Impact ROI Checklist for Emerging Managers

A practical guide—grounded in examples from Audaxa's process—for embedding, measuring, and communicating financial + impact performance in venture capital.

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1. Define Your Impact Thesis

✅ Can you articulate your thesis in one sentence?

✅ Does it balance **high-impact business models + commercial potential**?

✅ Is it mapped to recognized standards (SDGs, Canadian National Standard, 5 Dimensions, CIDS)?

🔎 *Audaxa Example*: Our thesis focuses on climate, health, and diverse founders. We align portfolio outcomes with SDG 3 (health), SDG 5 (gender equity), SDG 10 (reduced inequalities), and SDG 13 (climate action), integrating these directly into our Theory of Change.

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2. Integrate Impact Into Diligence

✅ Do you assess **impact risk** alongside financial risk (mission drift, execution, evidence)?

✅ Does your diligence include:

- ➢ Founder lived experience
- ➢ Community traction & trust
- ➢ Potential systemic outcomes

✅ Have you embedded **ILPA DDQ + your own impact manual questions** into your process?

🔎 *Audaxa Example*: Our diligence includes a **50–30 policy** (minimum 50% diverse workforce, 30% diverse leadership) and requires founders to co-develop a **90-day impact roadmap + Theory of Change** post-investment.

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3. Portfolio Metrics & Measurement

✅ Have you translated your thesis into **pre- and post-investment metrics**?

- ➢ *Climate*: GHG reduction, waste diverted, water saved
- ➢ *Health*: patients reached, disparities reduced, healthcare cost savings
- ➢ *Equity*: % diverse leadership, wealth created for underrepresented founders

✅ Do portfolio companies have tools + support to measure and report impact?

🔎 *Audaxa Example*: We use a layered framework (IRIS+, SDGs, CIDS) and track metrics like *jobs created (OI8869), gender pay equity (OI7858), renewable energy generated (OI2496), and lives impacted by improved access to care (PI4924).*

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4. Track Record & ROI Pathways

✅ Are you building credibility via **warehouse deals, co-investments, or early exits**?

✅ Have you modeled your **return profile** clearly (DPI, MOIC, IRR, exits)?

✅ Are you showing how **impact outcomes strengthen—not weaken—the financial ROI path**?

🔎 *Audaxa Example*: We emphasize that *diverse founders outperform on capital efficiency and resilience.* Our IMM framework links financial KPIs (revenue, EBITDA) with impact KPIs (equity financing raised by women founders, economic wealth creation, reductions in health disparities).

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5. Communicate With LPs

✅ Can you confidently answer LP questions:

- ➢ *What are your targeted returns?*
- ➢ *How do you demonstrate the likelihood of achieving them?*
- ➢ *How do you define and measure impact success?*

✅ Do your reports *integrate financial + impact data* consistently and comparably?

✅ Are you prepared with case studies from your track record or warehouse as proof points?

🔎 *Audaxa Example*: We produce *quarterly reports with integrated financial + impact KPIs,* and are developing an *annual impact report* aligned to IRIS+ and SDGs. We also embed *side letter impact terms* with clear accountability targets.

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6. Build Learning Loops (Feedback)

✅ Do you use impact data as a **feedback loop** into sourcing, diligence, and portfolio support?

✅ Are you creating **peer-to-peer learning opportunities** with other funds (e.g., ImpactVC, Realize, Canada51)?

✅ Do you revisit and refine your thesis regularly, based on portfolio learnings and LP feedback?

🔎 *Audaxa Example*: Our process requires a *90-day integration plan* post-investment, continuous *quarterly feedback loops*, and co-learning across ventures. We share insights back into fund strategy—e.g., refining our gender-lens metrics after early diligence challenges.

Impact is performance. Emerging managers who apply these practices will:

- Build trust with LPs faster
- Differentiate in competitive markets
- Unlock more capital at scale