

Workertech Partnership Interim Impact Report

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Summary

The Workertech Partnership aims to improve the experiences of those in low-paid and precarious work. The importance of ensuring fairly paid work with decent conditions and the potential for progression has only become clearer through the pandemic and subsequent cost-of-living crisis. By identifying and supporting impact entrepreneurs with a vision for better work, the Workertech Partnership has the ambition of improving work for millions of workers, as well as shifting the behaviour of large employers, regulators and other institutions. This programme also set out to build an ecosystem of organisations supportive of Workertech innovations, and to prove the viability of impact investing in this area.

This report sets out our approach to achieving that impact through the first two years of the programme, and how we intend to progress this approach through the next year.

Introduction

When we began the Workertech partnership, impact was a key focus for all stakeholders. As we are now over halfway through the programme, we are reviewing our work on impact to date, and seeking to improve how we measure and manage impact as a funder, and how we can support our founders to do this too.

This interim report evaluates our progress so far in creating impact through reviewing our current frameworks and practices, and drawing on the progress of our portfolio ventures.

We set up the Workertech Partnership with a specific list of intended activities:

- Invest in ventures who will support low-paid and insecure workers with better connections, better information and better prospects

- Support those ventures through mentoring, making connections and developing impact
- Build a supportive ecosystem with events, research and community building activities, to develop the pipeline and support systemic change


Leading to intended outcomes:

- Ventures benefiting workers with improvements in pay, power, prospects and conditions
- A supportive ecosystem for existing and future ventures in Workertech
- Large-scale indirect impact via the replication and adoption of pro-worker innovation by more established organisations
- The establishment of the evidence base for a larger scale investment fund.

We have benefitted greatly from the support of our all of our funders and Steering Group in developing our Theory of Change and impact thinking (including specific support from NCVO via Trust for London), and through our Impact and Learning Partner, Nick Andreou of Impact Edge.

Impact Framework

We developed an initial impact framework during the early stages of the Partnership, to capture the range of different types of impact within ‘good work’, to cover different depths of impact, and to bring together impact from individual ventures to aggregate into programme-level impact. This first iteration was based on Accenture’s Skills to Succeed matrix.



	Pay Income or salary	Prospects Improved future potential	Progression Improvement within existing career/role	Power Collective or individual Improved conditions
Connected	Understanding of ways to increase income	Visibility of opportunities	Accessed skills assessment	Becoming a member Joining a group
Improved	Work experience completed	Complete training module	Complete skills assessment Work experience completed	Active membership Action taken in a campaign
Transformed	New job Pay increase	Re-entering education Completing significant training	New job Promotion	Significant improvement in conditions

We have now developed this further to align it better with the [Impact Management Project’s five dimensions of impact](#), which is detailed in a separate document – [Workertech Impact Approach](#). This report uses that framework to review our impact to date as well as the impact plans and processes of the programme and our portfolio ventures.

1. Four levels of impact

Ventures

Since beginning the Workertech Partnership, we have backed nine Workertech ventures all tackling different issues that low-paid and precarious workers face. We have backed four via Bethnal Green Ventures (BGV), made a follow-on investment into one of these, and have directly invested in a further five ventures (two of which we also backed via BGV through the Resolution Trust, between 2017 and 2019).

<i>Venture</i>
<p><u>TaskHer</u></p> <p>Online platform empowering users to find, book and pay experienced tradeswomen, whilst addressing the gender imbalance in the trades industry.</p> <p>Objective: Average tradespeople salaries in London are in the 90th percentile representing significant impact on salaries for improving access to work for tradeswomen.</p>
<p><u>Breakroom</u></p> <p>People-powered job comparison site for hourly work. It helps workers compare their jobs to find out if they're getting a good deal at work.</p> <p>Objective: Improving information that hourly workers have about their jobs in comparison to other similar roles through crowdsourcing data, leading to a better experience of work for the individual, and driving up standards in hourly paid work through competition for workers.</p>
<p><u>Earlybird (previously CareerEar)</u></p> <p>Software for employment support teams in the UK to deliver better quality, scalable career support to frequently overlooked jobseekers.</p> <p>Objective: Targeting improved career decision making capability (confidence, awareness of skills, knowledge of relevant jobs) which leads to higher income and life satisfaction. Particularly for overlooked talent pools (e.g., non-HE).</p>
<p><u>Ikigai Data</u></p> <p>Careers data and insights company. Its key product is JobFit: a SaaS platform for education institutions to advance and track alumni outcomes.</p> <p>Objective: Targeting improved career decision making capability (confidence, awareness of skills, knowledge of relevant jobs) which leads to higher income and life satisfaction.</p>

Talia

Pension designed for women's lifepaths.

Objective: The average woman in the UK retires with a pension 'salary' lower than the minimum recommended by the industry body suggesting that they can easily become vulnerable at older age. Talia is targeting small behavioural changes (e.g., saving an additional £55 per month) that can close the gender pension gap.

RECit

Comparison platform for job seekers and hiring managers ultimately improving the quality of recruitment services provided to job seekers.

Objective: Targeting improved jobhunting experience for people seeking work through recruiters.

Equal Care Co-op

A platform co-operative, using a digital platform to provide an alternative care model to improve working conditions and pay for carers, and quality of care for recipients.

Objective: Care recipients get more patient-centred care, and care workers get a better deal at work with better pay and autonomy.

Curo

Digital carer coach and community that guides unpaid carers to juggle work and care.

Objective: Providing support to people juggling work and care, enabling them to stay in work.

Worker Feedback Club

Construction workforce engagement platform that gives contractors direct insight into worker experience through digital channels.

Objective: Better communication on site will make construction sites safer, and improve worker engagement and satisfaction.

Through our pilot programme funded by Resolution Trust we also funded Organise, a platform that gives workers the tools, and network and confidence to improve their life at work.

Pipeline

Direct investments

At the beginning of the programme we set out to attract applications for investment from a diverse pool of founders tackling a range of issues affecting low-paid and precarious workers. Across the whole programme, we set out to make 12 direct investments. To date, we have made six investments and have three investment offers pending round closures.

We have seen a good pipeline of 154 Workertech investment opportunities, 37 of which we felt aligned with our impact thesis. Other ventures were typically in adjacent sectors such as edtech, HRtech or fintech, or weren't focused enough on low-paid work. We have presented seven to the social investment committee who approved six of these investments (excluding BGV investments).

Forty per cent of opportunities have come to us via other investors or founders, a sign of our strong connections in the impact investing sector. Ventures tend to approach us at the appropriate stage for our capital, with 63% at pre-seed stage and 31% at seed stage – another sign that our communication strategy is effective in sharing our investment criteria.

There are a range of issues covered in the pipeline, the most popular being skills and training, and careers advice and guidance which account for 39% of opportunities. Worker power and gig work account for 10% and 8% respectively.

To ensure we are reaching more areas of the low-wage workforce, we would like to see more ventures that are tackling care work, precarious work, and equity, diversity and inclusion for low-wage workers.

Bethnal Green Ventures

Our partnership with BGV allows us to back pre-product or pre-revenue ventures that need more structured support in developing their ideas into impactful Workertech businesses ready for further investment.

Across the whole programme, we aim to invest in eight ventures via BGV. To date, we have backed four companies: TaskHer, Curo, Talia and RECit.

There were fewer ventures that aligned really well with our Workertech purpose in the first two cohorts. To address this, we reviewed the marketing strategy with the team at BGV and increased our pre-application activity to better articulate what we were looking for, and to reach more founders through our networks through blogs, events, social media and partnerships. There are early indications this is helping us reach more of the potential founders that we would like to apply.

Equity, diversity and inclusion

Equity, diversity and inclusion are a critical focus for the Workertech Partnership. Supporting a diverse portfolio of founders will help create impact for a wider group of workers, and tackle the current imbalance of venture funding allocated to founders from diverse backgrounds.

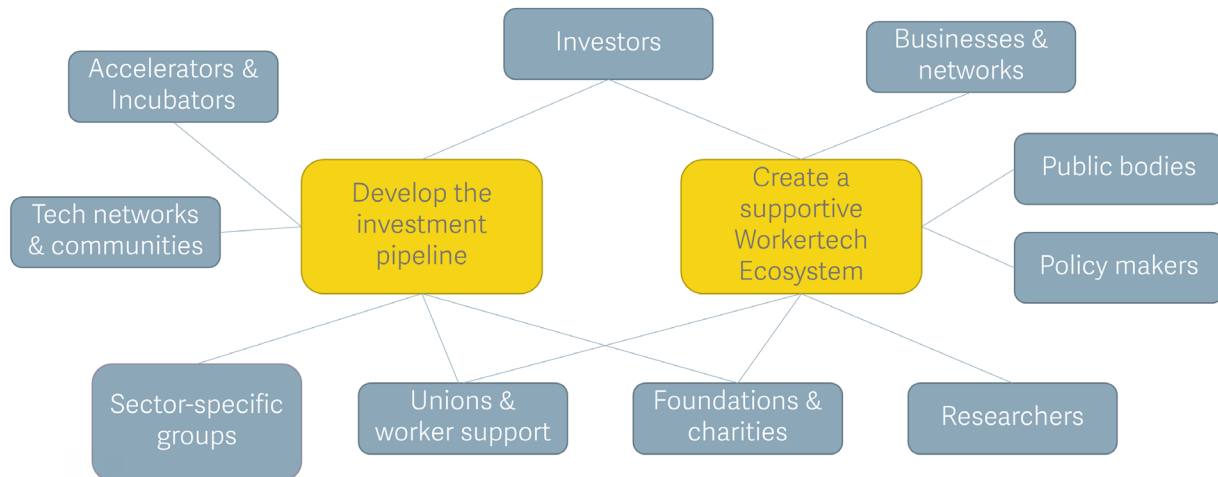
Our current portfolio founders are 53% female and 47% male, and 20% of our founders are from ethnic minority backgrounds.

Limited data from our investment pipeline shows that 36% of founders that approached us for investment were from ethnic minority backgrounds, 26% were on a low-income and 5% identified as having a disability.

This is a promising start, but our next step is to build connections with organisations that support founders from diverse backgrounds to receive more referrals, set targets for our investment pipeline, and improve our data collection methods so we can better evaluate our strategy.

Ecosystem

The Workertech partnership is well positioned to convene different types of organisations who are all interested in a fairer future of work.



We have built a growing Workertech ecosystem since the partnership began in 2020. Within the ventures team, we now have over 380 connections to other investors, funders, researchers, campaigners, unions and founders who are all within or adjacent to the world of Workertech.

By building a strong network, we can add value to our portfolio companies. Organisations in our network can provide support with research, product development, sales and fundraising. As a result, ventures should grow more quickly and be able to create more impact for low-paid or precarious workers. For example, we have leveraged our network to:

- Introduce TaskHer to a number of other funds for their pre-seed round, leading to an investment offer and warm leads for later investment rounds.
- Inviting founders of CareerEar and Ikigai Data to speak at our event in May, *From platforms to promotions: how technology can help boost young people’s career prospects*, giving them the opportunity to present to an audience of 87.
- Securing a speaking slot for CareerEar at EdTechX in June 2022.
- Host WorkerTech community events to facilitate knowledge sharing between founders and researchers.
- Connecting Curo to a number of unions, the Greater Manchester Good Employment Charter, IPSE and Well_Lab, all of which led to content partnerships to promote Curo to employers.

We would now like to expand our network with charities, campaign groups and unions that offer frontline support to low-paid workers. We will be able to leverage their expertise to provide feedback on ventures in the investment pipeline, and help us identify further groups, sectors and geographies where Workertech could create impact.

To keep this wide network engaged with our work and the broader ecosystem of Workertech we have delivered a varied communications strategy that included:

- Monthly newsletter reaching over 2900 readers
- Hosting eight events with a total audience of over 500 covering young people and employment, worker power and platform work
- Speaking engagements with ten other WorkerTech ecosystem organisations including the Better Work Network, Zebras Unite, Brink, Ufi Ventures, The Good Jobs Project and the GLA
- Website content and blogs reaching over 4000 readers with content covering impact measurement, setting up a WorkerTech venture, and user research

Research

The Foundation has also continued to publish research on low-pay and the labour market which we have used to support our existing ventures, and inform decisions about prospective investments. We also produced a summary of several pieces of research in “Workertech and low pay”, introducing the key issues behind the Workertech purpose for a ventures and investor audience.

Launching a Workertech Fund

We have continued to receive support from Big Society Capital (BSC) through their Ideas for Impact programme to help us think about the potential design of a larger Workertech fund, and have had several discussions about the factors that will influence the structure and shape of a future social investment fund.

Over the course of the programme, we have spoken to Guy’s and St Thomas’ Foundation, Youth Futures Foundation, Big Issue Invest, Shift Design, Social Tech Trust and others in the Ideas for Impact cohort about plans for a potential fund. This has given us valuable input on the strategies that others have used in developing social investment funds, and has informed the questions and approaches we have developed.

We have now established the parameters for a potential future fund, and are further developing these plans with support from funders.

2. Challenges and lessons learnt

From an impact perspective, the main challenges and our learning from each have been:

Mission alignment: Identifying ventures that are fully mission-aligned and building products and services primarily for low-paid or precarious workers has been challenging, as we expected. A good proportion of the pipeline has been Workertech ventures designed for higher earners, but not necessarily appropriate for lower-paid workers due to both product design and cost.

Evaluating a trade-off between impact alignment and commercial viability: In some cases, a product seems likely to create impact for the right user group from day 1. In these cases, impact alignment risk is low, but execution tends to be more complicated as founders are solving for multiple priorities. In other models there might be longer pathways to impact e.g. through building

a mass market model first and focussing more on a more impactful use case of the product or user group over time. These models have more alignment risk (because they rely on the founder to make choices for impact to be created rather than it being baked in to the model from the beginning). However, these approaches are usually less commercially risky. The universe of investible firms is also much larger in the second bucket, making it more viable from a venture fund model perspective. These are important trade-offs and dynamics to think through with no clear best practice yet.

Importance of networks for referring opportunities: Given this is a new fund and relatively novel investment area, referrals from other investors have been an important part of building the pipeline. In order to improve our pipeline diversity, the next phase of network building needs to focus on a wider range of fund geographies and subject areas. And to improve the quality of deals, we will aim to deepen our market analysis and research.

Evaluating impact potential for very early-stage ventures: While impact is critical for us, given the early stage of the ventures we back, it's difficult to evaluate how much impact ventures will have given limited impact data. To account for this, we focus on theories of change, impact metrics to be used in future, and our impact requirements as investors throughout the due diligence process.

Impact support seems most relevant at ideation and after product-market-fit is reached:

At ideation the priority is understanding the nature of the problem, the potential impact in addressing it and the 'right' business models to enable impact and revenues to be generated. Once those are established, the next priorities are about execution, building MVPs, iterating, fundraising, etc. Support here tends to be more about embedding an impact lens into existing processes rather than a standalone workflow (e.g. impact measurement). Once ventures have secured their first revenues and further investment, they have more headspace, personnel and financial resources. This provides them with the resource to think more about impact measurement and risk mitigation as a priority area in its own right.

Aggregating impact across the portfolio: Our portfolio ventures tackle a broad range of issues affecting low-paid and precarious workers, and each use different impact metrics. It is a challenge to aggregate these to generate a cumulative sense of the impact the fund has as a whole on our target groups. However, using the buckets of pay, power, progression and prospects to group ventures has been helpful in understanding the different types of impact our funding is creating.

Attribution: Being able to quantify how much difference our capital and support has on ventures and their users is challenging. While financially, we can measure our contribution through our percentage stake in each venture, this doesn't transfer easily to measuring our percentage impact especially in terms of our non-financial input into ventures such as impact support, research and ecosystem connections.

Conclusions

Impact has been a key focus throughout the Workertech Partnership. It is still early days but we have evaluated all potential investments with an impact lens, backed nine Workertech ventures who have reached thousands of workers already, built and engaged a growing ecosystem of impact-aligned partners, and developed our own framework for measuring impact at a fund and venture level.

During the partnership we have challenged ourselves to think about Workertech impact for early-stage ventures with limited data, to evaluate trade-offs between impact and commercial viability, and to source truly impact-aligned ventures.

Looking ahead, we will continue to support our portfolio ventures as they mature to measure and manage their impact with our Impact and Learning Partner, increase our own impact through diversifying our pipeline and portfolio, share our work and learning with the Workertech ecosystem, and continue our work on the design of a larger Workertech fund that could catalyse our impact in this sector.

Case study | Task Her

Impact thesis overview	TaskHer’s platform helps users to find, book and pay experienced tradeswomen, whilst addressing the gender imbalance in the trades industry through training partnerships and to attract more people who would otherwise move into lower paid, ‘gendered’ roles (beauty, care etc). This helps to improve quality of working life for tradeswomen and reduce overall income inequality by enabling women to access a well-paid profession.
<i>Impact Returns</i>	
What outcomes are being targeted	<ol style="list-style-type: none"> 1. Pay, prospects and wellbeing: Improved working lives of qualified tradeswomen 2. Improve society’s opinion of women in skilled trades 3. Build confidence in women and girls to consider pursuing training and careers in skilled trades
Expected ‘per user’ impact	Mechanical tradeswomen (electricians, plumbers, heating engineers) who are self-employed in London are earning £60-70k annually. This puts them a long way above average earnings.
Number of people reached	At the moment, there are 25 tradeswomen on the platform. The UK needs an extra 250k tradespeople by 2025 so the model is not demand side constrained and has the potential to grow quickly.
Articulated strategy for how to reach vulnerable groups	The model is uniquely focussed on tradeswomen who are underserved in this market.

<i>Impact risks</i>	
Key impact tensions	<ol style="list-style-type: none"> 1. Does increasing supply of tradespeople negatively affect existing tradespeople (e.g. through lower demand/prices)? 2. Could experiences of tradeswomen exacerbate existing negative beliefs?
Mitigation strategies	<ol style="list-style-type: none"> 1. Growing the size of the pie to meet demand means that by adding supply, demand and pricing should remain stable for existing tradespeople 2. Monitoring through impact measurement strategy

Case study | Breakroom

Impact thesis overview	<p>Impact on people thesis:</p> <ol style="list-style-type: none"> 1. Information on frontline jobs is limited and opaque 2. This results in frontline workers being unable to direct their job search towards higher quality roles 3. They therefore end up in jobs with varying working conditions 4. Breakroom aims to plug this gap enabling workers will be able to direct their job search towards high quality roles and experience better working outcomes <p>Systems change thesis:</p> <ol style="list-style-type: none"> 1. By providing employers with targeted information about how to improve their working conditions and the data to show what it costs them, employers will implement organisational changes to improve working conditions 2. This improves work related outcomes for workers 3. This also triggers a broader employment system improvement in working conditions as the bar for what's acceptable is nudged higher
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<i>Impact Returns</i>	
What outcomes are being targeted	<p>Impact on people:</p> <ol style="list-style-type: none"> 1. Wellbeing: Higher job satisfaction 2. Pay: Increased remuneration 3. Prospects/Wellbeing: Lower turnover likelihood <p>Systems change:</p> <ol style="list-style-type: none"> 1. Employers take steps to improve the working conditions of roles they offer 2. This catalyses a system-wide improvement in working conditions
Expected 'per user' impact	Will likely vary based on each individual's context but could be better pay and higher job satisfaction.
Number of people reached	Rated 3,000 employers based on 450,000 surveys, attracting 300,000 monthly sessions to the platform.
Articulated strategy for how to reach vulnerable groups	Focussing on frontline workers which are more likely to be underserved by the labour market and low income.
<i>Impact risks</i>	
Key impact tensions	<p>Impact on people:</p> <ol style="list-style-type: none"> 1. While workers can choose to move to better quality jobs, will this definitely lead to the reduction of poorer quality roles? <p>Systems change:</p> <ol style="list-style-type: none"> 1. Will Breakroom's impact be limited to customers?
Mitigation strategies	<p>Impact on people:</p> <ol style="list-style-type: none"> 1. Systems change thesis mitigates the risk around reduced net impact as this creates impact for all frontline workers. 2. Founder is clearly mission driven alleviating alignment risk. <p>Systems change:</p> <ol style="list-style-type: none"> 1. The market has seen other Workertech type interventions create a mimicking effect e.g. Wagestream where employers use the product as a way to attract workers and therefore other employers copy the early adopters to improve their offering to prospective employees.

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Accenture UK

Bethnal Green Ventures

About Resolution Ventures

Resolution Ventures exists to back innovative start-ups seeking to change the world of work for the better, and early-stage ventures seeking to improve the prospects of low-to-middle income Britain.

Our Ventures activity spans social investment, creating communities and networks of ventures and stakeholders in the areas we care about, and pioneering action-oriented research that bridges the gaps between RF analysis and practical solutions.

About the Resolution Foundation

The Resolution Foundation is an independent research and policy organisation. Our goal is to improve the lives of people with low to middle incomes by delivering change in areas where they are currently disadvantaged.

We do this by undertaking research and analysis to understand the challenges facing people on a low to middle income, developing practical and effective policy proposals; and engaging with policy makers and stakeholders to influence decision-making and bring about change.