



# 4IP Group Background Notes Series

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*Why Most Organizations Struggle with Impact Measurement*

*Lessons from Practice on Building a Market for Impact Measurement & SDG Impact Standards*

## **4IP Group Background Note No. 14**

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## Executive Summary

Impact investing has grown significantly over the past decade. However, while frameworks such as the **SDG Impact Standards** and other **Impact Measurement & Management (IMM)** methodologies exist (see 4IP Group’s ESG Toolkit), many organizations still struggle to implement them effectively.

This background note summarizes lessons from practitioner experience<sup>1</sup> on building a market for impact management services and supporting organizations seeking to embed impact into their investment strategies and operations.

The note highlights several key lessons for **investors, advisors, ecosystem builders, and policymakers** seeking to strengthen the global impact investing ecosystem.

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## 1. The Emerging Market for Impact Measurement

When impact measurement frameworks such as **the SDG Impact Standards** were first introduced, awareness among companies was relatively limited.

Few organizations were willing to **allocate budget** for sustainability or impact training.

However, **the landscape has evolved** significantly as several global trends have increased demand for credible impact measurement:

- growing investor demand for **verifiable impact data**
- increasing integration of **ESG frameworks by financial institutions**

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<sup>1</sup> Based on SVI Technical CPD Session Featuring Mr. Yugen Pillay held on 11th of March 2026.



- expansion of **responsible investment strategies**
- stronger **sustainability disclosure requirements**.

As a result, organizations are increasingly moving from awareness toward **implementation of impact management systems**.

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## 2. Start with the Client's Business Problem

One of the most common mistakes practitioners make is to introduce sustainability frameworks before understanding the specific challenges faced by organizations.

In practice, companies rarely respond to theoretical discussions about standards.

They respond to **solutions to real business problems**.

**Effective advisory engagements** often begin by identifying issues such as:

- gaps in sustainability reporting
- governance weaknesses
- reputational risks
- missed opportunities to attract impact investors.

**Positioning impact standards as tools** that help organizations address these challenges leads to more productive engagement.

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## 3. The Importance of Institutional Credibility

**Credibility** is a critical factor in the impact management advisory market.

**Partnerships** with recognized institutions such as:

- **UNDP**
- **Social Value International**
- development finance institutions

can **help practitioners build trust** with corporate clients and gain access to networks of investors, policymakers, and development organizations.



**Institutional partnerships** provide legitimacy and increase visibility within the ecosystem.

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## 4. Leveraging Ecosystem Intermediaries

Accelerators, incubators, and business support organizations represent valuable entry points for engaging companies.

These organizations often work with **large cohorts of entrepreneurs and SMEs**, particularly those preparing for **investment and scaling**.

Companies in the **acceleration phase** are often the most receptive to impact management frameworks because they are actively seeking capital and strategic partnerships.

Working through ecosystem intermediaries can therefore provide an efficient way to reach large numbers of potential clients.

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## 5. Training as a Gateway to Advisory Work

Training programmes frequently serve as the first step toward longer-term advisory engagements.

Organizations often begin by **seeking training on impact frameworks** but later require **additional support** to:

- develop impact strategies
- design impact measurement systems
- integrate impact into governance structures
- align investments with sustainability objectives.

In many cases, training programmes become the **gateway to deeper consulting engagements**.

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### Key Lessons for Impact Practitioners

Several practical lessons emerge from practitioner experience:



- Focus on solving **real business problems**, rather than promoting frameworks.
  - Build **credibility** through partnerships with recognized institutions.
  - Leverage **ecosystem intermediaries** to reach companies efficiently.
  - **Follow up** after training engagements to support implementation.
  - Position impact standards as **strategic governance and decision-making tools**.
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## Conclusion

As impact investing continues to expand globally, the demand for expertise in **impact measurement and management** is expected to grow significantly.

Practitioners who combine:

- technical expertise
- institutional credibility
- strong ecosystem relationships

will be best positioned to support organizations seeking to integrate impact into their strategies and operations.

This background note forms part of the **4IP Group Background Note Series**, which aims to contribute to knowledge sharing and thought leadership within the global impact investing community.

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