Getting Leadership Buy-In For Digital Transformation

The time is now

With 21st century cloud computing it has never been easier or more affordable to manage all of the data that your charity creates to ensure that it flows into, around and out of the organization into the hands of the right stakeholders on any internet-enabled device.

Even the smallest nonprofit can deliver a digital experience for staff and external stakeholders that rivals the most sophisticated digital platforms.

In today's digital world, charities are generating massive amounts of data that need effective management. However, lack of investment in technology and staff learning creates a number of issues like low donor retention, missing out on grants, low efficiency, difficulty attracting staff, and frustration between leadership and board. Therefore, for a charity to thrive in the long-term, it is essential to educate and convince board members of the benefits of investing in digital transformation. This whitepaper will provide practical guidance on how to speak to your board about digital transformation and get their buy-in for effective implementation.

How do you get your charity board and leaders to buy in?

Educate stakeholders on consequences of not investing in technology

One consequence of not investing in your charity's technology became very real at the start of the Covid-19 Pandemic: the inability to transition smoothly to remote work. Other more strategic consequences of not investing in technology include:

1. **Donors aren't effectively stewarded** - leading to low donor retention and lost revenue.

2. **The organization misses out on opportunities** for employee volunteer grants. If we don't know where volunteers work or if their workplaces have "dollars for doers" grants, we're leaving money on the table.

3. **Low efficiency** – staff spends too much time looking for information in multiple places and collating info on demand, rather than relying on systems to keep data organized in real-time.

4. **Difficulty attracting and maintaining staff.** Today, 21st century workplace trends prioritize workplace flexibility and results-oriented environments. Lack of intelligent systems to manage data and information makes keeping pace with those trends almost impossible. High turnover and poor systems mean that succession and continuity challenges will plague the organization.

5. **Frustration between leadership and board**. Board members often come from outside the nonprofit sector and are not used to managing a myriad of data points without any IT expertise or support. They may work for a company with dedicated support for building marketing reports that leverage integrated, real-time data, which is very different from working for a nonprofit with maybe only two staff and little or no expertise around data management.

6. **Staff working in silos** without access to shared information makes it difficult to identify and leverage skills across positions or roles. Because of poor data management, staff aren't empowered to support each other across roles or job functions.

Demonstrate the benefits

So how can you convince board and leaders that it's worth the disruption and cost to embrace digital technologies? See the next page for some great tips.

Tips for Selling Your Leaders on Digital Transformation

1. **Explain How Digital Solutions Will Enhance the Organization's Mission:** It is essential to show the board how digital solutions can be used to reach the board's goals and help the organization achieve its mission more quickly and effectively.

2. **Show How Digital Solutions Can Streamline Processes:** Explain how adopting digital solutions can streamline processes and make the organization more efficient, allowing it to serve its mission with fewer resources.

3. **Emphasize Cloud Computing:** The cloud is a major part of digital transformation, so it's important to explain how a cloud-based solution can provide the organization with a secure, reliable and cost-effective way to manage data.

4. **Demonstrate User Adoption:** Show how users have adopted digital solutions in other organizations and explain why this will work for your charity as well.

5. **Establish Clear Metrics:** Provide clear metrics that demonstrate the ROI of digital transformation and show how it's helping the organization to operate more efficiently. Fundraising is a good place to start. Show how improving stewardship with technology will lead to greater donor retention.

6. **Offer Training Opportunities:** Provide training opportunities for board members and other stakeholders so they can understand how digital solutions are being used in the organization.

7. **Focus on Security:** Highlight the security measures that have been put in place to ensure data is kept safe and secure at all times.

8. **Explain How Digital Solutions Will Foster Collaboration:** Show how digital solutions, such as cloud-based document sharing, can foster collaboration between staff and external stakeholders.

9. **Make It Easy to Access Data:** Explain how the organization is making it easier for staff and stakeholders to access data quickly and securely from any device.

10. **Celebrate Successes:** Finally, be sure to celebrate the successes of your digital transformation and share those successes with the board.

A Closer Look at the Benefits

Cloud Computing and Data Management: Just because you are a small nonprofit doesn't mean you aren't generating a lot of data from various sources that needs effective management. Cloud computing makes the process of data management affordable and easy. You can make a case for investing in this technology by highlighting the advantages of improved data management, which leads to better results and fewer frustrating problems with data.

Specific Investments and Tools: To make the digital transformation successful, there are specific investments required, including software purchases, staff training, hiring consultants, and accounting for staff time. Some typical tools include online donation portals, CRMs, form tools, Google Workspace or Microsoft Office 365, email marketing tools, accounting tools, website editors, project management tools, and team chat tools. Highlighting the benefits of these tools in terms of their offerings and effective usage can convince board members of their necessity.

Hard Skills Needed: To make the best use of the above tools and ensure that data from these multiple tools is consolidated and harmonized, the nonprofit needs to have specific skills in-house. These include advanced spreadsheet skills, familiarity with APIs, comfort with cloud functions, and the ability to troubleshoot without coding knowledge. It can be beneficial to demonstrate examples of individuals in organizations that have previously struggled with these skills and then explain how they progressed after accessing professional development opportunities.

Tech-Related Cost Characterization: Requesting support for systems, regardless of the category the request falls into, can be tricky to characterize as it can fall under staff, administration, IT, program, or operational costs. It is essential to frame the costs as "program-related" by including them in grant budgets. You can also request "capacity-building" grants by framing the request around attracting and retaining staff, increasing fundraising revenue, or preparing for the future.

On the next page we've included a sample table of how technology costs can be anticipated and distributed, making it easier to build the budget needed to leverage them.

Anticipate and Distribute Technology Costs

Below we've included a sample table of how technology costs can be anticipated and distributed, making it easier to build the budget needed to leverage them.

Anticipated Technology Costs

Tool	Category	Annual hard cost	Annual HR cost*	Subtotal	% allocated to Admin	Program Costs
Salesforce	Database	$0	$6,250	$6,250	50%	$3,125
Formstack	Form Tool	$840	$600	$1,440	15%	$216
CanadaHelps	Online Donations	$0	$2,500	$2,500	100%	$2,500
Zapier	Integration as a Service	$312	$5,200	$5,512	50%	$2,756
Squarespace	Hosting	$160	$0	$160	25%	$40
Squarespace	Website	$276	$2,600	$2,876	25%	$719
Quickbooks Online	Accounting	$546	$2,400	$2,946	100%	$2,946
Mailchimp	Email Marketing	$700	$1,200	$1,900	50%	$950
Zoom	Webinars	$1,860	$300	$2,160	0%	$0
Zoom	Meetings	$400	$150	$550	15%	$83
Google Workspace or MS 365	Core office productivity	$0	$300	$300	15%	$45
Freedcamp	Project Management	$100	$300	$400	25%	$100
Totals		$5,194	$21,800	$26,994		$13,480

* estimate of time spent configuring, learning, running reports and troubleshooting in the tool. Doesn't include program design or delivery, drafting communications, survey design, analysis etc. Costed at hourly rate of $25
Annual hard costs are current as of the time of writing but are subject to change by the provider.

Conclusion

Effective digital transformation is vital for charities to thrive in the long run. Convincing board members and leaders of the importance of investing in technology and digital skills can be challenging, but it is worth the effort. It is crucial to provide specific examples of how technology can improve data management, increase efficiency, and attract and retain donors. By being transparent and practical about the hard and soft skills required for digital transformation, you can set realistic expectations for the board. Finally, it is essential to frame tech-related costs in grant budgets as program-related costs, increasing the chance of successful funding. With these steps, your nonprofit can take an effective digital transformation journey, ensuring long-term success.