

# Getting Started with Digital Transformation at Your Charity



# Background



In the 21st century, technology is part of almost everything we do. There are few professional roles that don't require some kind of interaction with data, digitized information, or internet-connected devices. Furthermore, in the charitable sector the urgency around digital transformation has become very evident since the beginning of the pandemic in 2020.

Digital transformation has become a buzz word across all industries. In the case of the charitable sector, whether large or small, organizations are tasked with keeping pace with trends in technologies to better meet the needs of 21st century donors, program participants, volunteers and staff.

In this guide, we will explore what digital transformation means and the key steps that charity leaders can take to guide their organizations towards successfully leveraging digital technologies in order to improve key processes and workflows, yield better fundraising results and ensure that staff have more time to focus on mission-related work.

## What is Digital Transformation? Why is it Important?

Digital transformation refers to using technology to enable and optimize an organization. However, digital transformation is not just about using technology; it is about shifting mindsets, processes, and habits. It is risky to think about digital transformation as a technology project that a few IT staff or consultants can handle – that thinking will yield poor results. A [2022 article in Forbes](https://www.forbes.com/sites/sap/2023/07/03/organizational-change-management-the-people-side-of-digital-transformation/?sh=4652ac6f1d3f) notes: "when leaders approach digital transformation as a one-and-done change model rather than approach it as the immense culture and mindset shift that it is, things can go wrong."

Instead, digital transformation necessitates an equal focus on design thinking, clarity of mission (including impact goals, outcomes and outputs), as well as the development of digital skills. Knowing this, charity leaders can successfully leverage technology to enable their organizations and increase their impact.

<https://www.forbes.com/sites/sap/2023/07/03/organizational-change-management-the-people-side-of-digital-transformation/?sh=4652ac6f1d3f>

# Preparing for Digital Transformation

## Start with a clear mission and impact framework

The key to preparing for digital transformation is to first develop the right mindset. Leaders need to overcome resistance to change and technology by fostering a culture of experimentation and openness. This means giving the staff time to learn about new technologies or workflows that have been implemented. This time to learn must be budgeted in and cannot be an add-on or afterthought. If it means that something is removed from staff members' plates for a short time so that they can focus on learning, then this is a trade-off you should seriously consider. In digital transformation it pays to slow down now, in order to be able to speed up later.

Consider the example of an organization that acknowledges that staff need time to learn a newly-implemented program management tool. Board and leaders will reduce enrollment or program participation targets for the following quarter. The reduced program outcome expectation gives staff valuable space to learn and experiment with the new technology. The result: subsequent program cycles see a 50% increase in capacity due to new efficiencies, more than making up for the lull experienced when learning was taking place.

Another fundamental part of preparing for digital transformation is understanding your mission-related goals. Mission clarity means having a well-defined measurement and evaluation framework that specifies the outcomes and outputs generated by your charity. This impact framework serves as a blueprint, guiding your organization's activities and decisions. It helps your team to understand what they're working towards and how their contributions fit into the bigger picture.

This is particularly important in the context of digital transformation because technology only amplifies what is already there. If your organization has a clear mission and impact framework, then technology can help you capture and report on those goals more effectively and efficiently. It can automate repetitive tasks, enhance data collection and analysis, and streamline communication and reporting. But without a clear mission and impact framework, technology leads to inefficiencies, with your team using technology for their own particular tasks rather than aligning its use with your organization's goals.

For example, if you want to create a dashboard for board members to see program effectiveness over time, you first have to define what constitutes "effectiveness" - is it 80% of survey respondents giving at least 4 out of 5 stars? Is it the number of participants who sign up more than once? Is it the number of referrals?

Your mission provides the 'why', and your measurement and evaluation framework provides the 'what' and 'how'. Having a clear mission and impact framework is a prerequisite for effective digital transformation. Technology is just a tool that helps you get there.



### **Conducting a digital skills audit is another vital step towards digital transformation.**

This includes identifying existing technical skills and key skills gaps. These gaps need to be addressed through training and hiring. Updating job descriptions to include digital skills will attract the right talent to the organization. In addition to updating the workforce, it's important to choose the right digital tools for the organization. This involves moving from offline-based tools to cloud-based options and configuring them to meet the organization's unique needs.

Conducting a technology audit is another essential step in the digital transformation journey of a charity organization. This audit provides a thorough understanding of the current technology landscape within the organization, outlining what technologies are in use, how they are being used, and their effectiveness in achieving organizational goals.

The importance of the technology audit can't be understated; it serves as a foundation for informed decision-making. An effective technology audit will highlight gaps in the organization's technology use, identify redundancies, and expose areas of inefficiencies. This information is crucial in determining where investment in new technologies or training is needed to enhance productivity and streamline processes.

Finally, by understanding how technology is currently used within the organization, leaders can identify opportunities to better leverage these tools to achieve their mission. This might involve integrating disconnected systems for better data sharing and collaboration, automating routine tasks to free up staff time for more strategic work, or using technology to better engage and communicate with stakeholders.

## **Conclusion**

Digital transformation is a journey that requires a change in mindsets, processes, and habits. Charity leaders can prepare for digital transformation by developing the right mindset, conducting a digital skills audit, and choosing the right tools - or better using the ones they already have. Continual learning and iteration is required for charity leaders to sustain digital transformation. This means a journey of incremental improvements and experimenting with new technologies to find the ones that work best. Being digitally-enabled means being adaptable, agile, and open to continuous improvement.

By taking a gradual, incremental approach to digital transformation, charity leaders can enable their organizations to become more efficient, data-driven, and impactful.

The right combination of design thinking, mission clarity, and a culture of experimentation can help charity organizations navigate successfully through digital transformation and thrive in the digital age.

