

New Ventures México:

COMMUNICATE VALUE AND STRENGTHEN BUSINESS STRATEGY WITH IRIS

IRIS USE CASE



New Ventures México (NVM) launched in 2000 as a partnership between World Resources Institute and *Fondo Mexicano para la Conservación de la Naturaleza*. It is now an independent organization that helps mission-driven small and medium enterprises (SMEs) scale their impact and provide opportunities to expand their business. NVM is Mexico's main social and environmental business accelerator, complementing its support to entrepreneurs with activities that help grow the country's ecosystem around sustainable business.

NVM realized that teaching SMEs about standardized impact metrics and data reporting would help them manage business growth, attract investors, and capitalize on new market opportunities. As a result, it made impact measurement a core component of its accelerator program. It added IRIS metrics into the program application, curriculum, and marketing tools for participants' pitches to investors. NVM helps companies use IRIS-aligned data to inform their business strategy and effectively communicate their impact and value to potential investors.



IRIS USER AT A GLANCE: NEW VENTURES MÉXICO

USER TYPE	Business Accelerator: Capacity Builder	
TARGET GEOGRAPHY	Mexico	
TARGET STAGE OF ACCELERATOR PROGRAM	Growth Stage	
SECTOR ACTIVITIES OF ACCELERATOR PROGRAM COMPANIES	<ul style="list-style-type: none">• Agriculture• Artisanal• Education• Energy• Environment• Financial Services• Health	<ul style="list-style-type: none">• Housing Development• Information & Communication Technologies• Infrastructure/Facilities Development• Supply Chain Services• Technical Assistance Services• Tourism• Water



IRIS USER AT A GLANCE: NEW VENTURES MÉXICO

<p>IMPACT OBJECTIVES OF ACCELERATOR PROGRAM COMPANIES</p>	<p>Environmental</p> <ul style="list-style-type: none"> • Biodiversity conservation • Energy and fuel efficiency • Natural resources conservation • Pollution prevention & waste management • Sustainable energy • Sustainable land use • Water resources management 	<p>Social</p> <ul style="list-style-type: none"> • Access to clean water • Access to energy • Access to financial services • Access to education • Access to information • Affordable housing • Agricultural productivity • Capacity-building • Community development • Disease-specific prevention and mitigation • Employment generation • Equality and empowerment • Health improvement • Income/productivity growth
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What Works

► **Make impact measurement a fundamental part of business support**

In 2008, NVM realized that impact investors, a target source of capital for SMEs in its accelerator program, were increasingly interested in viewing data on companies’ social and environmental performance. However, NVM also knew from experience that many companies did not know how to credibly measure, track, and communicate their impact.

In response to this need, it used IRIS to develop a new impact measurement focus that would enhance its capacity-building program in three main ways:

1. Effectively identify SMEs that would benefit from its program
2. Train entrepreneurs to track and improve their impact and business strategy using IRIS
3. Provide information on company performance in a standardized and credible way for potential investors.

NVM’s use of IRIS and its holistic focus on impact management as a fundamental part of business management provides value to participating companies, serving its core goals as a capacity builder.

► **Set clear expectations around impact data reporting**

Prior to developing an impact measurement practice, NVM asked SMEs for impact data in their applications and after they completed the program. To measure its own performance supporting SMEs, NVM tracked three basic measures: the number of SMEs in its program, jobs created and preserved by the SMEs, and the amount of investment it facilitated. However, NVM found it difficult to compare diverse applicants using these general metrics, and most companies did not respond to its post-program data requests because there was not an obvious business benefit or incentive to do so.

IRIS Use Cases highlight key features of effective impact measurement programs and metrics frameworks implemented by IRIS users. Impact measurement programs are the processes and activities that an organization adopts in order to manage progress toward desired social and environmental objectives. These activities include determining what to measure, collecting and analyzing the related information, and using the results in decision-making and reporting. Metrics frameworks are the structures developed by an organization to classify how the performance metrics are used within their impact measurement program.



To address these challenges, NVM made impact measurement a central part of its accelerator program. It set expectations upfront that data reporting would be required for company participation and would be requested on an ongoing basis during, rather than after, the program. NVM now uses the standardized, well-defined IRIS metrics in its application process to more effectively compare applicants' impact performance, helping admit companies that can most gain from its business development services. By doing so it also gets baseline data for admitted companies that can be compared with their future performance. While gaining impact reporting skills, companies continue to report their performance to NVM during the accelerator training using the IRIS metrics identified for their particular sector or impact objective. For details on NVM's metrics framework, see the end of this document.



NEW VENTURES MÉXICO'S IMPACT MEASUREMENT PROGRAM

NUMBER OF METRICS TRACKED	• 58 IRIS metrics
COST OF IMPACT MEASUREMENT PROGRAM	The impact measurement program is part of NVM's business accelerator program's operating costs and is not broken out into a separate line item. Activities that contribute to these operating costs include staff time for application reviews and ongoing data collection, development of materials such as impact report templates and teaching notes, and data system maintenance.
DATA MANAGEMENT SYSTEM	NVM uses Salesforce to manage its data.
IMPACT MEASUREMENT PRACTICE STAFFING	All of NVM's business accelerator staff works with impact information and helps evaluate portfolio companies. They work as a team to check results.

► **Measure what matters: Use IRIS to inform strategy**

During the accelerator program, participating SMEs learn how to define the scope of their operational and product impact, set goals and targets for performance, and then identify and select appropriate IRIS metrics that help them measure progress towards those goals. NVM chose IRIS because it is harmonized with other sector-specific metrics, making it easy for participants to reference a common, credible metrics source despite their diverse impact objectives. The companies are able to choose relevant metrics from the IRIS metrics library to manage business performance and use data to effectively communicate their impact to investors.

SMEs learn how IRIS-aligned data can inform their business strategy by identifying risks, areas for improvement, operational efficiencies, and business opportunities. For example, companies learn how IRIS metrics can help them monitor water use in water-constrained regions, or how data can show that their energy monitoring device helps save more energy and thus more money than a competitor's device. Participants have said that the accelerator training gives them a road map to better manage their businesses and their impact potential.



► **Communicate organizational performance using IRIS**

In addition to teaching SMEs how to use performance data to manage business operations, NVM also shows them how to use impact data in their marketing to impact investors and other stakeholders. Rather than relying on mission statements or anecdotes alone, SMEs, with help from NVM, create three-page impact reports highlighting their IRIS-aligned financial and impact performance data (see the end of this document for a sample impact report). The companies use these to communicate with current and prospective investors at NVM-sponsored Investor Forums, or pitch sessions. The IRIS-based reports enable the SMEs to credibly communicate their positive impact alongside financial returns to investors.

In 2013, NVM plans to help participant companies get their impact rated by the Global Impact Investing Rating System (GIIRS). GIIRS, which leverages IRIS to generate ratings, enables companies to provide IRIS-aligned data to funds like Adobe Capital, a GIIRS Pioneer Fund that considers NVM companies for its pipeline.

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 “New Ventures México’s IRIS-based impact measurement training helped us to communicate our impact to impact investors to receive investment to scale.”

Francesco Piazzesi
Échale a tu Casa
 FOUNDER

NVM’S IMPACT MEASUREMENT PROGRAM IMPLEMENTATION TIMELINE

PILOT IRIS-BASED APPLICATION AND TRAINING MATERIALS FOR SMEs

ENHANCE IMPACT MEASUREMENT WORKSHOP TRAINING

YEAR 1

- Realized that impact investors were increasingly interested in viewing social and environmental performance data
- Created IRIS-based materials to help entrepreneurs understand and measure their impact
- Piloted impact measurement training in accelerator program

YEAR 2

- Aligned entrepreneur application and assessment processes with IRIS
- Designed and implemented impact measurement workshop based on the earlier materials

YEAR 3

- Refined impact measurement workshop with additional impact measurement and reporting services to help entrepreneurs measure their impact

Benefits

The NVM impact report template says, “The use of IRIS indicators in impact measurement adds value to individual environmental and social small and growing businesses, helping these companies communicate with impact investors, improve operations, and market impact to other important stakeholders.” For NVM, a focus on standardized impact measurement helps it evaluate and manage its program’s effectiveness while creating a quality pipeline of investable organizations. For NVM’s program participants, the IRIS-based program enables them to use impact data to manage business performance and improve impact reporting quality, communicating their social, environmental, and financial value in a language impact investors understand.

**The following pages detail the metrics framework used by NVM.
There is also a sample impact report.**

RELATED LINKS

[View New Ventures México’s Registry page >](#)

[Browse the IRIS metrics library online >](#)

New Ventures México’s Metrics Framework

Below is a table of NVM’s IRIS metrics use. The table notes the metrics included in NVM’s business accelerator application and those covered in NVM’s workshop training materials.

METRICS SET	IRIS ID	METRIC	INCLUDED IN APPLICATION	INCLUDED IN WORKSHOP TRAINING MATERIALS
ORGANIZATIONAL INFORMATION	OD5828	Name of Organization	✓	✓
	OD2999	Legal Structure	✓	✓
	OD7796	Organization Web Address	✓	✓
	OD3520	Year Founded	✓	✓
	OD6855	Location of Organization’s Headquarters	✓	✓
	OD6306	Operating Model	✓	✓
	OD7481	Sector Activities	✓	
IMPACT OBJECTIVES	OD2735	Mission Statement	✓	✓
	OD6247	Social Impact Objectives	✓	✓
	OD4108	Environmental Impact Objectives	✓	✓
PRODUCT DESCRIPTION	PD5752	Target Beneficiary/ Demographic	✓	
	PD4587	Product Lifetime		✓
	PD2756	Certifications		✓
	PD7899	Product/Service Description		✓
PRODUCT IMPACT	PI1263	Units/Volume Sold		✓
	PI2019	Units/Volume Purchased from Supplier Organizations		✓
	PI7923	Units/Volume Purchased from Supplier Individuals		✓
	PI9566	Supplier Organizations		✓
	PI6385	Supplier Organizations: Local		✓
	PI9495	Supplier Organizations: SME		✓
	PI1728	Supplier Organizations: Female		✓
	PI9261	Supplier Organizations: Minorities/Previously Excluded		✓
	PI5350	Supplier Individuals		✓
	PI2566	Supplier Individuals: Rural		✓
	PI6179	Supplier Individuals: Urban		✓
	PI9991	Supplier Individuals: Smallholder		✓
	PI1568	Producer Price Premium		✓
	PI4060	Client Individuals		✓
	PI9652	Client Organizations		✓
	PI8325	High Conservation Value Forests Preserved		✓
PI7623	Energy Savings		✓	

NVM METRICS FRAMEWORK (CONTINUED)

METRICS SET	IRIS ID	METRIC	INCLUDED IN APPLICATION	INCLUDED IN WORKSHOP TRAINING MATERIALS
PRODUCT IMPACT (CONTINUED)	PI2884	Water Savings		✓
	PI9468	Water Produced		✓
	PI2822	Client Individuals Provided New Access		✓
	PI2073	Hazardous Waste Avoided		✓
	PI8177	Non-hazardous Waste Avoided		✓
	PI8706	Energy Produced		✓
	PI6912	Sustainable Cultivated Land Area - Direct		✓
	PI6796	Sustainable Cultivated Land Area - Indirect		✓
	PI1775	Sales		✓
FINANCIAL PERFORMANCE	FP5958	Earned Revenue	✓	✓
	FP8293	New Investment Capital	✓	✓
	FP1657	EBITDA		✓
OPERATIONAL IMPACT	OI3160	Full-time Employees	✓	✓
	OI8251	Full-time Employees: Managers		✓
	OI5887	Full-time Wages		✓
	OI6069	Full-time Wages: Management		✓
	OI8864	Part-time Employees	✓	✓
	OI9948	Part-time Wages		✓
	OI9028	Temporary Employees	✓	✓
	OI4202	Temporary Employee Wages		✓
	OI1075	Board of Directors	✓	✓
	OI1254	Environmental Management System		✓
	OI8825	Energy Purchased		✓
	OI4112	Greenhouse Gas Emissions: Direct		✓
	OI9604	Greenhouse Gas Emissions: Indirect		✓
	OI1697	Water Use		✓
	OI9412	Wastewater Treatment		✓

Sample New Ventures México Impact Report



New Ventures
Enterprise
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IMPACT REPORT 2012

VIDRIOS MARTE, S.A. DE C.V.

COUNTRY: Mexico
SECTOR: Manufacturing
INTENT: Energy & Fuel Efficiency
FOUNDED: 1980
WEBSITE: www.vidriosmarte.com

PROFILE

Vidrios Marte manufactures and sells insulated glass. Buildings, both residential and commercial, account for 20%–40% of global energy consumption. Insulated glass gives buildings better thermal insulation, reducing the heating and cooling load and reducing building energy consumption. By manufacturing and selling insulated glass, Vidrios Marte is expanding the green buildings movement in Mexico.

FINANCIAL PERFORMANCE

2012 SALES REVENUE \$13,846,153.84

BENEFICIAL BUSINESS MODEL

INSULATED GLASS SOLD IN 2012 298,873m²

EMPLOYEES

EMPLOYMENT SUPPORTED IN 2012 207 FULL TIME JOBS

AVERAGE YEARLY WAGES IN 2012 \$6,003.00

ENVIRONMENTAL OPERATIONAL PERFORMANCE

EMPLOYMENT SUPPORTED IN 2012 207 FULL TIME JOBS

GHG EMISSIONS IN 2012ⁱ 2,631.55 TONNES CO₂eⁱⁱ

FRESHWATER WITHDRAWN/DISPOSED IN 2012 1,913.08 LITERS

ⁱ This is a sampling of the environmental metrics tracked by Vidrios Marte. Through its unique glass manufacturing process, Vidrios aims to reduce the environmental footprint of its operations. To understand reductions, Vidrios tracks metrics like GHG Emissions in 2012 (IRIS O111479) and Freshwater Withdrawn/Disposed in 2012 (IRIS O17860) on an annual basis as a way to gauge performance year-over-year. Tracking environmental metrics is a management tool for Vidrios.

ⁱⁱ From purchased electricity (2,122,340 kWh), shipping in trucks (8,175 tonnes, 178,815 km), and business travel by car (19,200 km, assumed gasoline and made between 2005–present).

This IRIS use case is a publication of the Global Impact Investing Network (GIIN®). Members of the GIIN team who contributed to its writing are Sarah Gelfand, Kelly McCarthy, Melody Meyer, and Min Pease. They thank Daphne Salinas of New Ventures México, Hugo Hernandez of Vidrios Marte, and Francesco Piazzesi of Échale a tu Casa for their perspectives.

IRIS is an initiative of the Global Impact Investing Network (GIIN®), a nonprofit organization dedicated to increasing the scale and effectiveness of impact investing. Impact investments are investments made into companies, organizations, and funds with the intention to generate measurable social and environmental impact alongside a financial return. They can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending upon the circumstances. The GIIN builds critical infrastructure and supports activities, education, and research that help accelerate the development of a coherent impact investing industry.

For more information, please visit www.thegiin.org.

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