**DELL**Technologies

Helping Nonprofits Thrive in the Digital Age

Barriers to digital transformation put the important work of nonprofits in jeopardy.

Nonprofit organizations are among the most powerful forces for good in the world, and Dell Technologies wants to help them maximize their potential. To that end, Dell commissioned Vanson Bourne (VB) to conduct a study to find out what sorts of barriers nonprofits face in driving digital transformation.
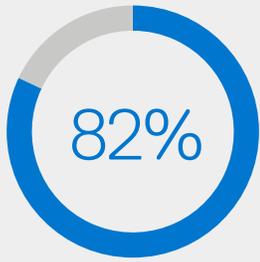
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82%

of nonprofit leaders rate IT readiness among their top three challenges.

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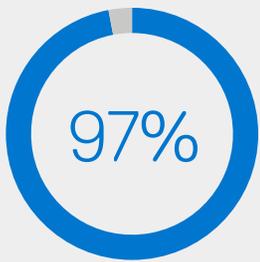
of respondents believe that they won't be enough to successfully manage and maintain their IT environments.

The VB study found that 96% of nonprofit organizations are experiencing barriers to digital transformation.[1] This widespread inability to keep up with the pace of change is putting the important work of millions of nonprofit organizations in jeopardy.

The VB study also found that 82% of nonprofit leaders rate IT readiness among their top three challenges. While most nonprofits plan to make technology investments in the next few years, 97% of respondents believe that they won't be enough to successfully manage and maintain their IT environments. According to Ed Gairdner, COO of the UK-based giving platform The Good Exchange, "The charitable sector is currently operating between five and ten years behind the commercial sector when it comes to embracing the digital revolution."[2]

As donors, volunteers, and staff members increase their own technological sophistication at record speeds, lagging behind can have a profoundly negative impact on a nonprofit's ability to engage stakeholders. Technological inadequacies have a direct effect on a nonprofit organization's ability to raise funds, maintain public value and generate awareness through mobile, social media or other interactive marketing programs.

As an example, any nonprofit that can't extract insights from data—whether that data is related to program performance, donors, volunteers or staff—will limit their effectiveness even if they're unaware of it. As Thomas Bognanno, a member of the Forbes Nonprofit Council, says, "Strategically selecting digital tools that empower staff and stakeholders to deliver on [an] organization's mission is no longer optional, it's essential in today's digital age."[3]

More specifically, BizTech highlights five nonprofit tech trends to watch in 2020:[4]

1. Integrated giving, which requires robust CRM capabilities
2. Automating critical functions—such as donor communications, internal accounting and IT services—to increase efficiency and free up staff time
3. Artificial Intelligence for a growing number of activities, including personalization, predictive analytics and virtual reality training for "organizations that offer goods and services to people in places like war zones or natural disaster areas"
4. Donor data security, which requires thorough cybersecurity assessments, advanced storage systems and the use of blockchain technology
5. A mobile-first orientation, to accommodate an increasingly remote workforce and donors' preferred methods of giving

Compounding this challenge, nonprofits' operational budgets are underfunded. Many nonprofits are encouraged to achieve an overhead rate of 10%, with an absolute ceiling of 35%.[5] Compare this to the average overhead rate for U.S. commercial businesses, which is 52%.[6]

Investments in IT infrastructure and staff are often difficult to justify at nonprofit organizations, where people expect the vast majority of nonprofit revenue to go directly to the mission. Studies show, however, that nonprofit missions can be accelerated through the effective use of technology. For example, the #DigitalAccessIndex shows that digital solutions are positively linked to achieving the majority of the UN Sustainability Goals—"the most ambitious agenda ever formalized for the social, economic, and environmental improvement of the world."[7]

Nonprofit leaders know what's at stake. According to the VB study, they understand that digital transformation can help them:

- Respond faster to threats and opportunities (42%)
- Provide more efficient troubleshooting and support (42%)
- Dramatically improve storage and server utilization (41%)
- Improve application performance and reduce bottlenecks (40%)

All of these benefits lead to agile organizations that can better fulfill their missions, address security and privacy concerns, turn data into insights, empower employees and volunteers and scale their success to help even more people.

To address the issue, Marsh & McLennan Agency recommends that nonprofit organizations focus on five key elements to strengthen their technology foundation:

1. Data security
2. Mobile-first mindset
3. Cloud resources
4. Data analytics
5. Sufficient budget[8]

Dell Technologies' Commitment: Transform 1,000 Nonprofits in 10 Years

What if nonprofits could get the support and technological assistance they need to thrive in the digital age? What if they could harness the skills and expertise of technology experts, who can guide a cultural shift and ensure they have the right solutions to meet their current and future strategic goals?

As part of Dell's Progress Made Real plan, we will help 1,000 nonprofit organizations achieve effective digital transformation by 2030. As we noted in the launch of Progress Made Real last year, we can help nonprofits achieve their missions by advising them on how best to increase their operational efficiency and build the right portfolio of technology solutions to support their growth.

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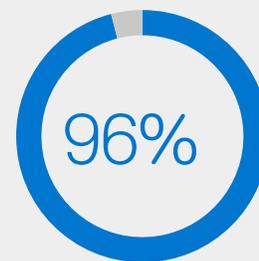
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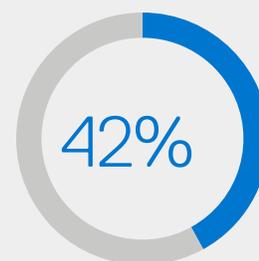
42%

of nonprofit leaders are worried they'll be left behind.

As we noted in the launch of our Progress Made Real plan last year, we can help nonprofits achieve their missions by advising them on how best to increase their operational efficiency and build the right portfolio of technology solutions to support their growth.

These pro bono engagements are a win-win for the nonprofits involved and Dell team members alike. Participating nonprofits will enhance their effectiveness in serving their communities, and Dell volunteers, acting as consultants, will improve their skills in service of meaningful causes. All that's required is a willingness to:

- **Draw on professional expertise and personal interests.** Dell's 150,000+ employees regularly use their IT skills to advise nonprofit leaders and advocate for causes they care about. Our people, embedded inside a wide variety of organizations, are currently building computer networks in rural school districts, developing a STEM education curriculum for girls in emerging markets, evolving a powerful data analytics platform that benefits children with cancer and more.

- **Foster a real sense of collaboration.** For pro bono engagements to be successful, consultants must be willing to give nonprofit leaders the space to speak for themselves about the challenges they face. There's real value in sitting down and having an open, honest discussion with no preconceived notions. Consultants with the right skills can be matched to specific projects, and it's often the case that perceived problems aren't as difficult to solve as originally expected.

- **Make a long-term commitment.** Developing and implementing an effective solution for a nonprofit organization is really just the beginning of a meaningful pro bono partnership. It's important to engage on a regular basis to ensure that the solution continues to deliver value as organizational needs and circumstances evolve.

Nonprofit groups are among the most powerful forces for good in the world, and we want to help them maximize their impact. To learn more about Dell's Progress Made Real goals and partnerships with nonprofits around the world, go to https://corporate.delltechnologies.com/en-us/social-impact.htm.

1 Vanson Bourne interviewed 300 line of business leaders from nonprofit organizations in October 2019. 45% of respondents were in IT/technology and 87% were key decision makers involved in digital transformation strategy.; 2 Savvas, Antony, "Charity trends to watch out for in 2019," Charity Times, September 1, 2019. Retrieved from https://www.charitytimes.com/ct/charity-technology-trends-to-watch-out-for-in-2019.php; 3 Bognanno, Thomas, "How Nonprofits Of All Sizes Can Leverage Technology For Low To No Cost," Fobes, April 25, 2019. Retrieved from https://www.forbes.com/sites/forbesnonprofitcouncil/2019/04/25/how-nonprofits-of-all-sizes-can-leverage-technology-for-low-to-no-cost/#318ae25254a2; 4 Dowd, Keara, "5 Nonprofit Tech Trends to Watch in 2020," BizTech, December 11, 2019. Retrieved from https://biztechmagazine.com/article/2019/12/5-nonprofit-tech-trends-watch-2020; 5 Find the Right Overhead Ratio for Your Nonprofit," QuickBooks Canada Team. Retrieved from https://quickbooks.intuit.com/ca/resources/nonprofit-organizations/find-right-overhead-ratio/; 6 https://en.wikipedia.org/wiki/Overhead_(business); 7 https://digitalaccessindex-sdg.gesi.org/; 8 Meyers, Kerby, "These Nonprofit Technology Trends Are Changing the Fundraising Experience," Smarter CX Presented by Oracle, January 16, 2020. Retrieved from https://smartercx.com/these-nonprofit-technology-trends-are-changing-the-fundraising-experience/

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