Community  
Business  
Bureau

# Business Resilience Toolkit

# Theory of change workbook

# Project title

Client name

Using this workbook

Theory of change is a tool that you can use to plan and measure your social impact. It defines the problem you want to address, the social outcomes you hope to achieve and your plan to address them.

If you deliver a range of products, services or projects, you may have a theory of change for each, or you may have a theory of change for your organisation as a whole.

This work book is designed to help you develop your theory of change.

**3. the Ilc ready program**

Part 1: Defining need and planned outcomes

## What is your vision – or your intended impact

What is the vision for your organisation – or what impact are you trying to achieve in the longer term?

|  |
| --- |
|  |

## What is the need you are trying to address?

What is the problem – or what are the needs of your community - that you want to address?

|  |
| --- |
|  |

## Evidencing need

How do you know that there is a need for your project?

### Consult with the people you will work with to understand their pain points and the barriers they face, and what they would like to change or gain.

How will you engage with your community so that they have meaningful involvement in defining the  
need and developing solutions?

|  |  |
| --- | --- |
| **How did we engage people?** | **What were the key messages?** |
|  |  |
|  |  |
|  |  |
|  |  |

### Understand the problem: can you describe the factors involved in creating the problem and how it could be solved? Identify useful sources of information, such as:

* community groups and other people involved in the problem
* peak bodies
* other organisations who are working in this area
* research / university groups / experts
* reputable media
* published literature (books, academic, scientific articles)

|  |  |
| --- | --- |
| **What you know already** | **How do you know this?** |
|  |  |
| **What do you need to find out?** | **Who could help?** |
|  |  |

### Size the need: can you describe the scale of the need?

Your consultation with your community and research from other sources may help you to describe the extent of the problem, plus you can use external data sources.

|  |  |  |
| --- | --- | --- |
| **Question** | **Sources you can use** | **Measures from your own data** |
| How many people affected?  Who?  Where? |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

## Engaging stakeholders

Stakeholders are the people who are interested in, or will be impacted by, your work. They could be the people you work with directly, and other groups in the community who may be working with the same groups of people as you. They might be existing partners, or organisations that you haven’t worked with before. Stakeholders can have a positive role in helping you to deliver your project, or they could have a negative role.

Your stakeholders will be key people in helping you to identify and evidence need, in designing activities to help address those needs and in delivering aspects of your project.

|  |  |  |
| --- | --- | --- |
| **Stakeholder**  This could be an individual, an organisation, or a wider group. | **Interest**  What is their interest in your organisation, products or services? | **How have you engaged them in planning your work?** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

Map your stakeholders on this matrix:

* Impact describes how stakeholders are impacted by your work
* Influence describes the influence that stakeholders may have over your work

|  |  |  |  |
| --- | --- | --- | --- |
| Impact | **High** | *Engage: consult to keep involved and informed* | *High maintenance: work closely with these stakeholders* |
| **Low** | *Low maintenance: keep informed* | *Engage: inform and consult to show consideration* |
|  |  | **Low** | **High** |
|  |  | Influence | |

## Identifying outcomes

Outcomes (or results) are the changes that you want to make with and for people within your community. They are described in words that show the change ‘more/better/improved’, etc. from where people are now (the need you have identified) to where you expect them to be as a result of using your products or services. They should show how the need has been met, or the level of need has reduced.

What is the change you want to see for people in your community through your work?

|  |  |  |
| --- | --- | --- |
| **What is the need?** | **What is the change (or outcome) you want to achieve with and for people within our community?** | **What is the number or % of people who will experience this change?** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

Part 2: Planning your work

Once you have identified the outcomes you need to achieve and the stakeholders you need to work with, you can plan the work necessary to achieve your outcomes. This is likely to be an iterative process. Each time you complete a section of your theory of change, you may need to go back and revise your previous work to reflect any additional activities or resources you’ve identified.

## Planning activities and deliverables

Activities are the things that you will do as to achieve your planned outcomes. Each activity should contribute towards an output – or deliverable. This is a tangible thing that can be observed and measured. You can think of outputs as completed pieces of work. For example, delivery of a training session, or development of some online resources.

Each of your outputs should contribute to the outcomes that you want to achieve for people in your community. Sometimes it’s easier to work backwards. Once you know what outcomes you want to achieve, what are the pieces of work you need to complete to achieve them, and what are the activities (or tasks) required to complete that work?

This table will give you the basis for your theory of change.

|  |  |  |
| --- | --- | --- |
| **Activities** | **Outputs** | **Outcomes** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

Together, your activities, outputs and outcomes show the connection between the work you are doing and the change – or benefit – you expect for your community.

## Inputs: resourcing your theory of change

Once you understand what your activities are, you can think about how you resource them. Resourcing considers the people that you will need, and other factors such as office space, technology, etc.

In terms of people, you should consider what your team can do, and where you may need extra support. Use this matrix to think about where you have the capability (skills, knowledge and experience) to do the work and where you have the capacity (people with sufficient time to do the work, within their existing working hours). If you don’t have capability or capacity in a particular area, you will need to think about outsourcing that aspect of the work.

* Deliver: Deliver it yourself, if you have both capacity and capability
* Grow: Add staff to your team, or agree additional hours with existing staff, if you have capability but not capacity
* Outsource: If you have neither capability nor capacity
* Expert support: if you have capacity but not capability, hire expert support to help you deliver whilst upskilling your team.

|  |  |  |  |
| --- | --- | --- | --- |
| Capability | **High** | Grow | Deliver |
| **Low** | Outsource | Expert support |
|  |  | **Low** | **High** |
|  |  | Capacity | |

List the resources required to manage and deliver your work. Include management, back office support and direct delivery resources. The table below gives some examples of areas to consider

|  |  |  |
| --- | --- | --- |
| Resource | Description | Volume/notes |
| Staff/volunteers |  |  |
| Direct delivery |  |  |
| Management and supervision |  |  |
| Support | e.g. HR, finance, training |  |
|  |  |  |
| Facilities/equipment etc |  |  |
| Venue/accommodation |  |  |
| Equipment/vehicles |  |  |
| Systems |  |  |
|  |  |  |
| External |  |  |
| Professional advisors |  |  |
| Training |  |  |
|  |  |  |

## Assumptions and risks

### Assumptions

Assumptions are the conditions that are necessary for you to achieve your outcomes, but which are beyond your control, are too far ahead to be known yet, or you have assumed will be in place, but you haven’t yet tested. If your assumptions are correct, this will help you achieve your planned outcomes, but if your assumptions are wrong, then it could cause major problems. It’s worth thinking about what assumptions you have made, and monitoring them on an ongoing basis. You may need to amend your plans, and your theory of change itself, depending on the accuracy of your assumptions

|  |  |  |
| --- | --- | --- |
| **Assumption** | **Is this critical to success?** | **If yes, actions to test and monitor your assumptions** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

### Risks

Risks are the things that could go wrong with your theory of change and stop you achieving your outcomes, or achieving them as intended. Thinking about them can help you to identify any additional activities or resources that you may need to integrate into your theory of change.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Risk** | **Impact H/M/L** | **Likelihood H/M/L** | **Actions to manage risk** | **Residual impact H/M/L** | **Residual likelihood H/M/L** | **Person responsible** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

# Theory of change template

|  |
| --- |
| Key stakeholders |
|  |

|  |  |
| --- | --- |
| Assumptions | Risks |
|  |  |