

Reimagining **Social Impact** Consulting



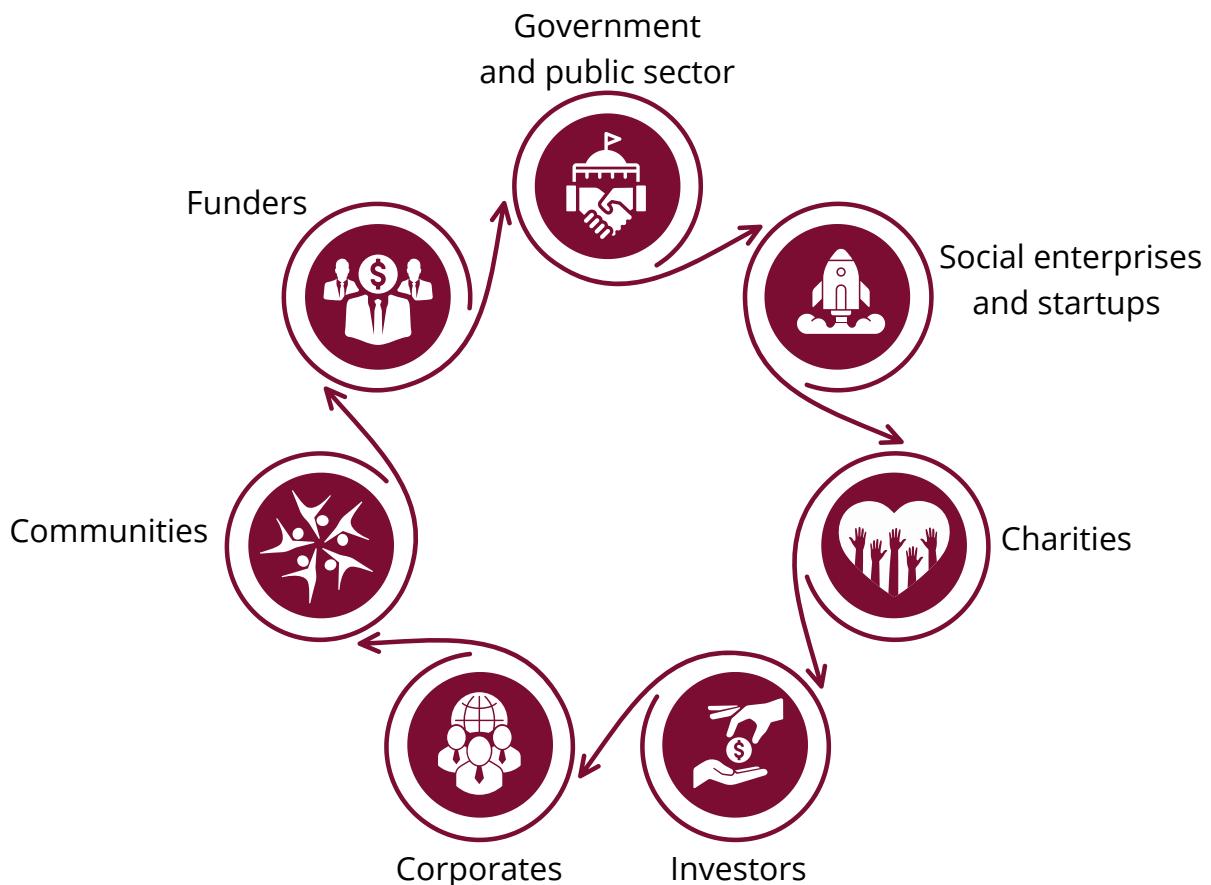
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Foreword

At end of 2024, the [United Nations](#) estimated that the development financing gap has almost doubled to USD 4.2 trillion annually, compared to before the COVID-19 pandemic. The report also says, “rising geopolitical tensions, climate disasters and a global cost-of-living crisis have hit billions of people, battering progress on healthcare, education, and other development targets.” How do we make sense of the growing societal and environment challenges, and increasing complexities? It is clear that we need to develop options and create solutions focused on systems change - addressing the root causes of social issues to bring about sustainable, impactful change.

A lot of us came to social impact consulting because of our beliefs that they are well positioned to create systems change. Social impact consultants provide design, advisory, evaluation services for a wide range of organisations – the cross-sector work and connections enable them to break silos and be the ‘glue’ for different parts of the ecosystem. Social impact consultants can be firmly embedded within communities experiencing the issues, while elevating their voices to create tangible changes at the decision-making levels.



It is time for us to reflect on whether social impact consulting is indeed delivering on systems change. In the past few years, with dwindling funding for tackling social issues, quite a few social impact consultancies and intermediary organisations have struggled. For example, in the UK, [Shift design](#) has closed after 20 years earlier in 2024. Artificial intelligence (AI) also poses challenges to consulting, as AI is doing so much already at the lower end of the pay scale.

There are also legitimate concerns towards consulting as a field, most notably captured by the [book](#) "The Big Con: How the Consulting Industry Weakens our Businesses, Infantilizes our Governments and Warps our Economies". In December 2024, a well-known consulting firm paid another [\\$650 million](#) to the US Department of Justice over their role advising pharmaceutical companies how to increase sales of the highly addictive opioid drug, which has led to hundreds of thousands of lives destroyed.

Despite these challenges facing social impact consulting, we were positively surprised by the level of interest in our field, especially from graduates. We received one email earlier this year from a university, "After doing some more research, I saw that the social impact consultancy ranks within the Top 10 of desirable jobs amongst Generation Z in 2024."

This brief is intended to be an exploration of the value of social impact consulting, and invites us to reimagine it. It is not intended as a piece to justify our organisational survival, but more a provocation to the sector, and an invitation to join some of our internal reflections.

Ultimately, we are motivated by impact, and if social impact consulting is not the way to deliver impact, then we must change course.

By: 
Managing Director, TSIC



Evolution of **social impact** consulting?

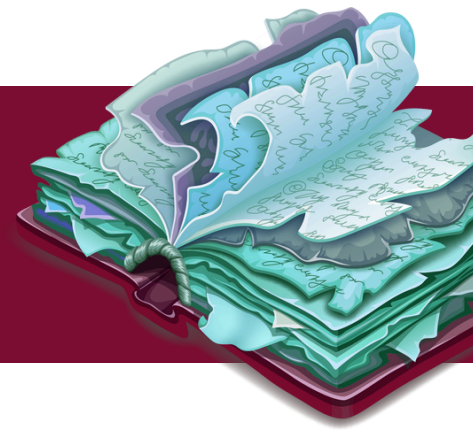
Social impact consulting is a relatively nascent field. In the past two decades, the social impact space has expanded with the growth of aid and international development spending, the United Nations' focus on Millennium Development Goals; and social impact consulting emerges gradually as a field, as more are looking at applying business tools and thinking to scale social impact issues.

One specific domain of social impact consulting is monitoring, evaluation and learning (MEL), where consultants evaluate specific programmes, portfolios or strategies of organisations. One [academic paper](#) traces the notion of “planful social evaluation” to as early as 2200 B.C. with personnel selection in China; and programme evaluation-like activities were already evident in the eighteenth century in the fields of education and public health. Soon after, in the nineteenth century (precisely in 1886), the first strategy consulting firm was created by Arthur Dehon Little, a chemist from the Massachusetts Institute of Technology. Other people came in afterwards and gradually institutionalized the field of management consulting.

Social impact consulting has its roots in the philanthropic and corporate social responsibility movements of the late twentieth century, with early consulting-style support offered to charities and foundations. By the 1990s, specialist organisations like Bridgespan Group had emerged, formalising the practice of combining strategic management tools with social and environmental objectives. The Monitor Institute, established in 2004, is widely acknowledged as one of the first dedicated social impact consultancies, pioneering approaches that emphasised evidence-based outcomes for both mission-driven organisations and socially conscious businesses.

Over time, mainstream consultancy firms developed social impact arms, reflecting a growing demand for strategies aligned with global frameworks such as the Sustainable Development Goals. Today, social impact consulting continues to evolve, incorporating innovative methods like big data analytics, behavioural insights, and collaborative engagement with grassroots groups. This shift underscores an ongoing drive to tackle complex social challenges, integrate diverse voices, and promote lasting, positive change.

History of **social impact** consulting?



CSR and Nonprofit Growth
Early Nonprofit Strategy Consulting
Key Organizations: The Ford Foundation and McKinsey & Company.

Formalization (1990s): The Birth of the Sector

Monitor Institute (2004)
Scaling of Impact Investing
Hybrid Models and Social Enterprises
Technology and Data

Modern Era (2010s - Present): Mainstreaming Social Impact

Origins (1960s-1980s): The Foundations

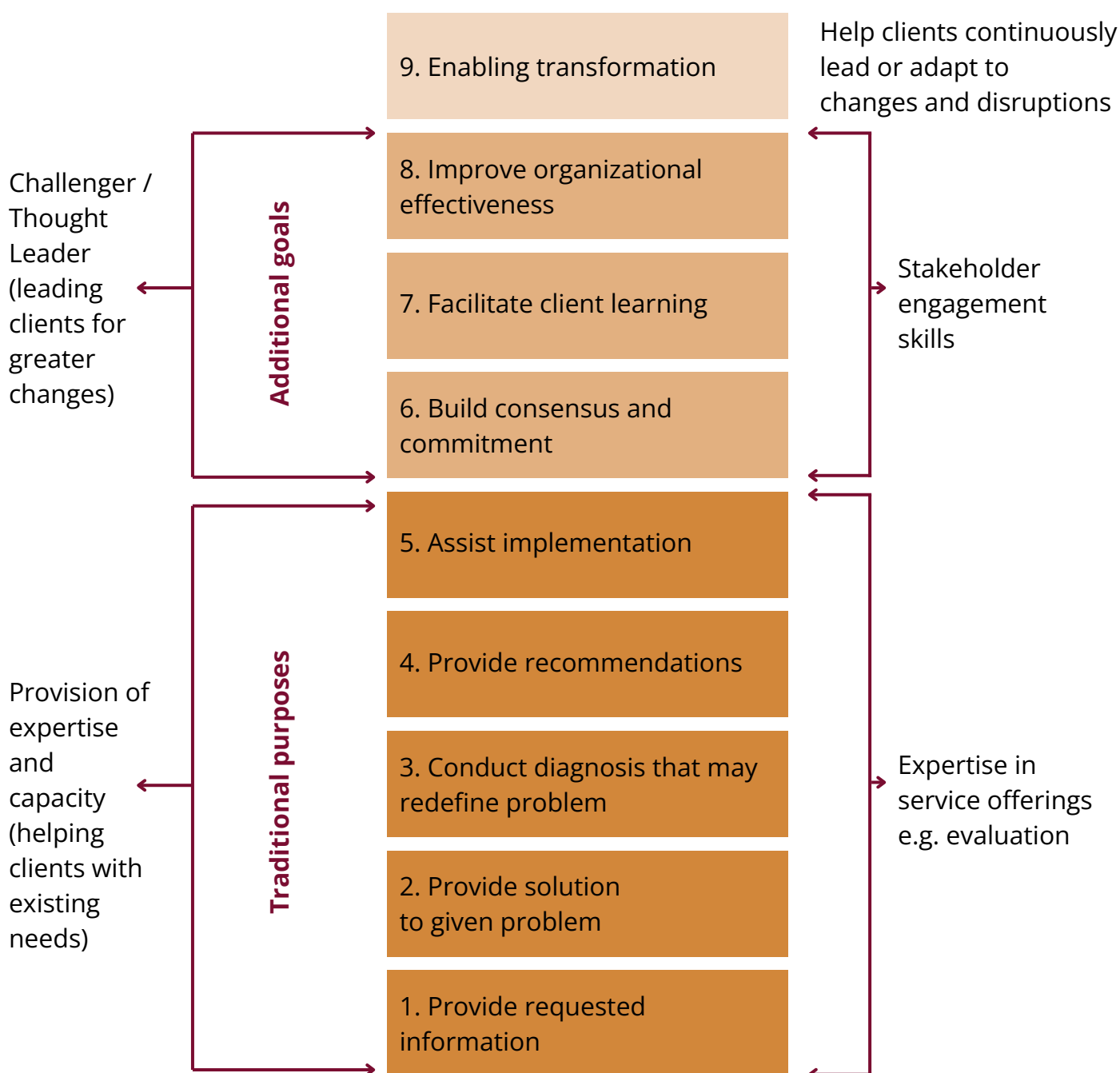
Emergence of Nonprofit Strategy Consulting Firms
Corporate Engagement in Social Impact
Venture Philanthropy:

Expansion and Innovation (2000s - 2010s): The Rise of Dedicated Firms

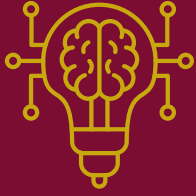
Corporate Purpose
Sustainable Development Goals (SDGs)
Global Consulting Firms Enter the Space
Focus on Diversity, Equity, and Inclusion (DEi)

Why **social impact** consulting?

We adapted the following graphic from [Consulting Is More Than Giving Advice](#), published by Harvard Business Review in 1982, for the social impact consulting context.



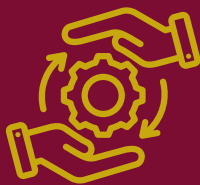
To create impact, social impact consultancies have these potential levers to create change:



- **Adaptation and learning:** As third parties, consultancies do not have the same organisational blindspots as their clients, and are in a position to help organisations reflect on what went right and also wrong. Mistakes often teach us more than successes, and someone external can help instigate a culture of ongoing improvement. In social impact, a lot of things are not black and white - consultancies can support organisations navigate the nuances and complexities.



- **Bridging communities:** Consultancies work across many organisations and sectors and that enables them to have diverse perspective and connections. They can act as connectors, bringing diverse stakeholders together. When everyone has a seat at the table, power dynamics begin to shift. Through inclusive engagement, consultancies can amplify perspectives that are often overlooked, inspiring more equitable approaches and long-lasting change. At best, they can even orchestrate synergies across different groups of people and organisations.



- **Driving change and accountability:** As unconstrained operators positioned outside traditional institutions, consultancies can champion the tough, overdue conversations that incumbents might avoid.. They also have a role, through measurement and evaluation, to ensure that organisations stay true to their goals and transparent in their actions.

Approaching this as holistic strategists, we think that consultancies can deliver value across all of the systems changing roles below, but especially evaluators, knowledge builders, historians, weavers and scalars.

Experimenters /Entrepreneurs

They innovate, pioneer, and invent. They take risks and course correct as needed, marking out the territory of the new system.



Frontline responders

They address crises faced by communities, by assembling and organising resources, networks and messages.



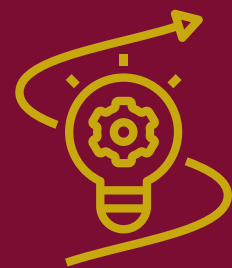
Visionaries

They identify root causes and imagine, generate and articulate bold possibilities of a fair and just society.



Evaluators / Guides

They innovate, pioneer, and invent. They take risks and course correct as needed, marking out the territory of the new system.



Knowledge Builders

They create the frameworks, toolkits and guides that allow knowledge or innovation to spread and become widely adopted, to advance social impact at a faster pace.





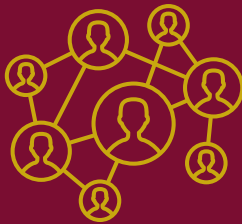
Historians / Storytellers

They unveil the historical roots of systemic issues and share community stories, cultures, experiences, histories, and possibilities through various creative mediums.



Healers / Caregivers

They address generational and current traumas caused by oppressive systems, fostering a caring community for those facing social and environmental challenges.



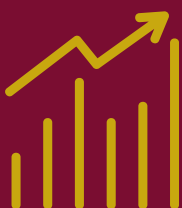
Convenors / Weavers

They build networks and bring together stakeholders to create a shared agenda for social impact. They see the throughlines of connectivity between people, places, organisations, ideas and movements.



Funders / Investors

Investors, philanthropists, commissioners, and corporates fund initiatives for a fair and just world. They acknowledge the system's challenges, welcoming external ideas to foster positive change.



Scalars

They excel at simplifying and standardising a solution so it can reach a critical mass – bringing everyone along towards a fair and just world.

Potential harms caused by **social impact** consulting

While social impact consulting holds promise for driving meaningful change, it's important to recognise the pitfalls that can arise. These potential harms were identified from our internal reflections. By understanding these challenges, we can work towards ensuring that our efforts truly serve communities and foster equitable outcomes. We categorise the potential harms in three areas, recognising that there may be a lot more, and we are just scratching the surface.



Through working with clients


Power dynamics - In many cases, social impact consultants are commissioned by those already holding power, which can unintentionally entrench existing hierarchies and hinder deep-rooted change. Balancing client expectations with the drive for true equity can be a delicate dance, with the risk of playing it safe rather than fostering genuine transformation. **Detachment** - Without meaningful connections to the communities at the heart of the work, consultancies risk creating recommendations that overlook local realities. This can become further pronounced given the power dynamics at play. This gap in understanding can erode trust, leaving organisations with solutions that fail to resonate or deliver tangible benefits.

Disillusionment - Engaging stakeholders to share feedback and ideas generates hope, but if actions don't follow, disappointment can linger. Given the power imbalances, consultants and stakeholders may not be in the position to enact change themselves. Over time, this disillusionment can damage relationships and undermine future collaborations, weakening faith in the consultancy model.




Inherent to the consultancy model

Resource diversion - Investing in consultancy services can be seen as diverting funds from frontline work, especially when results aren't clearly communicated or the added value of consulting work is not clear in the first place. In the worst case, commissioners may invest in consultancy services in order to justify or legitimise cutting of resources, or other business decisions that may be harmful to the impact.




Overextension - Balancing multiple projects can force consultants to remain generalists rather than developing deeper expertise in key areas. This pressure to juggle competing demands may ultimately dilute the quality of insight and guidance they can offer to clients.





Sector competition - Under the market pressures to win contracts and to differentiate, social impact consultancies may need to create IP and protect their work, meaning that they are not able to share openly their work for market adoption. The competitive pressures also mean that consultancies struggle to collaborate with one another, even though we do need collaboration in order to create systems change. In the worst case, the high levels of competition may also have led to some unethical behaviours, such as organisations coopting ideas from smaller rivals or community members to make money.



Harm to our staff



Burnout - While this is a challenge not immune to social impact consulting but the impact space more broadly, we have observed that the emotional labour and unpredictability of the work mean that our consultants are prone to burnout:

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- Emotional labour: supporting systems change can involve navigating trauma-informed work and sensitive organisational dynamics, which are hard to capture in standard project scopes. Consultants often take on the emotional weight of these interactions, which can lead to stress, compassion fatigue, or burnout.
 - Unpredictability - When revenue streams rely heavily on short-term contracts, it becomes difficult to plan ahead or invest in long-term solutions. Without sufficient reserves, consultancies can end up in a reactive cycle, constantly chasing funds and limiting opportunities for proactive innovation.

The future of **social impact** consulting

As social impact consulting faces shifting market pressures, rising community expectations, and rise to the challenge of being a responsible employer, there is a growing need to explore new ways of working. Can consultancies move beyond traditional, extractive models to genuinely advance equity and sustainability? We discuss some possibilities in this section, and we hope to further discussions with peers and collaborators in the sector.



Theme 1: Business model – Designing for transformation, and not extraction

Inspired by frameworks like [Doughnut Economics](#), many social impact consultancies are exploring ways to embed equity and sustainability at the heart of their work. Fair compensation for those who share their time and insights, such as community members acting as peer researchers, helps ensure that the benefits of any project are widely felt, rather than extracted for the sole benefit of external actors. The most important dimension is how we genuinely collaborate with communities, and our partner [The Social Innovation Partnership](#) demonstrates by their work at The Giving Lab, what co-design with communities looks like.

Instead of constantly chasing the next contract, consultancies can frame their work around the social issues they want to address. By staying true to a clear purpose, and being unafraid to say no to projects that don't align, teams can focus on shaping meaningful, system-wide change. In practice, this involves a balance between financial sustainability and the long-term vision of making themselves obsolete by effectively solving the problems they set out to tackle.

A bold way of measuring success challenges the assumption that repeat business is always desirable. Rather than focusing on upselling clients, some consultancies aim to provide transformative solutions that reduce the need for ongoing external support. While financially risky, this mindset highlights a commitment to real impact over profit.



Theme 2: Championing inclusive governance

Establishing governance structures guided by shared values can help consultancies stay true to their commitments, particularly when weighing commercial pressures against the social mission. Independent audits and an internal impact management process offer additional checks and balances, ensuring decision-making aligns with stated principles.

Recognising that lived experience is often overlooked in the sector, some consultancies work to broaden access for individuals from less traditional backgrounds, creating pathways for them to enter and thrive in consulting roles.



Theme 3: Diversifying and embracing hybrid models

A lot of the business model pressures are due to a singular focus on time-bound, short-term consultancy contracts, and we can ease the commercial pressures by complementing consultancy contracts with long-term, grant-funded projects, or other types of products and services (e.g. operating impact investment funds, operating frontline services, etc). Moreover, most consultancies are also either set up as for-profit or non-profit legal entities, and social impact consultancies may broaden the possibilities of having both for-profit and non-profit arms. For-profits may allow more flexibility in raising capital for growth and working capital, whereas non-profits may enable attraction of grant funding for long-term projects.



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