

The background of the entire page is a complex, abstract illustration. It features a network of thin, grey lines resembling circuitry or data paths, with small circles at various points. Overlaid on this are several gears of different sizes and colors, including white, light blue, and dark blue. Some gears are partially obscured by others, creating a sense of depth. On the right side, there are white hexagons arranged in a honeycomb-like pattern. In the top right corner, a series of black arrows points upwards along a vertical line. The overall color palette is light and airy, with a mix of greys, blues, and whites.

# IMPACT ASSESSMENT AND EVALUATION OF INNOVATION-ENABLING ORGANIZATIONS

The Evidence Network Inc.



# EVIDENCE OF IMPACT

Are you managing or funding a business or research support program?

If so, **here's a story that will sound familiar:**

You're providing valuable innovation-enabling services to your clients – business advice, incubation space, research networks, commercialization and translation support, seed funding – but you're having trouble communicating the impact of your services to your stakeholders. You have metrics, but you're not sure they're the right metrics. You use descriptive accounts of your work, leaving discerning stakeholders wondering how much value you actually provide.

**You find yourself struggling to answer the following questions.**

**1. What is the impact of your program?**

**2. Which of your services are contributing the most to target outcomes?**

**3. How are you using evidence and data to improve your service offering?**

**4. How does your organization stack up in benchmarking comparisons with peers?**

**5. What results have you achieved with your current budget?**

**6. Why should you receive additional funding to continue or expand your program?**

Assessing and communicating the impact of innovation support programs is a difficult and important challenge. Here at The Evidence Network Inc. (TEN), we've made it our mission to solve it. We have developed a unique methodology for systematically measuring the impact of innovation-enablers, and implemented it for a global clientele of 70+ organizations and programs.

**The purpose of this paper is to share our story, our mission, and our solution.**

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TEN plays a pivotal role in identifying Communitech's impact on companies. **Their comprehensive analysis keeps us a step ahead** in terms of improving services to clients, and increasing our impact on the Waterloo region tech ecosystem.

– Iain Klugman, President and CEO, Communitech



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TEN's judicious advice on the type of impact assessment to conduct and the customized proposal that they provided us perfectly met our needs. TEN's impact assessment evaluation and recommendations have **informed our strategic planning**, and most importantly, the findings enable us to **work more effectively with our clients**.

– Dr. Julie Ducharme, General Manager,  
National Research Council's (NRC)  
Human Health Therapeutics





# ABOUT THE EVIDENCE NETWORK

At The Evidence Network Inc. (TEN), **our mission is to empower innovation enablers** with reliable evidence of impact, thereby contributing to efficient, evidence-based program design and resource allocation.

We achieve this by providing rigorous impact assessments to innovation enablers, either serving them directly, or on behalf of their funders. Our clients use our assessments to measure and improve the efficacy of their programs, and communicate the value of their impact to clients, stakeholders, and funding sources.

Our methodology allows us to determine direct impact on companies, researchers, and other impact targets, and also show how services and activities lead to improvements in performance. **We don't just measure the value of your work; we also explain how you are achieving your impact, which investments are working, and which are not.** Based on this analysis, we offer recommendations to improve your programs and inform funding decisions.

The Evidence Network has consistently earned the recognition of prestigious, well-respected thought leaders in the innovation and impact assessment space, such as the Centre for American Progress, Council of Canadian Academies, and the Kauffman Foundation. We have worked with global leaders in innovation policy, such as Tekes Finland, the Asian Development Bank, and the Government of Canada's Department of Innovation, Science and Economic Development.

*"I've led several Canadian innovation enablers prior to founding The Evidence Network, serving as CEO and President of CMC Microsystems (2000-2007); the Ottawa Economic Development Corporation (1996-2000); and the Alberta Research Council (1991-1996). My greatest challenge was advocating for the value of the good work we were doing, when there was no practical way to measure our impact."*

*"I often thought: If someone walked into my office and offered me a rigorous, defensible, and practical way to measure our impact, my life would be much easier. I spent much of my career trying to find a company like The Evidence Network. Then I decided: if I'm not going to find it, I might as well found it."*

Brian Barge, President and CEO of The Evidence Network





# OUR CLIENTS



## OUR CLIENTS

**TEN has served a global clientele of 70+ innovation support leaders since 2009.** Our customers are funders, organizations, and programs that support business, research, innovation, and entrepreneurship.

### Our services are used by:



Boards, executives, and managers of innovation support organization



Governments and policymakers who want to know if innovation support programs are achieving their mission



Innovation support organizations that need evidence of impact to successfully advocate for financial support and other resources

### TEN's clients work with us to solve a variety of challenges:



We **empower innovation support program managers** with a more fulsome understanding of your operations, so you can **improve your service offering and drive the success of your clients.**



We provide **valid, defensible evidence of the impact your program has** on clients and the economy, so you can effectively advocate for the resources you need to continue and expand your work.



We provide government innovation agencies with the **data and measurement tools necessary to implement evidence-based decision-making** in policy development and resource allocation.



# THE CHALLENGE: MEASURING IMPACT

**Evidence of impact is a crucial determinant of whether an innovation support program receives the funding it needs to continue or expand its work.**

Stakeholders, funding sources, and the clients themselves need to know what your program is achieving on their behalf. But, it is very difficult to measure the impact and ROI for any one specific program.

The result is an innovation ecosystem made poorer by a lack of evidence-based evaluation: Policymakers struggle to allocate resources on the basis of sound analysis, while innovation enablers lack the data they need to advocate for the value of their work.

Most often, innovation support programs are evaluated using methodologies that do not pass the lowest standard of rigor, such as firm performance data.

For example, a business accelerator might report that its client firms earned revenues of \$10 million. That's nice to know, but it tells us nothing about the actual impact of the accelerator on client revenues. Such an approach fails to consider the counterfactual of what would have happened had the accelerator not existed. In other words, we have no idea how much of that revenue can be attributed to the accelerator.

The accelerator could also report the percentage of program alumni that were satisfied with the services provided. But satisfaction is not necessarily related to impact; a business accelerator program that leaves its alumni happy and satisfied, but fails to actually impact their performance, would rightfully be considered a failure.

Lastly, the accelerator might feature case studies of successful companies. This approach is the least rigorous of all, as it is consciously designed to produce biased results.

On the other hand, randomized control trials (RCTs) are the gold standard for evaluation, but are usually infeasible in practice. While they are used in a wide variety of policy and program evaluation contexts (e.g., medical, labour, education, and international development interventions) RCTs are not a feasible solution for the practical evaluation of business and innovation support programs.



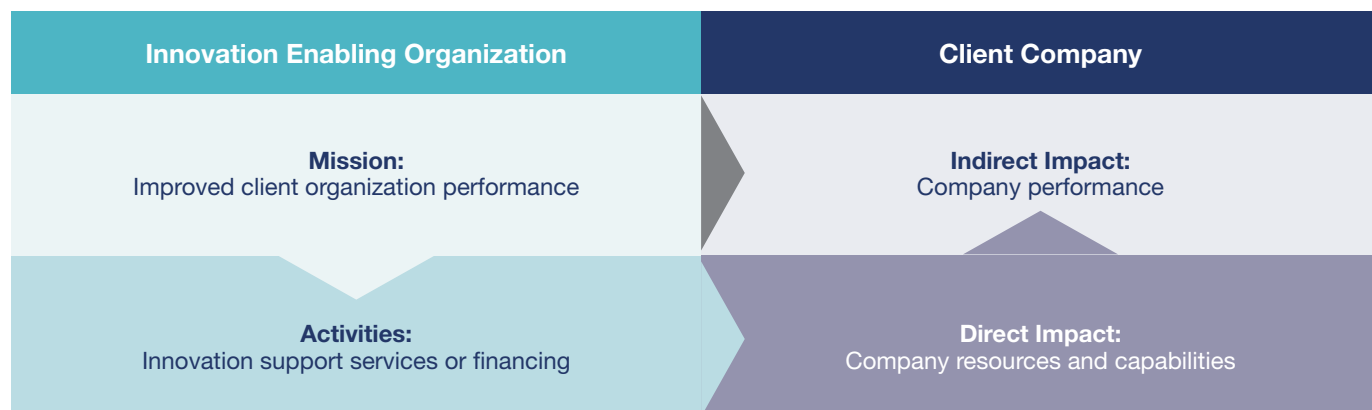
# TEN'S SOLUTION

The solution we offer at The Evidence Network **combines ideas and best practices from multiple fields to achieve an optimal trade-off** between rigor and feasibility.

## 1. A unique methodology: Expert judgment of specific impacts

Our methodology uses carefully-designed surveys to estimate the impact of your program on companies, by surveying your clients directly and using their expert judgment to estimate the proportion of the change in their performance that they attribute to your program. We also measure your direct impact on the resources and capabilities of your clients, giving you a more complete, informative, and actionable picture of your program.

In the diagram below, the grey arrow represents the stated purpose of your organization: improving the performance of your client companies. The other arrows represent the mechanisms through which this impact occurs. A proper understanding of your effectiveness requires data pertaining not just on your indirect impact on performance, but also to your direct impacts on client companies' resources and capabilities:





## TEN'S SOLUTION

By measuring your direct impact on clients, and conducting analysis on how those direct impacts are translated to performance outcomes, The Evidence Network can provide you with an impact assessment that is much more informative, and leads to actionable business intelligence that can lead to improvements to your service offering.

This approach to impact assessment eliminates the need for a randomized control trial, which would require standardized treatment of client companies, and random allocation of qualified companies into a control group that receives no support; both of these conditions would be impractical, harmful impositions on your innovation support program. As randomized control trials are not feasible, The Evidence Network's solution represents a unique opportunity to achieve valid evidence of impact where true experimental approaches are not possible.



### **2. Impact modeling: regression analysis of program characteristics, intensity of use, impact measures, and client performance.**

TEN measures the intensity of use and impacts of services. We determine impacts on resources and capabilities, and performance, by identifying the degree to which improvements are attributable to the support services offered by business support programs.

Through statistical examinations of the relationships between the intensity of use of services, direct impact on resources and capabilities, and impacts on performance, we can determine which services and direct impacts are significantly associated with improvements to clients' performance in the market. This enables us to report both the degree to which an intervention has impacted stakeholders, and how the intervention has achieved that impact.

# TEN'S SOLUTION

## 3. In-depth knowledge of innovation enablers

Typically, an engagement with The Evidence Network will begin with a collaborative effort to develop a theory of change (logic model) for your innovation support program. This will lead to a discussion of the metrics that will most effectively help you measure and manage it:



This may seem like a simple task, but in our experience, few organizations get it right on the first try. Many programs fail to track crucial metrics, while others succumb to ‘metrics mania’ trying to measure everything that comes to mind, without the benefit of an underlying theory of change. This results in messy evaluation frameworks that impose unnecessary costs and survey fatigue on their clients.

**Having worked with 70+ clients over seven years,** The Evidence Network has a wealth of experience in the development of measurement and evaluation frameworks for innovation support programs. We are uniquely positioned to help you develop a framework that focuses on the right metrics, and implements the optimal data collection strategies.

Another advantage of our depth of experience with a diverse population of innovation enablers, is that we offer a unique ability to set valid impact-related benchmarks and performance targets for your organization. We have developed a proprietary database and benchmarking tool that allows us to **benchmark the impacts of your organization or program against an anonymized population of similar organizations.**

# RESULTS OF OUR WORK

To help you understand the value we offer, and how our services can contribute to your goals, here are several examples of results we've achieved for our clients:

## COMMUNIT<sup>TECH</sup>

In 2011, TEN provided Communit<sup>TECH</sup>, part of the Canadian Digital Media Network, with a detailed logic model specific to its purposes and expected impacts on companies. In 2011, 2012, 2013 and 2016 TEN provided Communit<sup>TECH</sup> with impact assessments that reported the actual impact that Communit<sup>TECH</sup> has on companies.

Communit<sup>TECH</sup> is a repeat customer of TEN, using benchmarking comparisons to **track improvements over time, learn from best practices, and implement new learnings to become more efficient.** TEN's impact assessments have enabled Communit<sup>TECH</sup> to expand their reach and improve the attributed impact they have on companies.



TEN provided NRCHHT with a detailed logic model specific to its purposes and expected impacts on companies, as well as an impact assessment that reported the actual impact it has on companies. The assessment proved to be very beneficial and insightful for NRCHHT. The results were used to create a baseline for NRCHHT, against which future evaluations are compared. The insights obtained from TEN's analysis have **allowed NRCHHT to further develop its services to improve overall efficiency of its offerings to company clients.**

## TEKES

TEN provided Finland's research, development, and innovation funding agency, Tekes, with an impact assessment that reported the actual impact that UCLA's Global Access Program (GAP) has on Finnish companies. TEN also conducted a comparison analysis between two cohorts of the program to determine whether or not it was improving over time. TEN's impact assessments have enabled Tekes and GAP to **expand their reach and improve the attributed impact they have on Finnish companies.** Tekes has also used The Evidence Network's benchmarking comparisons to track improvements over time, learn from best practices, and implement these insights to improve their service offering.





# NEXT STEPS

## What happens when you partner with The Evidence Network?

An engagement with TEN starts with a series of meetings, wherein our team will work with you to develop a comprehensive logic model for your innovation support program. This will lead us to the measures and survey questions we'll use to capture your impact. We limit our surveys in length and cognitive load to make them as fast and seamless as possible; as a result, we often achieve average response rates over 60%.

Our surveys are administered by our team over a period of several weeks. The survey itself takes about 15 minutes to complete, and we use a carefully refined series of email and phone follow-ups to maximize response rates. We also conduct interviews with a small number of clients, to help us tell the story behind the raw data.

The final deliverable is an impact report presenting the full breadth of our analysis, and a 10-page executive report designed for senior managers and external stakeholders.



**Contact us  
and get started today**

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