

ThirdSector

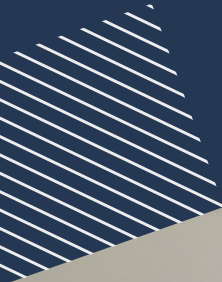


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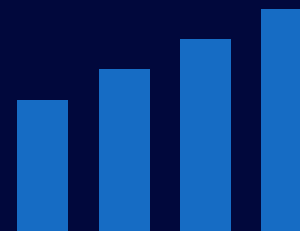


# UNLOCKING THE POWER OF DIGITAL

How charities can make  
the most of technology



# Are you making the most of technology?



For most charities, the pressure to do more with less shows no sign of slowing. Many have already stepped up their use of technology in recent times to become more agile, increase efficiency and support remote and hybrid working. Yet not everyone is confident they're making the most of the digital revolution.

In a recent *Third Sector* Insight webinar in partnership with Microsoft, we polled our audience to find out how they're doing on the digital front. When asked if they thought their organisation was using technology to its full potential, around three quarters (74%) said they were working on it; but only 2% felt they were nearly there. Meanwhile, close to a fifth (18%) said their charity wasn't utilising the potential of technology at all.

During the webinar discussion, we asked digital experts how charities can best use technology to help simplify operations and empower staff. Here, we summarise their essential step-by-step advice for charities at every stage of their digital journey.



# 2%

of respondents felt their organisation was 'Nearly there' in terms of using technology to its full potential

# Identifying your digital needs

Whether you're considering updating your computer systems or wondering if you're getting the most out of your existing technology, it's important to be clear about your digital needs. Erin Burchfield, worldwide leader of Microsoft's Tech for Social Impact Partner Organisation (part of Microsoft Philanthropies), always advises charities to spend time upfront looking at their organisational requirements. "Sit down with your staff to understand what's working for them and what's not working for them, and document those needs," she says. "This will anchor your requirements list to put forward with possible technology partners."

**"Sit down with your staff to understand what's working for them and what's not working for them"**

Erin Burchfield, Microsoft's Tech for Social Impact Partner Organisation





When we polled our *Third Sector* audience about where they most needed digital help, the results were mixed (see chart below), although automating tasks to free up staff to focus their energies elsewhere continues to be a popular goal.

Burchfield isn't surprised that different charities have different digital priorities, and encourages charities to talk to technology experts about which tools might benefit them. "Technology adoption doesn't always mean massive investment plus wholesale change of tools and processes. Instead, a good technology advisor can help you identify the most pressing needs, as well as a sequencing of technology adoption that works for your budget and your organisation" she says.

Unsure of your digital needs? The experts recommend talking to other charities about which tools and technologies have worked for them, and which haven't – the third sector is typically generous at sharing experiences and knowledge.



### When asked where you most needed help with digital transformation:



To grow social media presence

To improve your website

To increase cross-team collaboration

To digitise internal operations

<1%

Cybersecurity

10%

10%

12%

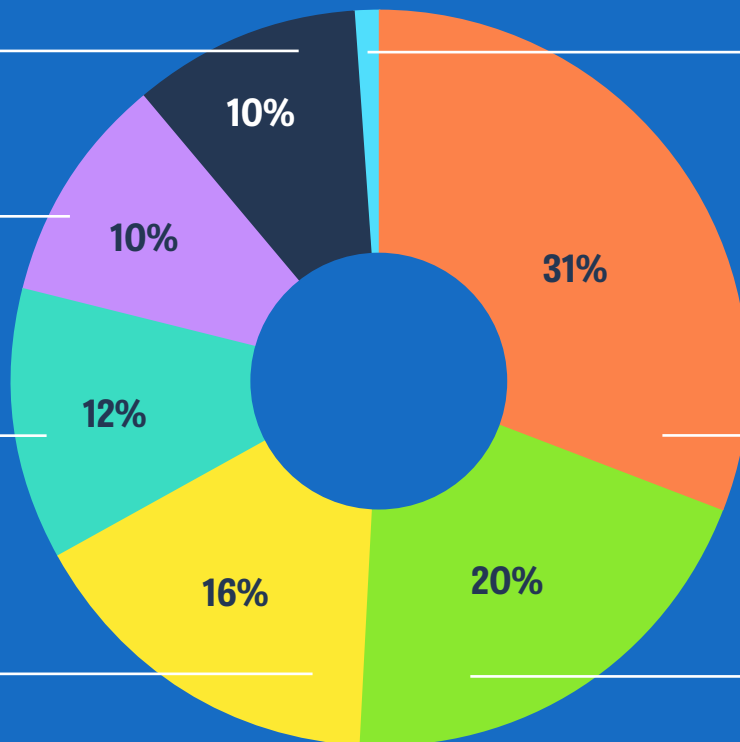
16%

31%

To increase automation

20%

To personalise customer experience



# Finding the right tech partners

As a charity, you'll probably benefit from external expertise on your digital journey, such as software specialists to help you understand what digital transformation looks like, help you select the tools that will best serve your needs, and provide managed support and IT services. Burchfield notes that very few charities are in a position to write a blank cheque for wholesale digital transformation. "Most charities are looking for a partner that can understand where they're at today, and help them with that journey."

So, how do you know which technology partners to choose? "When looking at partners we want to collaborate with at Microsoft, we look for three things," says Burchfield. "First, does this organisation have charity-specific offers and solutions, and have they tuned what they're delivering to the needs of the sector?"

It is a good idea to ask potential suppliers for examples of their previous experience of working with not-for-profits

Secondly, she recommends asking potential suppliers for examples of their previous experience of working with not-for-profits. "There are so many technology partners and providers out there, but they do not necessarily have in-depth experience with charities, and your procurement processes."

Thirdly, she looks for mission alignment: "Is this a partner who has a real commitment to doing social good work? That makes a huge difference in the commitment they'll have to supporting you - not just as a customer, but as a trusted provider and partner longer term."

# Getting the rollout right

Once you've decided to modernise and have chosen the right partners and tools to help you get there, the next challenge is change management. As Burchfield notes, the right technology partner will be able to help you prepare and train up your staff and roll out your digital transformation in a way that ensures the technology will be utilised: "A lot of charities underestimate the importance of change management. But it really makes or breaks the return on investment you'll get for adopting new technologies," she says.

Greg Dean, divisional sales manager for charities and not-for-profits at Phoenix Software, agrees, having seen first-hand the anxiety that new systems can cause among third sector staff and volunteers. "You need to evaluate how comfortable people within your organisation are with making this change. For someone who's not used the technology before, or has been using one system for a long time, change can be quite daunting."

Once you've assessed the digital literacy of your people, it's easier to put bespoke training and support plans in place. Dean deploys an adoption and change management team to help users take advantage of technology, with support such as video training sessions to walk them through the basics. "If we can get the end users familiar with the technology from day one, modernisation projects generally have more success," says Dean. "It's about making everyone feel fully invested in making this change together, for the benefit of the organisation."

When asked the question: 'Is your organisation using technology to its full potential?'

**18%**  
of our audience said, 'Not at all'

**74%**  
said, 'Somewhat, we're working on it'

CASE  
STUDY

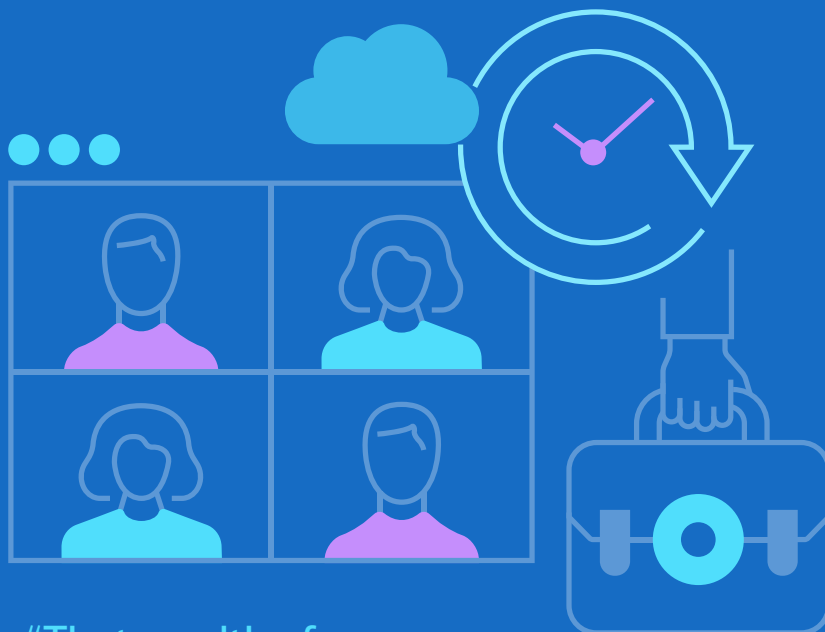
## How Community Counselling used tech to streamline processes and drive efficiencies

Community Counselling is an independent charity based in North Yorkshire that provides a range of therapeutic interventions for local people, from trauma treatment to art therapy. With the organisation taking on more contracts and more staff, its old management system was no longer fit for purpose, says chief officer Stephen Robling. “We put a lot of information into it, but we weren’t able to pull much out in terms of reports.”

This prompted a rethink about the charity’s digital needs. “We talked to our IT suppliers about what systems were out there, and that led us to think about Microsoft Dynamics 365,” says Robling.

The cloud-based system allows Community Counselling’s geographically scattered workforce of staff and volunteers to chat, communicate, access client information, manage appointments and review policies securely via their SharePoint system. “It builds a much more cohesive team, even though we’re bigger and more far-flung than ever,” he says. “We couldn’t do it without the technology we have now.”

The system has made day-to-day tasks such as making appointments, following up missed sessions and chasing payments for chargeable services far more efficient, he says: “The work for our admin team is pretty much driven by what they see on the CRM dashboard when they start work in the morning.”



**“That wealth of information, good and bad, helps us improve the service for the future”**

Stephen Robling, Community Counselling

The technology has provided reliable ways to support the charity’s counselling work. “Like many organisations,

we now offer a hybrid delivery model, so we’re offering clients a choice of face-to-face counselling or remote provision,” says Robling. “We use Microsoft Teams and other platforms to deliver online sessions, and we use an app for telephone counselling to make that a secure and confidential service.”


Technology has also made it easier to evaluate the charity’s performance. “We use Forms to get feedback from clients,” says Robling, “That wealth of information, good and bad, helps us improve the service for the future, and also improves what we can tell funders and commissioners, so it’s a virtuous circle: you get more funding, you provide a better service, you get better results.”



# Unlocking intelligence and driving engagement

Most charities already rely on technology for day-to-day operations, from keeping their infrastructure secure to enabling hybrid working. But for Burchfield, the most exciting possibilities of technology are how it can help in the long term: firstly, to unlock vital intelligence about your organisation. “The data that organisations are capturing can help them identify which programmes are working, and which programmes are not,” she says. “If you look at how digital transformation is driving the sector forward, there’s a lot of movement towards understanding outcomes, and ultimately, the impact of the investments they’re making.”





By way of example, she notes how connected technology can literally help you follow the money from your fundraising activities right through to participation and ROI in your programmes. “You can look at when you’re raising money from certain donors; how that money is flowing into the programmes that you’re delivering; how those programmes are supporting the communities you’re working with; which programmes are reaching the most individuals – and start to connect the dots to measure efficacy.”

Meanwhile, collecting rich data can also enable more targeted and personalised communication. If you know who’s donating when, their propensity to donate again in future, and which of your communications elicit the best response from individuals and funding organisations, you can finetune your future messaging.

**“If you generate insights on a daily basis... there is a real opportunity to run a more effective organisation with technology”**

Erin Burchfield, Microsoft’s Tech for Social Impact Partner Organisation

That brings us to some of the biggest buzzwords in the sector right now: predictive analytics and artificial intelligence (AI).

In the long term, she expects to see more and more charities utilising tech and AI to achieve their mission. “I think it will be par for the course to be able to generate some of these insights to help you on a daily basis: to make investments, tune your programmes, connect with your donors, be more efficient in your operations. There is a real opportunity to run a more effective organisation with technology.”

# Be ready for the future

So, what technology trends can charities expect to see shaping the sector in 2023? Omnichannel communications that provide a joined-up experience across a charity's online, mobile and real-life channels will be critical, says Dean: "Now more than ever, it's about being present in as many places as possible – and being able to track the journey of how people are engaging," he says. "For fundraising, for example, web presence is crucial. We anticipate the continued use of digital payments in the sector, and an increased use of social media for fundraising. Apps and SMS are going to be really important for a lot of organisations. And there will continue to be a big appetite for cloud-based infrastructure services, to help reduce overheads."

And while cybersecurity wasn't a top priority in our audience poll, the experts warn that it's something charities can't afford to ignore. "It's sad to see the number of attacks that are coming into the non-profit sector," says Burchfield. "I think there's an awareness that some charities haven't put together the security infrastructure that they need. So that's something everybody should start talking about sooner rather than later."

The experts also predict that charities will draw on technology to help staff feel connected and engaged in the hybrid era. "If you look at what the next generation of workers care about, they want opportunities to advance themselves, to feel better connected with one another, and to do purpose-driven, meaningful work," says Burchfield. "You can use technology to bring people together, so that they have interaction and don't feel like they're working by themselves in a bubble."

That technology can also be used to create opportunities for knowledge transfer and to help your people develop their careers through training programmes, helping with staff engagement and retention and empowering them to focus on your charity's mission.

## Your key steps to successful digital transformation

- Identify your needs**  
 Start by prioritising what your organisation needs most – whether that's automating routine admin or beefing up cybersecurity.
- Choose the right partners**  
 Work with tech specialists who truly understand and care about the third sector, and can tailor their offering to your requirements.
- Get your people on board**  
 Help staff and volunteers embrace new systems by putting training, support and knowledge transfer plans in place.
- See tech as an enabler**  
 The right systems should not only help manage day-to-day tasks and services more efficiently, but also help you better engage with your people, donors and beneficiaries.
- Make the most of your data**  
 Get fit for the future by ensuring you're tracking exactly what's working, and what isn't.

# Ready to make technology work for your mission?

Get started today at [microsoft.com/nonprofits](https://microsoft.com/nonprofits) where you can apply for grants, discover discounts, and unlock training for nonprofit employees.

