# TECHNOLOGY FOR IMPACT

# INVESTING IN BETTER NONPROFIT OUTCOMES

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INDEPENDENT SECTOR

Technology has transformed the way people live and work. How has it changed the way nonprofits serve beneficiaries and engage with donors? With restricted funding, nonprofits historically have been slow to adopt new technology. Yet new research conducted by Accenture's Nonprofit Practice—in conjunction with Independent Sector's Tech for Common Good collaborative (Tech for Common Good), which also includes Box.org, Diligent, Humentum, Salesforce.org, and TechSoup—shows that a growing number of nonprofits are indeed embracing technology.[1] And they're using it to create greater impact through:

**INCREASED CAPACITY**
e.g. operations, programs, and the ability to serve more beneficiaries

**NEW AND DIFFERENT SERVICES**
e.g. new volunteer engagement framework

**STRONGER ENGAGEMENT WITH CONSTITUENTS**
e.g. expanding reach and access to services

# Technology for Impact: What Is It? Why It Matters

Technology can be implemented to achieve any number of goals. Historically, organizations have looked to technology primarily to increase efficiency and reduce expenses (automating payroll, finance or other back-office functions, for example). While there is still value in using technology for those purposes, nonprofits now have a much larger and more important opportunity: to use technology for impact.

> **Technology for impact:**
> technology applied to further an organization's mission and/or make a greater impact on its beneficiaries.

We define "technology for impact" as technology applied to further an organization's mission and/or make a greater impact on its beneficiaries (that is, the communities, groups or individuals the nonprofit helps through its programs and services). Nonprofits that have embraced technology are experiencing tremendous gains in their effectiveness and societal impact.[2] What's more, technology can play a key role in engaging donors and other constituents.
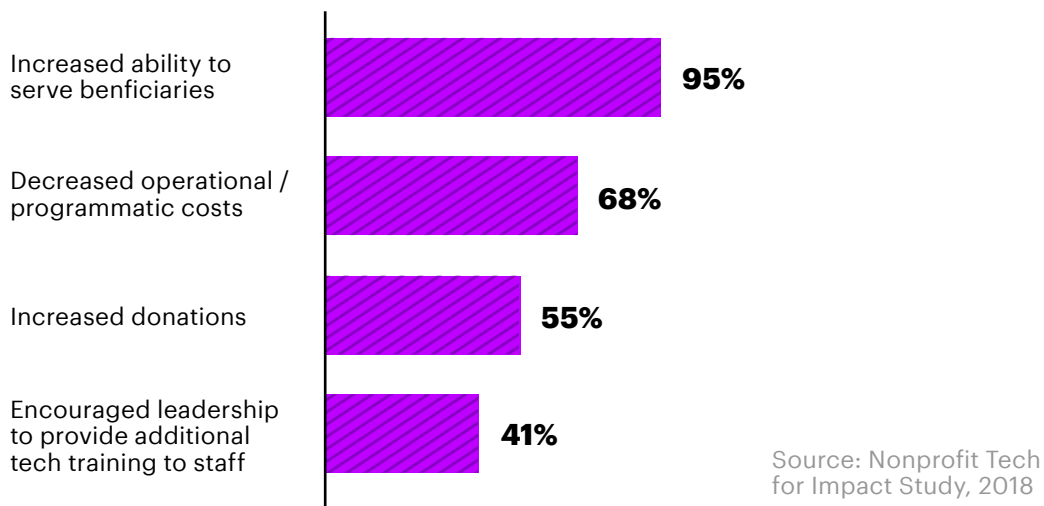
# Serving More, Serving Better

For a growing number of nonprofits, technology is more than a supporting player. It is taking a leading role—and delivering breakthrough results. The recent Nonprofit Tech for Impact Study probed on the outcomes achieved by nonprofits that have applied technology for impact (see Figure 1).

Figure 1. Nonprofit outcomes of using technology for impact

**What outcome has "Tech for Impact" had on your nonprofit organization?**

| Outcome | Percentage |
| --- | --- |
| Increased ability to serve benficiaries | 95% |
| Decreased operational / programmatic costs | 68% |
| Increased donations | 55% |
| Encouraged leadership to provide additional tech training to staff | 41% |

Source: Nonprofit Tech for Impact Study, 2018

Survey respondents also shared specific examples of how their organizations are applying technology to increase program reach and effectiveness:

• Using a platform to connect entrepreneurs with mentors in a global network. The platform automates important tasks, such as scheduling communications and delivering feedback—giving support as the entrepreneurs start, build or grow their businesses.

• Putting children who have suffered trauma in touch with mental health therapists who would otherwise have remained inaccessible to them.

• Building an extensive database of volunteers to help match a volunteer's interests and talents with the needs of a particular cause.

## PATH to Better Service, More Beneficiaries

PATH is one of the largest research organizations in the fight against malaria, and an innovator in using technology for impact. Not long ago, health data in Zambia was penned in notebooks and then manually entered into a spreadsheet. It could take many months before the information made it to the desks of decision makers; by then it was too late to respond to an outbreak, or to ensure adequate supplies of lifesaving commodities.

Now Zambia's malaria program has access to near real-time data; what took months is available every week. Strengthening this flow of information is Visualize No Malaria, a partnership of Zambia's Ministry of Health, PATH and the Tableau Foundation. Along with a coalition of tech companies, this partnership is making Zambia's rich and growing base of data rapidly accessible and high quality for decision makers and those on the front line.

PATH's commitment to innovative approaches has saved 6.2 million lives from malaria worldwide since 2000. In Zambia, parts of the country have seen a sharp reduction in malaria. In fact, the country is now committed to eliminating the disease by 2021. PATH and partners are playing a key role in visualizing the **data that are driving decisions toward that ambitious goal.**

# The Impact on Donors

Applying technology with the primary intent of creating beneficiary impact can also result in other noteworthy outcomes: more donations and higher volunteering rates from constituents. Indeed, an Accenture citizen survey found that more than four in 10 citizens globally would be willing to donate or volunteer more to a nonprofit **offering a personalized experience.** That willingness is even higher in the U.S, where 55 percent of citizens express that sentiment.[3] Research by Salesforce uncovered a similar finding, with 75 percent of volunteers expressing willingness to volunteer more hours per year—and 65 percent of donors being willing to give more money—if they felt their nonprofits really knew them.[4]

The survey of nonprofits recently conducted by Accenture and Tech for Common Good[5] echoes those findings. As shown in Figure 1, more than half of organizations using technology for impact reported that technology has helped increase donations.

3. Accenture Public Service Citizen Survey 2017

4. Salesforce 2016 Connected Nonprofit Report

5. Nonprofit Tech for Impact Study, 2018

## Letting Donors Choose

Founded in 2000 by a Bronx history teacher, DonorsChoose.org has raised $628 million for America's classrooms. Teachers come to DonorsChoose.org to request the materials and experiences they need most for their classrooms, and donors give to the projects that inspire them. DonorsChoose.org is the only crowdfunding platform that vets each request, delivers materials directly to schools and captures the impact of every funded project with photos, thank-yous and a cost report showing how each dollar was spent.

With technology at the heart of what the organization does—and how it does it— DonorsChoose.org has delivered enormous impact since its founding:

**77 percent of public schools** in America have at least one teacher who has posted a project on DonorsChoose.org.

**More than 402,000 teachers** have had projects funded by more than 2.9 million people and partners.

**More than 26 million students have benefitted,** with $628 million donated to date.

**94 percent of teachers** said their funded projects increased their effectiveness in the classroom.

> " Our job is to showcase our teachers' requests in a way that honors the amazing work they do every day. Shining a light on their classrooms motivates our funders and donors, so giving donors a seamless experience on our website is part of how we make sure we're doing right by the incredible teachers who use our site.
>
> – Ali Austerlitz, Senior Director, PreK-12 Partnerships, DonorsChoose
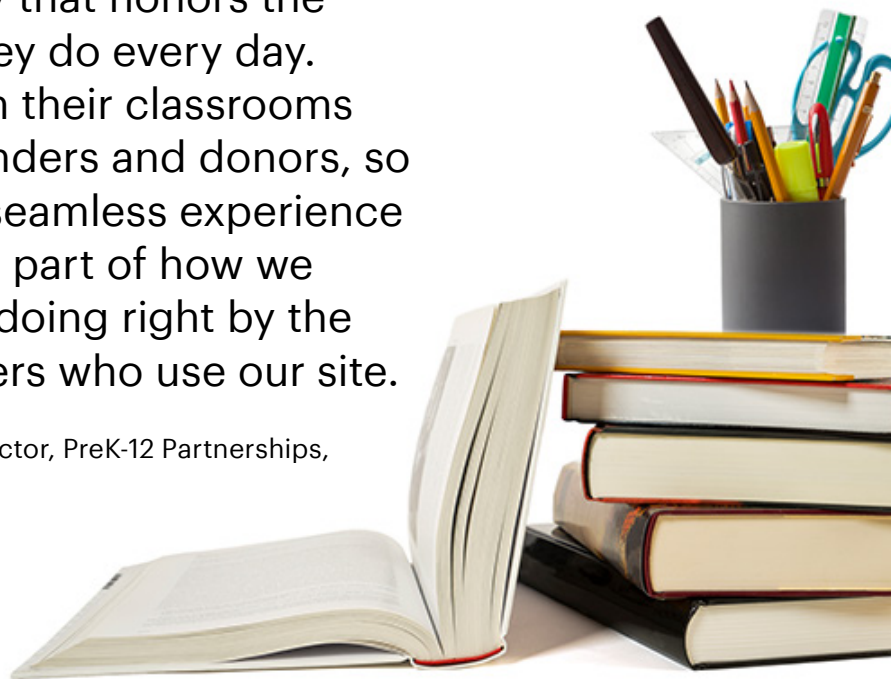
# Technology for Impact: Come One, Come All

Accenture's research and experience clearly show that technology opportunities that produce impact are within reach for all nonprofit organizations.

Among nonprofits using technology for impact, just 14 percent are classified as large. More than half (55 percent) are medium sized, while 27 percent are small. According to those surveyed, what matters more than size is an organization's structure. Nearly three-quarters (72 percent) of those using technology for impact say that their organization's structure supports, enables and encourages technology for impact thinking/initiatives.[6]

**Nonprofits using technology for impact**

- ■ Large nonprofit
- ■ Small nonprofit
- ■ Medium nonprofit
- ■ Unknown

14%

4%

27%

55%
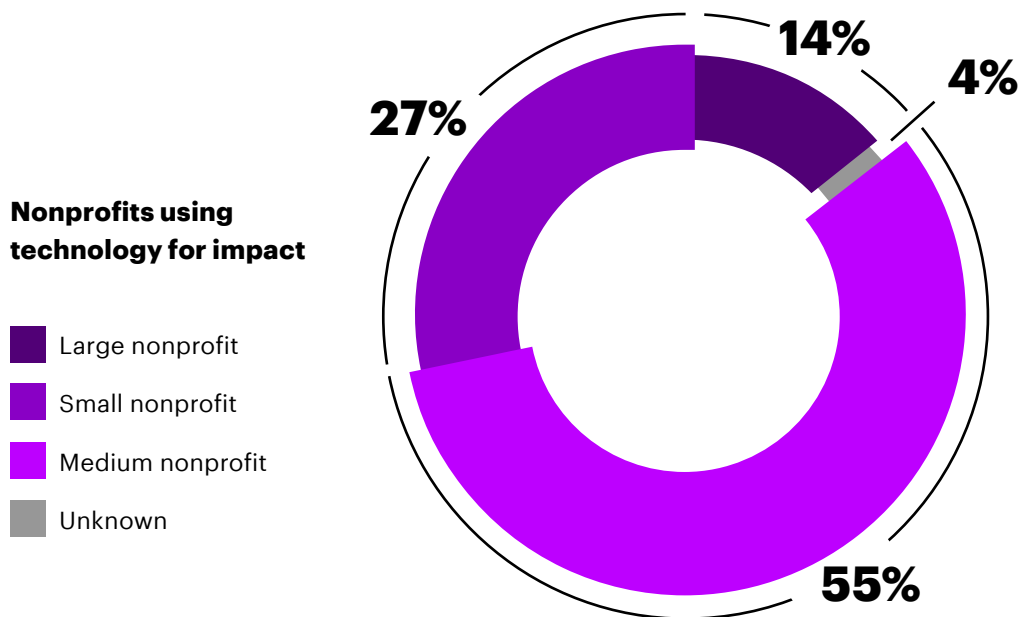
**72%** of nonprofits using technology for impact say their organization's structure supports, enables and encourages technology for impact thinking/initiatives.
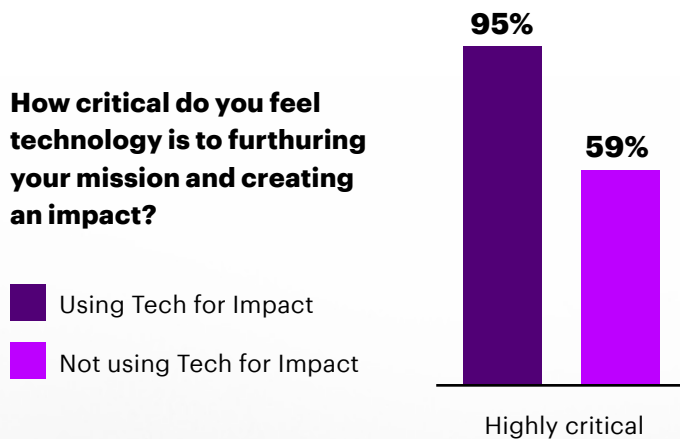
## Forging Better Care

A prime example of a small but mighty nonprofit is LimbForge. **The organization's mission is to use technology that creates scalable rehabilitative systems for underserved populations—particularly those in conflict zones and low-income countries.** Trained caregivers in prosthetics and orthotics represent a highly specialized group of clinicians that are almost always located in cities. Thus, the time and cost required to receive treatment severely restricts patients in rural areas from accessing the care they need. To overcome this challenge, **LimbForge has developed software that produces high-quality, cost-effective and customized 3D-printed prosthetics.**

This technology is being put in the hands of clinicians and enabling them to serve a wider range of patients **faster than ever before.**

Just as a nonprofit does not need to be large in order to apply technology for impact, **technology does not need to be complex in order to be impactful.** Technology simply needs to address a specific, mission-oriented objective. Instead of being hyper-focused on applying the latest technology fad, nonprofits should build a culture that recognizes technology as integral to their mission. According to our survey, almost all (95 percent) participants that use technology for impact believe that it can further their mission, versus only 6 out of 10 that don't (see Figure 2).

Figure 2. Technology is furthering the nonprofit mission

**How critical do you feel technology is to furthuring your mission and creating an impact?**

■ Using Tech for Impact

■ Not using Tech for Impact

**95%**

**59%**

Highly critical

Source: Nonprofit Tech for Impact Study, 2018

## Using Artificial Intelligence to Predict Conflict

PeaceTech Lab, a medium-sized nonprofit, works to reduce violent conflict and accelerate and scale peacebuilding efforts using technology, media and data. To demonstrate how data can further the peacebuilding field, the organization created The GroundTruth Project, which draws on machine learning, text analysis and the artificial intelligence capabilities of IBM Watson and Amazon Web Services to provide an early warning of social and economic disruption due to volatility in fragile and emerging economies. GroundTruth provides both for-profit companies and not-for-profit organizations with many benefits, such as early warning on potential safety risks to employees, and daily visibility into local on-the-ground conditions.

With only 15 full-time employees, **this nonprofit is able to create powerful, broad-reaching outcomes** through its use of technology for impact.

Size isn't a barrier. Complex technology isn't a necessity. But do nonprofits need to have a highly sophisticated infrastructure in place to apply technology for impact? Not according to our Nonprofit Tech for Impact Study—which points to basic infrastructure and technological knowhow as the **most critical prerequisites** to applying technology for impact. In fact, among nonprofits surveyed, IT infrastructures are similar for those using technology for impact and those that are not. Rather than implementing highly sophisticated systems, the key is training staff—the **most critical priority** selected by nonprofits using technology for impact.

## Challenges and Opportunities

While nonprofits face a number of challenges when working to implement technology for impact, the most persistent and common obstacle is funding. More specifically, our research pointed to three barriers:

**1** **Tech-focused funding is not a priority for most funders and is therefore not widely offered.** A majority of respondents—those that are using technology for impact (82 percent) as well as those that are not (70 percent)—concurred that technology funding for nonprofits is generally only minimally or somewhat available. One respondent explained that it can be difficult to raise funds to support operations, and technology is often viewed as "overhead" rather than as a mission enabler.

Among surveyed organizations that are using technology for impact, more than half (59 percent) indicated that they are not satisfied with how they are currently leveraging technology. They almost always point to funding as the major hurdle.

> **"** Many funders limit funding of technology. They do not think about the high ROI from technology investments. Those of us who see 'under the hood' know that not having the right technology, and the skills to use technology, is one of the main factors limiting the sector's effectiveness.
>
> – Nancy Long, Executive Director, 501 Commons

**2** **Funders want to see impact right away.** There is no patience for the "long game" of applying technology for impact. Thus, nonprofits said they rarely have the luxury of planning two to three years ahead. They also noted that it is challenging for any organization to translate every dollar into impact.

**3** **Nonprofits often lack the resources and / or time to train or upskill staff on tech for impact initiatives.** While 86 percent of respondents using technology for impact pointed to the cost of purchasing technology as a key barrier to adoption, the cost of training employees on the new technology was mentioned by almost half (45 percent) as another critical barrier.

What's more, all nonprofits lament that educational resources for increasing employees' fluency in technology are only minimally or somewhat available (cited as a barrier by 77 percent of nonprofits using technology for impact and 68 percent of those that are not).

> **"** We want to do so much more with what we've started but lack the resources.

> **"** We struggle with our own costs given the funders do not want to support technology. We are always looking for new ways to use technology effectively.

– Survey respondents[7]

Where nonprofits have received funding support to apply technology for impact, they have used two core strategies:

**1. Telling a Compelling Story**          **2. Tapping into the Power of Strong Leadership**

7. Nonprofit Tech for Impact Study, 2018

# Telling a Compelling Story

### *Clearly articulate the link between technology and mission.*

Follow the lead of GuideStar, an organization dedicated to providing information on U.S.-based charities to a global audience. It aims to advance transparency, enable users to make better decisions and encourage charitable giving. GuideStar serves 9 million users a year and has information on 2.6 million organizations. Storytelling was a critical enabler for the organization, as GuideStar explained: "Our ability to articulate a multiyear vision was extremely important. We needed to be able to put that down on paper and needed to be able to say, 'This isn't perfect, but we're learning along the way."

### *Track, measure and share the impact your technology has on beneficiaries.*

This doesn't have to be solely a numbers game. Seek opportunities to share stories of how technology has made an impact. Also offer up details to explain the technology and ensure that it isn't just an abstract concept. As President/CEO of OneStar Foundation, Elizabeth Darling, told us, "Use of technology indicates that you aren't willing to accept the status quo—that you're willing to take risks. It's important how and why you take risks. You don't want to ask a funder to fund just a 'cool' idea related to technology but one that results in outcomes. It's important so the funder can justify the support of technology."

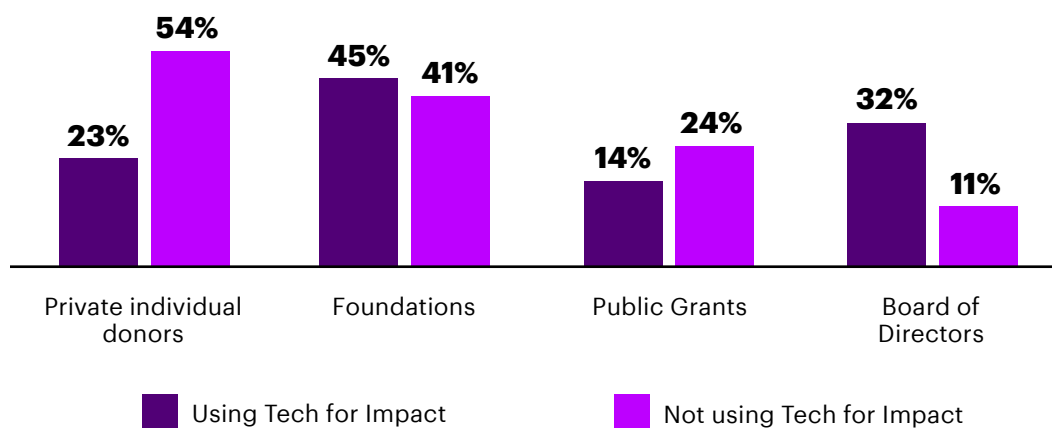### *Speak the same language as funders—and link impact to their mission.*

In our interviews with foundations, there was a meaningful consensus around the importance of aligning a nonprofit's tech for impact initiative to the foundation's mission. Simply having an innovative idea is not enough; foundations agree that they often fund technology for impact opportunities when the impact aligns with the foundation's own priorities. Remember, however, that not all funders speak the same "language." Peace Tech Lab's Communications Coordinator Twila Tschan notes that "tech lingo" can be an important credibility builder among younger people who are becoming the largest group of donors. She adds that it's also important to think about the Facebooks, Googles and Amazons of the world: "To appeal to them, we have to speak their language."

## Tapping into the Power of Strong Leadership

As Figure 3 shows, the Technology for Impact Study found that nonprofits using technology for impact appear to be better at leveraging less conventional technology funding sources (for example, their board of directors), compared with those nonprofits not using technology for impact who rely most heavily on traditional funding sources (such as private individual donors and foundations). This finding underscores the importance of leadership and having board members who believe that technology is critical to the nonprofit's mission—and demonstrating that belief via funding support.

Figure 3. Funding sources for technology

**Where do you receive most of your funding for technology today? (Select all that apply)**



| | Using Tech for Impact | Not using Tech for Impact |
|---|---|---|
| Private individual donors | 23% | 54% |
| Foundations | 45% | 41% |
| Public Grants | 14% | 24% |
| Board of Directors | 32% | 11% |

Source: Nonprofit Tech for Impact Study, 2018

Consider the success of the Urban Institute, whose mission is to open minds, shape decisions and offer solutions through economic and social policy research. To gain funding for its technology-driven microsimulation initiative, Urban Institute helped win proposals that included half research and half technology funding. By thinking creatively about how to find funding for technology for impact, it gained a competitive advantage—and simultaneously secured the resources needed to advance its core research work.

**❝** Technology is competitive advantage for Urban. Our advanced data and research technology capabilities attracts funding from a diverse group of organizations seeking greater insight into the current and potential impact of socio-economic policies.

– Khuloud Odeh, CIO & VP, Information Technology, Urban Institute

By finding compelling new ways to quantify—and articulate—the value of technology, nonprofits can demonstrate that technology is more than merely an operational expense, it's a mission enabler and accelerator. Moreover, success begets success, and by focusing on attaining some noteworthy "wins" an organization can build momentum toward securing more significant technology funding.

# Getting Started: Seven Drivers of Success

Accenture has identified seven key success factors to help nonprofits progress in their journey to applying and scaling technology for impact. Beneath each success factor is a series of actions—clear steps YOU can take today to start achieving better results.

**Evaluate the current role technology plays in furthering your impact (see page 19 The Accenture Nonprofit Technology for Impact Maturity Model).**
- Consider whether you are satisfied with the way you currently leverage technology.
- Assess your current capabilities across various categories.
- Identify two or three categories to prioritize progress.

**Approach technology from the perspective of your stakeholders and beneficiaries to enhance engagement.**
- Understand what your beneficiaries want/need from your nonprofit organization by hosting a user-centric design thinking session.
- Understand what your staff want/need to better serve your beneficiaries (for example, by conducting an anonymous survey or hosting an organization-wide retreat).

**Start small, considering how technology can be applied incrementally, and build out specific long-term goals that require a big vision to scale.**
- Set small, short-term and attainable goals for the six-month and one-year marks.
- Discuss and set a high-level future vision for the organization's use of technology for impact. Incorporate this vision into your strategic plan.
- Identify and connect with technology providers whose services align with your technology for impact vision. Explore who can provide support at a reduced cost (for example, via donated and discounted services offered by members of the Tech for Common Good collaborative).

**Cultivate staff who think like technologists and who prioritize technology as key to furthering impact.**
- Identify opportunities for training and education for staff of all levels. Start by seeking out low-cost options and leveraging the skills of your current staff.
- Integrate technology into your staff's everyday life (for example, by including discussions of new technology at regular staff meetings).
- Infuse tech savviness into your organization (for example, by bringing on new board members and volunteers).
- Hire or otherwise engage a Chief Technology Officer (CTO) or other technology-focused leadership.

**Become a strong storyteller. Communicate your tech-driven impact and achievements to funders using language that resonates with them.**

- Find and take advantage of tech-knowledgeable and tech-supportive stakeholders such as board members.
- Engage funders whose focuses align with your organization's mission. Tell a story that connects your technology for impact initiative to the funder's mission.
- Conduct thorough research to gain an understanding of each foundation's priorities and the projects they fund—and build a strategy for how to position your own organization to align with their areas of focus.

**Encourage a culture of innovation that values technology as a critical means to advancing the mission.**

- Implement a system where staff can constantly share feedback/ideas for improving programs by leveraging technology (for example, creating a public forum for posting ideas and sharing iterative feedback).
- Involve staff in vision setting and strategic meetings and actively seek their feedback on how technology can be better used to improve outcomes.

**Regularly measure the impact your technology has on beneficiaries.**

- Consult with your funders and donors to understand which pieces of data will best showcase the impact your nonprofit has on beneficiaries.
- Use consistent, quantitative and qualitative measurements to collect data and feedback on the impact of technology.
- Continually assess your progress using the Accenture Nonprofit Technology for Impact Maturity Model (see page 19).

Every nonprofit has opportunities to apply technology for impact. These success factors and next steps can help you think through the ways you can propel your organization to new heights using technology. Broader reach. Expanded outcomes. Deeper engagement with donors and volunteers. **Where will technology for impact take you?**

**To learn more about how your nonprofit organization should be using tech for impact, contact:**

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## The Accenture Nonprofit Technology for Impact Maturity Model

Plotting five attributes across a maturity spectrum, this model delivers value for assessing current maturity and tracking progress over time. Most nonprofits will find that they have varying levels of maturity across attributes.

| | Ready for Transformation LEVEL 1 | Spreading Your Wings LEVEL 3 | Looking to the Horizon LEVEL 5 |
|---|---|---|---|
| | Using basic technology to effectively enable critical day-to-day operations | Exploring and piloting the use of technology to strategically enable operations and to make a mission impact | Embedding technology into the organizations DNA and mission |
| **STRATEGY & PARTNERSHIPS** | Strategic plan does not reference the use of technology, and any existing technology partnerships are exclusively focused on enabling back-office operations. | Strategic plan addresses how technology enables day-to-day operations and addresses future efforts to apply technology for impact. Partnerships to support these efforts are being pursued. | Technology for impact drives the organization's strategy and operating model, and partnerships to enable these efforts are longstanding and prioritized. |
| **CULTURE & LEADERSHIP** | Leadership views technology as a cost to be minimized; its broader applications are recognized but limited due to constrained resources. | Leadership views back-office technology as essential, and believes piloting and expanding technology for impact is a valuable investment of resources. | Leadership views technology as a strategic investment and all staff believe technology is at the heart of what they do. |
| **TECHNOLOGY** | Technology enables basic and back-office operations, such as email, computing applications and external marketing. | Technology is used extensively to enable nearly all operations and to support some impact-focused initiatives. | Innovative and disruptive technology and its applications to create beneficiary impact are constantly being explored (for example, custom-developed solutions, artificial intelligence, 3D printing and machine learning. |
| **SKILLS & TRAINING** | Technical knowledge resides primarily with IT/technical staff, with training on existing or new technology rarely provided. | Staff across the organization have basic technological know-how, but specialized skills and training opportunities are reserved for pockets of the organization. | Staff across roles/levels have the skills needed to drive the use of technology for impact, with training opportunities readily available. |
| **FUNDING** | Funding for technology-driven initiatives is not prioritized or pursued, and staff struggle to communicate the impact of technology to funders. | Funding for technology is a priority, and the organization is considering new strategies to secure funding for impact-focused initiatives. | Successfully procure funding by linking mission to outcomes enabled by technology, aligning with funder values and engaging with tech-supportive stakeholders. |

## METHODOLOGY

From August to November 2017, Accenture and Tech for Common Good used an online survey to gather input on technology for impact from 59 nonprofit organizations and five foundations. Of those 59 participating nonprofits, 19 can be classified as small (total revenue of less than $1 million), 24 as medium (total revenue of $1 million to $50 million) and 12 as large (total revenue of more than $50 million). The size of four responding organizations is unknown. Accenture complemented the quantitative survey with qualitative interviews with 21 organizations (18 nonprofits and three foundations) conducted from August to November of 2017. We recognize that our survey and interview participants were probably more likely to respond to and participate in this study if they are currently using technology for operations and/or technology for impact. Contributions to research and analysis made by Alanna Heyer and Chloe Polite from Accenture. Nonprofits and foundations with less focus on and/or experience in this space likely participated on a less frequent basis. Therefore, our findings may be skewed.

## ABOUT ACCENTURE

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions – underpinned by the world's largest delivery network – Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With 449,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.

## ABOUT INDEPENDENT SECTOR

Independent Sector is the "vital meeting ground" for America's change-makers and problem-solvers. We seek to be the place where vision and strategy come together, where dreamers and doers find common ground. This is "The Great Shared Task," as our founder John W. Gardner put it. We envision a world of engaged individuals, robust institutions, and vibrant communities working together to improve lives and the natural world, and strengthen democratic societies. To help create this future, we lead and catalyze the charitable community, partnering with government, business, and individuals to advance the common good. Visit us at https://independentsector.org/.

## ABOUT TECH FOR COMMON GOOD

Tech for Common Good is a cross-sector collaborative launched by Independent Sector to understand and advance tech adoption and utilization in the social sector. The initiative is guided by a belief that civil society's impact will increase exponentially when tech is fully embraced and better leveraged. Members include Accenture, Box.org, Diligent, Humentum, Salesforce.org and TechSoup.