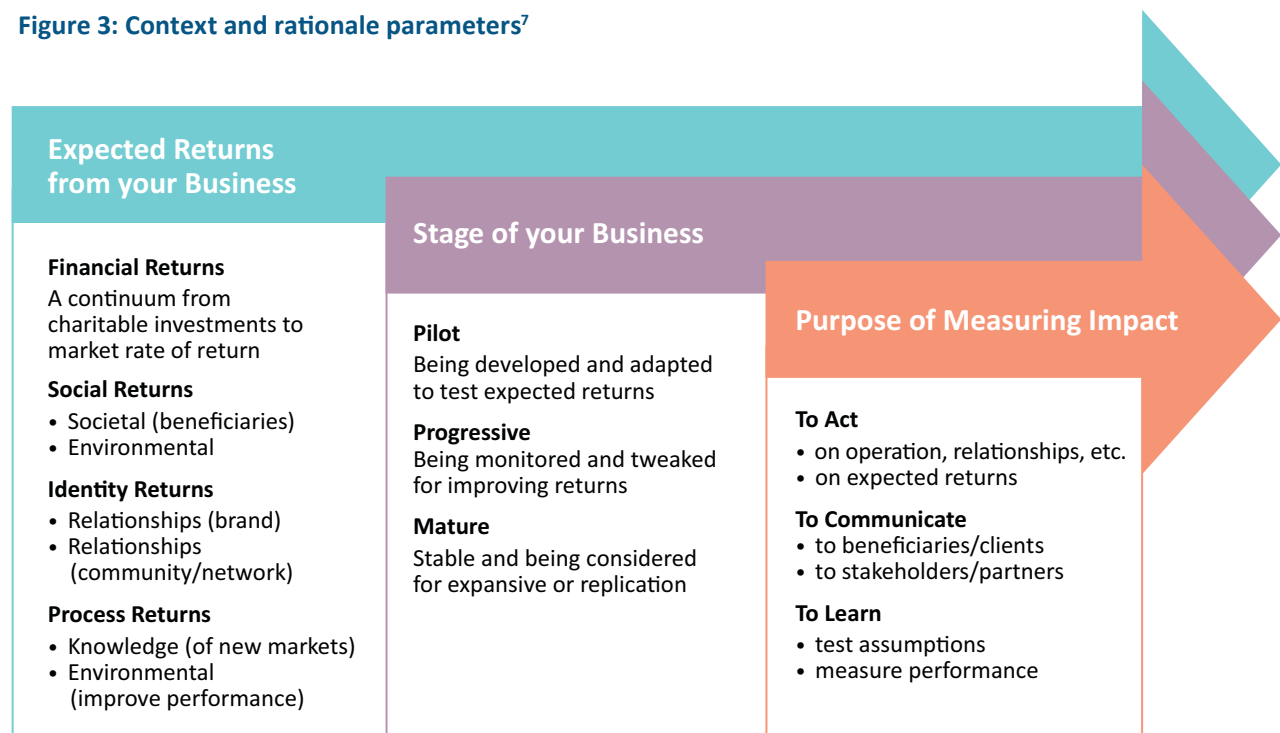
2. **Stage of growth:** Échale is between the ‘progressive’ and ‘mature’ stages of business – the company has an established presence but is constantly improving upon its business model.
3. **Purpose for measuring social impact:** from the start of its work with BIMS, Échale has articulated its purpose for measuring social impact as the need to understand how its product and services are transforming the lives of its clients.

Developing the Social Value Chain

BIMS developed the Social Value Chain with Échale over three months, with inputs and discussions at various levels of the organization. The driver of this exercise was the Director of External Affairs, but there were also inputs from the Director of International Relations and field staff who interact daily with community members. During this phase, company’s staff engaged in a continuous discussion process, formulating answers to the following questions:

1. What is the business’ social vision/goal?

Figure 3: Context and rationale parameters⁷



⁷ Based on: *Measuring and Improving Social Impacts: A Guide for Nonprofits, Companies and Impact Investors* by Marc J. Epstein and Kristi Yuthas.

2. What social needs is the business trying to address (the problem statement)?
3. What social and market constraints does the business work within and seek to change?
4. What activities and resources (inputs) does the business deploy? How do these activities impact the constraints?
5. What are the indicators of success and timelines for assessing impact?

Designing and Implementing Technology-enabled Data Collection

In addition to assisting Échale in formulating its Social Value Chain, BIMS also conducted a two-day training workshop with the company's field staff to test and refine a customer survey questionnaire. This survey was designed to collect data and report on the indicators and decision-making questions formulated within the Social Value Chain. Échale field staff are now administering these surveys using a smart-phone application that allows the head office to constantly monitor and assess the data being collected.

Échale survey implementation

In engaging with BIMS, the company wanted to focus on collecting social impact data to quantify the company's impact on its clients, as opposed to just anecdotal stories. BIMS worked with Échale staff to develop two different surveys. One is a customer survey that questions clients when they first start working with Échale and then repeats the same questions every six months to see how the clients' lives have changed over time. BIMS also helped Échale to develop a community leader survey to assess how the entire community changes over time. These surveys are being carried out by field staff who directly engage with both community leaders and Échale's clients.

Échale works with low-income families in 11 Mexican states. In every community where it works, the company is now surveying a systematic random sample to reach approximately 50 percent of the company's customers. On average, Échale works with 80 households in a community. In an ideal world, staff members would interview at least 80 percent of clients to achieve a 95 percent confidence level, with a 5 percent margin of error. However, interviewing this many clients would be difficult for Échale, especially since its staff plans to interview the same clients after 6, 12 and 24 months. Échale has therefore decided that interviewing 50 percent of its clients will provide enough data to clarify its impact on clients' lives.

In partnership with BIMS, the company also has a two-year plan to survey new clients across different states. Upon entering each new community, Échale will conduct a baseline survey with 50 percent of new homeowners. These survey participants will be chosen through systematic random sampling. Échale plans to follow up with the same individuals by telephone after 6, 12 and 24 months to track changes in these individuals' lives.

To date, the company has completed surveys in two regions with a sample of approximately 94 clients.

5. Improving Social Impact: Data for Decisions

BIMS engages participating companies in going beyond reporting to apply their social impact data in decision making. In order to facilitate this and to ensure that the survey tools, data and lessons learned by each company benefit the larger inclusive business community, BIMS has defined four common questions for all participating companies to answer based on the data they collect through BIMS.

In the case of Échale, these questions and their related responses are as follows:

Who are the beneficiaries of the Échale's inclusive business?

To answer this question, the customer survey included questions from the Progress-Out-of-Poverty Index⁸ as well as direct questions regarding education, family

size, access to loans and participation in community organizations.

Preliminary data shows that Échale caters to low-income clients who have 75 percent likelihood of living below 150 percent of the national poverty line.⁹ In more than half of all households, no one has steady employment. Over 90 percent of those interviewed had no experience working in construction before Échale began its involvement in the community.

What aspects of their customers lives are being impacted by the company?

So far, Échale has only completed a six-month follow-up survey in one community. However, this survey shows that according to the Progress-out-of-Poverty Index, community members have increased their standard of living by approximately 10 percent, from a purchasing-power-parity average of 48 to 52. The survey helped Échale set parameters for the organization to better understand its impact on clients' lives and how these parameters align with the SDGs.

For example, with regard to SDG 1: No poverty, much of the survey focused on clients' standard of living, including questions about number of people in a household, level of school completed and materials used for houses and floors (also relevant to SDG 11). Questions about the source of water in homes were designed to help the organization gain a better understanding of how Échale is contributing to SDG 6, which focuses on clean water and sanitation. The follow-up survey asked about how people treat their drinking water: all respondents reported either boiling or adding chlorine to water to make it safe.

This was a change from the baseline survey in the same community where some people responded that they previously did nothing to treat their water. These data show that the workshops Échale provided to the community transferred valuable knowledge about how to improve health and household sanitation. The follow-up survey also included questions about access to loans (SDG 1) in order to understand if working with Échale gives clients greater access to financing. So far, the follow-up survey data do not indicate a change in access to financial services, but this may change as more communities are surveyed and communities are assessed at 12 and 24 months.

Finally, the survey evaluated clients' level of commitment to their communities and assessed whether Échale's

training has led to further job prospects (contributing to SDG 8: Decent work and economic growth).

In the first community where the first follow-up survey was conducted, the percentage of people willing to participate in the construction of a community center increased from 13 percent at baseline to 25 percent after six months. This increased willingness to contribute to common assets shows a greater commitment to community strengthening after working with Échale.

How is Échale achieving this impact?

In the course of its operations, Échale monitors: the number of people it works with; the number of workshops held; the amount of time spent working in a community; and the number of houses built and improved. But while the company has always measured inputs and activities, before working with BIMS it did not collect data related to its Social Value Chain. Working with BIMS has given Échale the perspective to begin focusing on the outcomes and impacts of its activities.

Can Échale increase its impact?

The BIMS surveys are generating insights regarding the extent of Échale's social impact. In addition to the findings noted above, preliminary data also revealed that:

- Over 40 percent of participants would like additional training in designing their dream homes. Some respondents indicated that they would also like further instruction on how to create adobe blocks.
- Over 90 percent of respondents did not participate in any community organizations when they started working with Échale. One issue examined in follow-up surveys is whether community involvement increases after working with Échale.
- At the time of the baseline survey, 65 percent of respondents' main concern was improving their homes. The follow-up surveys will examine if their main concern changed to another issue such as health, education or safety.

While Échale is focused primarily on the five SDGs named on page 3, the company has a strategy for helping to address all 17 SDGs. As for the next steps in increasing impact, the Échale team is thinking about how it can establish more global partnerships to move beyond Mexico and reduce inequalities globally (in line with SDG 10).

⁹ As defined by Mexico's Progress-Out-of-Poverty Index (the average score is 42).

6. Lessons Learned and Next Steps

Through its engagement with BIMS, Échale is not only empowered with a framework for thinking through and measuring impact, but has learned how to create survey questions and collect data using mobile technology. Échale sees its engagement with BIMS as just the beginning of its work on social impact measurement. The first surveys gave Échale a general sense of its impact on communities, but they also gave the team the skills to design even more targeted surveys that touch on deeper issues such as levels of self-esteem before and after working with Échale. With this knowledge, they can create a variety of unique questionnaires that they can test with different clients.

While Échale has always done a good job of collecting anecdotal evidence and qualitative data about the impact of its work, until this intervention it has never been able to quantify this impact. While the company could quantify the number of houses built or the number of families it engaged with, it did not have

numbers related to the poverty levels of its clients, their levels of education or their involvement in community organizations. With the information collected through engagement with BIMS, Échale will be able to:

- Approach investors for financial resources;
- Determine the types of communities in which it has the most impact, to inform future growth;
- Create marketing materials to promote its work and grow the business; and
- Maintain a database that will save staff time when figures are needed for meetings or events.

The Échale team is excited to continue incorporating impact measurement into their daily activities. They feel that working with BIMS has been a turning point for the company in terms of understanding how to collect more meaningful data and quantifying the company's impact in the communities where it works.

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