



# Vanguard Laundry Changing the Cycle

This case study is designed to help those interested or engaged in impact measurement by providing insights into the learnings from the development and ongoing evolution of Vanguard Laundry's Outcome and Impact Measurement (OIM) processes.

## Key take outs

- **Early investment and focus on OIM** – enabled Vanguard Laundry to tell the story of their impact and as a result, helped to attract funding
- **Identifying tangible outcomes** – provided evidence to support a proof of concept and to build connection with local community
- **Data can be effectively tailored to different audiences** – the richness of OIM data allowed reporting to be customised to various stakeholders
- **OIM data can support commercial viability** – there are opportunities for OIM data to be used to inform strategic business decision making and to provide evidence to inform how an organisation can scale their operations.



# Introduction

Vanguard Laundry is a social enterprise that was launched in December 2016 providing commercial laundry services to the regional Queensland town of Toowoomba and surrounding areas. The enterprise seeks to help people with a lived experience of mental health who have a history of unemployment by providing paid employment within the laundry and career development support to help employees transition to other paid employment.

Vanguard came out of strong links to the Toowoomba community including the Toowoomba Clubhouse which provides mental health services and support to the local community. There was a recognised need to provide employment opportunities to people with a lived experience of mental health to address the economic and social disadvantage that this group faces.

“  
**Barriers to employment mean that people who experience mental illness have higher rates of unemployment compared to those who do not, and these disparities are greater for those with more severe/enduring mental ill-health.**

*OCED<sup>1</sup> as referenced in Evaluation of Vanguard Laundry Services – Report 1, Year One*

As a social enterprise Vanguard seeks to operate as a sustainable, profit making business while fulfilling a social mission. The laundry operations employ a mix of people with a lived experience of mental health (known as the ‘target staff group’) and local community members. Career development support is provided within the organisation with an aim to support the target staff group through their employment at Vanguard with an ultimate aim of facilitating a transition to other paid employment opportunities.

The organisation is seeking to achieve a number of outcomes: within the target staff; for the wider community; and at an organisational level. Short to medium term outcomes include: personal independence through earning income; reduced

reliance on welfare; increased social connection; reduced use of and contact with health and justice services; reduced smoking rates; increased business activity within the Toowoomba region; and increased community pride.

Vanguard was established with over \$7 million in funding, finance and in-kind support from corporate and philanthropic organisations and government. As a new social enterprise, the organisation required a rigorous approach to measuring and reporting the outcomes and impact to support accountability to the wide range of organisations that had provided funding.

The organisation is also exploring several strategic growth opportunities over the coming years. This includes possible expansion of current capacity and premises as well as opportunities to expand into new communities.

## Outcome and impact measurement

From the very early establishment phase of Vanguard Laundry there was strong emphasis on the outcome and impact measurement (OIM) to ensure access and accountability to funders and to provide evidence to support the Vanguard business model. This was further supported by funding from a philanthropic organisation that allowed Vanguard to engage an external evaluator through a PhD scholarship from the Centre for Social Impact Swinburne, at Swinburne University of Technology for the first three years of the organisation.

“  
**The aims of the Vanguard Laundry evaluation are to evaluate the individual and community social, economic, health and wellbeing impacts of Vanguard Laundry over time, in relation to Vanguard’s social mission.**

*Evaluation of Vanguard Laundry Services – Report 3, Year Three*

1 Organisation for Economic Co-operation and Development. (2017). Connecting People with Jobs: Key Issues for Raising Labour Market Participation in Australia, OECD Publishing, Paris

The evaluation uses a mixed methods approach with qualitative interviews being undertaken with the target staff group and other Vanguard employees and management. Quantitative data includes organisational data provided by Vanguard and four questionnaires that seek to collect demographic information, personal wellbeing, health and psychological stress data as well as information on outcomes from the target staff group. Data is collected in June-July of each year, with a report being provided later in the year. A Theory of Change was developed to guide evaluation activity and it identified outcomes across four domains: people, place, profits and policy.



## People

- Improved health and wellbeing of Vanguard participants & their relationships/communities
- Improved long term economic participation of people with mental illness



## Place

- More socially inclusive communities in which we work
- A strong local economy



## Profits

- Surplus to reinvest into sustainability and purpose
- A model that can be sustainably replicated or expanded



## Policy

- Better policy frameworks for social and economic participation of people with mental illness

*Vanguard Laundry Theory of Change – March 2020*

Since 2018 the evaluation has also sought consent from the target staff group to access Centrelink and Queensland Health information to be able to provide information regarding changes to use of health services and access to income support payments. This information has allowed the evaluation to provide data on the savings to both state and federal government.

“

What they [the evaluation] do is very useful and in fact, is of significant benefit when we're talking to outside people because they have measured - they can get into areas that we wouldn't normally look at such as the cost savings for government.

*Vanguard Laundry Board Member*

A comprehensive evaluation report is provided every year that includes:

- an overview of Vanguard's performance as a social enterprise
- the general demographics of the target staff group
- progress made towards the outcomes identified in the Theory of Change
- outcomes for the target staff group.

The report is used within the organisation to identify areas for improvement or focus. It is also provided to funders to demonstrate achievement of social outcomes and support accountability for the funds received. A short four-page outcomes summary is also produced as this is made available to community organisations, potential transition employers and laundry clients.



## Key outcomes from Vanguard Laundry's 2019 Evaluation Report

Around 65 target staff worked in Vanguard Laundry in FY2019.

The median total income for Vanguard staff increased by \$360/fortnight.

76% of staff were confident in their ability to hold down a job.

The proportion of staff receiving Centrelink payments decreased from 82.5% to 57.5%.

46.3% of staff rated their health as better than when they were not working.

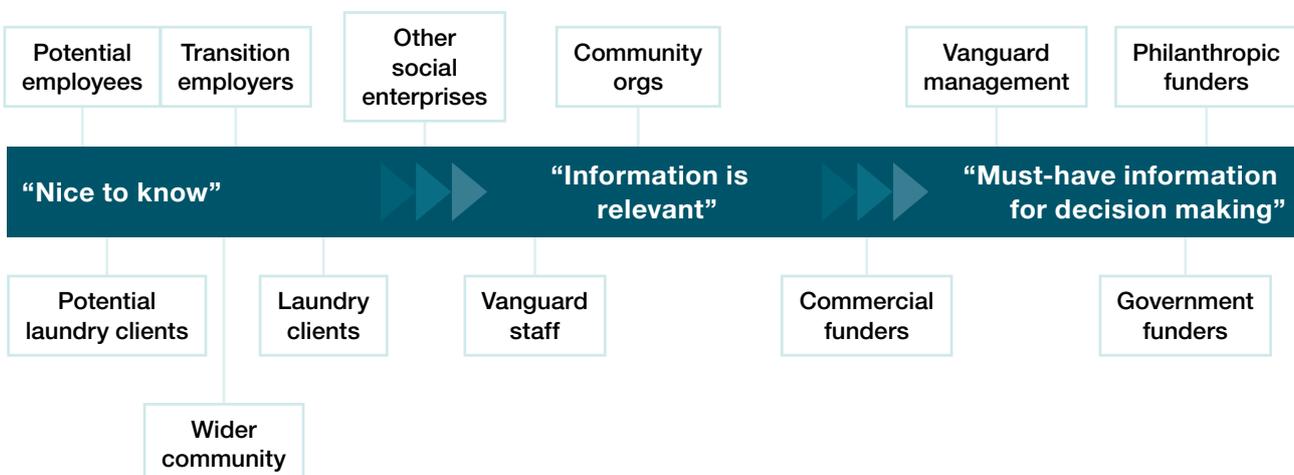
33 target staff have been transitioned into study or other paid employment.

Source: *Evaluation of Vanguard Laundry Services—Report 3, Year 3*

## Audience for OIM

Vanguard Laundry's outcome and impact reporting has a number of audiences. The investment in OIM through the initial three-year evaluation has provided both a breadth and depth of information that can be tailored to meet the unique needs of various stakeholders. The different audiences and their indicative level of interest in the information is detailed below.

The organisation had a strong emphasis on securing funding in the first three years of operation to enable the continued focus on supporting target staff members while the operational laundry business continued to grow towards financial sustainability. This led to a significant focus on reporting on outcomes to provide accountability for the funding that was provided. This included the addition of linked government data on access to income support and healthcare services to help provide evidence around the cost-savings from the program to governments.



Vanguard used a short four-page summary report to provide an update on their outcomes to other stakeholders, including community organisations that they have worked with to access possible target staff members. This allowed these organisations to get an insight into the work that Vanguard has done, and the outcomes achieved. It provided a clear line of sight between the work that these organisations have done with target staff members and what they go on to achieve once they are employed with Vanguard.

The summary report was made available to current and potential clients to reinforce Vanguard's unique position as a social enterprise. Vanguard's first and largest client is St Vincent's Private Hospital in Toowoomba. As a Catholic healthcare service St Vincent's are committed to justice and compassionate care for all, especially those who are poor or vulnerable.<sup>1</sup> With Vanguard being a for-purpose organisation, there is strong alignment between the missions of both organisations and the information from the summary report is made available to all St Vincent's staff to provide tangible examples of the way the Hospital is supporting the wider community.

“  
Even for our staff, like a nurse on the ward, for them, just sitting down at a lunch break, reading the Hospital Happenings, “Hey guess what, that’s the laundry, that’s what we’re involved in,” it does make a difference.

*St Vincent's Hospital - Toowoomba*

Vanguard's approach and commitment to OIM has allowed them to provide a variety of evidence to stakeholders, depending on their level of interest and need for information. Examples of the type of evidence and what different stakeholders take away from Vanguard's reporting is provided below:

<b>General impacts</b>	<b>Specific impacts</b>
It's good to see what they're doing in the community	We would like to see the difference in health service usage
<b>Stories or case studies</b>	<b>Statistics</b>
It's great to hear the difference it has made in someone's life	We are interested in the success rate of transitions
<b>High-level understanding of organisation</b>	<b>Identifying areas for operational improvement</b>
It's great that 65 people now have a job	We've put in place additional HR policies as a result of the feedback
<b>Social outcomes</b>	<b>Enterprise outcomes</b>
The social connection Vanguard provides is really important	We're pleased to see the growth in operating income year on year
<b>Individual impacts</b>	<b>System/Community impacts</b>
Gaining independence through a steady income has really changed my life	Centrelink payments for Vanguard staff have reduced by over 25%

1 St Vincent's Private Hospital, Mission, vision, creed and values. <https://www.svpht.org.au/about-us/mission-vision-creed-values>. Accessed July 2020.



# The future

As a social enterprise, Vanguard faces the challenge of working towards financial business sustainability and investing in social support to help target staff achieve meaningful employment. This is a fine balance and Vanguard management have identified that ongoing OIM will be vital to be able to provide for evidence-based decision making to support both the social impact they create and financial stability of the organisation. This is particularly true as the organisation seeks to achieve growth within the existing Toowoomba premises and investigates opportunities to expand into other locations.

The start-up phase of the business over the previous three years required a significant focus on external funding to help establish the business and to support the social outcomes. This led to the evaluation having a strong emphasis on providing evidence of the outcomes and impacts that Vanguard and target staff have achieved. This emphasis will always be key for the evaluation as it provides accountability and identifies the ways that the organisation is supporting the wider community. However, stakeholders both within and external to Vanguard have identified several opportunities for the evaluation to evolve to support a wider understanding of the journey taken by target staff members and to support business decision making.

## Reporting on the target staff member journey

The need to provide evidence to funders (donors and investors) has meant that Vanguard's OIM has focussed internally on the work that the organisation has undertaken and the outcomes this has achieved. However, Vanguard works closely with community organisations to help identify and support potential target staff members who would benefit from additional support to help them transition back into the workforce. There are opportunities for the OIM activity to help provide evidence on the profile of target staff members that are most suited to the Vanguard model and the support from other organisations that target staff members need to help get them ready to start working at Vanguard.

There are also opportunities for an increased focus on target staff members' transition out to work with other organisations. While the number of staff transitioning to other employment opportunities is reported, there are opportunities for an increased focus on the experience of these staff members once they leave Vanguard. Being able to report on this would allow Vanguard to provide evidence of the longer-term impacts and outcomes for these staff members.



“

The reality is we need a lot less people [working in the Laundry] than there are people out there who need help. So do you just go and help everyone and see who comes to you? Or do you go, well, why don't we focus in on making a true impact into this particular segment or this particular area?

*Vanguard Laundry Management*

## Supporting business decision making

A major focus for Vanguard over the past year and currently, has been on the financial sustainability of the laundry operations. Financial sustainability of the organisation will be key to ensure ongoing and increasing social impact.

Vanguard has identified that their OIM has opportunity to provide greater insights about the profile of target staff members. This information could inform Vanguard about where they can invest resources to create more impact.

A more detailed understanding of how Vanguard could maximise their impact could also allow the organisation to be more targeted around which specific areas of impact they should focus on in the short to medium term. This understanding would be vital to support efforts to grow and achieve scale within the business in the future.

“

It's not purely just about social impact now, it's about sustainable impact going forward.

*Vanguard Laundry Management*

This case study is the first in a series of six-monthly case studies following Vanguard Laundry's approach to outcome and impact measurement (OIM) and how they use OIM to support growth and scale.

The case studies are funded by the Department of Social Service (DSS) to provide information to the social impact investing sector to better understand, define, measure and communicate their non-financial social outcomes and impact.