

Q & A



At a 2016 gala, Charity: Water used iPads to share stories of individuals in Ethiopia who were benefitting from a new well. Photo: Adam Mason Photography.

# Can Technology Transform the Nonprofit Sector?

SUZANNE LAPORTE, DOUGLAS KELLY, TOSIN AGBABIKA MAY 29, 2018

The nonprofit sector tends to operate on tight budgets, so the cost of up-to-date technology can seem prohibitive. But effective use of technology can spawn innovation, improvements in efficacy, and better delivery on mission, more than justifying the cost and the challenges of organizational change.

SOCIAL ENTERPRISE TECHNOLOGY

Do nonprofits take the digital world seriously? According to NetChange's long-running survey of

technology use by nonprofits, only 11% view their organizations' approaches to digital as highly effective. [As a result, "nonprofits are leaving significant impact on the table," noted Jason Mogus and Austen Levihn-Coon in the \*Stanford Social Innovation Review\*.](#)

Mogus and Austen Levihn-Coon draw a series of lessons from nonprofits that do get it right. To effectively adopt technology, they say, organizations need digital expertise at the senior management level, digital leaders need to be engaged in decision making on new undertakings, and digital expertise must be distributed through the organization, not sequestered in an IT team, because digital touches everything.

Done effectively, technology adoption isn't gadget chasing; it's strategically selected digital tools that empower staff and stakeholders to deliver on the organization's mission. It's a culture of innovation that welcomes digital, nondigital, or hybrid solutions.

To understand what effective use of technology might look like and why it's important, Yale Insights talked with Suzanne Laporte, president of [Compass](#), a nonprofit that provides other nonprofits with pro bono strategic consulting services, and two consultants, Doug Kelly '00 and Tosin Agbabiaka '16, who volunteer at the organization. They worked on a project to define the technology challenges facing the sector and figure out a path forward

### **Q: Why should technology be an area of focus for nonprofits?**

**Doug Kelly:** To improve operational efficiency, increase mission impact, and enhance sector competitiveness. [We know nonprofit leaders and staffs want to adopt technology; that's the good news. The bad news is, few integrate technology into their organizational strategy.](#)  Worse yet, they know this growing performance gap is limiting their organizational mission and fundraising potential.

For-profit organizations use technology strategically to maintain their profit margins, increase market share, and enhance shareholder value. But, for nonprofits, the mission is to create public value. It requires a different calculus to figure out how technology heightens their effectiveness. I think it's a more difficult assessment but essential.

The Child In Need Institute is an example of using technology to improve mission impact. In conjunction with Accenture Labs, they developed an innovative digital solution called Girl Power to use data to inform its intervention design for connecting vulnerable adolescents and women in need of health, nutrition, education, and protection. Their solution leverages mobile, analytics, and cloud technologies to track changes in circumstances, provide real-time insights, and trigger

alerts. In a single year, this has saved more than 200 girls from trafficking and child marriage.

**Suzanne Laporte:** The potential is great. But there are definitely barriers as well. Often, nonprofits have plenty of data; they just don't know what to do with it. Can data analytics help them evaluate their impact? Can it help them communicate that impact, so they can bring in more funding? Would that then help them serve more people? I think there's a real chain of things that can happen with technology.

The nonprofit sector is not known for being particularly innovative or open to change. Organizations are focused on their mission—feeding people or educating people or helping the disabled. They're not spending time thinking about how to increase their margins or bringing in more business the way that a startup or any for-profit company would.

Using technology in the sophisticated ways we're thinking about is new to a lot of people, especially people who are older and less technologically savvy, many of whom are leading nonprofits. But mission is all-encompassing in the nonprofit sector. To the extent they understand how technology can help them deliver better on their mission, they will get on board.

People often don't think about competition with respect to the nonprofit sector. They don't think that there is the potential to fall behind. In fact, nonprofits are constantly competing for funding, for volunteers, for talented staff. The organizations that are going to bring in those resources are the ones that are most exciting and most dynamic.

**Kelly:** Showing people how having analytical power at their fingertips can improve the organization—that gets people excited and motivated. That lets organizations understand why they want the tools and why it might be worth bringing on consultants or staff that can make sure everyone is having a good experience with the technology.

Ultimately, it's not about technology per se. It's about strategic use of technology that lets the organization increase the efficiency and effectiveness of its work and the impact on its mission.

**Tosin Agbabiaka:** Based on our research, we really do believe that there can be transformative sector-wide adoption of technology. That's the ultimate goal, impacting not just individual organizations but also the nonprofit sector as a whole.

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Clearly, that’s out in the future. Right now, we’re working on fundamental hypotheses, frameworks, and case studies which will let us work with individual nonprofits to develop strategic approaches for their specific priorities. But, at the same time, we’re challenging ourselves to constantly keep that big-picture potential in mind.

**Q: How does technology become enough of a priority that nonprofits dedicate limited time and money toward increasing their capabilities?**

**Kelly:** One way is by showing how not making technology a priority adversely impacts their organization and the nonprofit sector in general. We’ve modeled the ecosystem of nonprofits to understand the impacts of increasing competition in technology and innovation. It suggests that the nonprofits that choose not to invest in necessary technology will see an ever-widening performance gap between their outcomes and the organizations that have adopted technology effectively.

The model also accentuates the value of adopted technology and fostering an innovative culture. Doing so creates a virtuous cycle. On the other hand, those that ignore technology can fall into a vicious cycle of ignoring change, not innovating, not capturing the value that comes with a flexible, adaptable organizational culture.

Again, it’s not a technology thing. It’s a people thing. It’s an organizational culture thing.

**Laporte:** Because it is going to involve culture change, leadership is going to have to come from the top. It’s going to involve pushing people places where they’re not necessarily comfortable. Nonprofits need leaders who are willing to take these risks and to understand the value it will have over the long haul.

**Q: Are there particular areas that are most exciting and most promising?**

**Agbabiaka:** We’ve seen technology solutions across a variety of forms of digital transformation. In the area of digital collaboration, for example, [Charity: Water uses an interactive bot to let users simulate the experience of a young girl walking every day for two and a half hours to get water for](#)

[her family](#). Using messaging technology to communicate with users during these simulated walks allows donors to engage with and understand the issue in a new, personal way. Now, they not only give to the nonprofit but also identify strongly with the daily experience of the millions of women it hopes to serve.

**Kelly:** We can see a time when someone, inspired by a story they see on social media, could donate by simply telling their phone or smart speaker, “Give \$10.” With artificial intelligence, the Internet of Things, and a secure messaging application connected to that particular project, there’s real potential in on-demand donations. It will also provide clear feedback on which projects donors connect to.

Assessing impact is an ongoing challenge for nonprofits. You can see the potential of mobile technology, using smartphones and tablets in the field to collect data on individual projects which can be analyzed for mission impact and service delivery.

**Laporte:** Our project started with asking, should nonprofits be using technology? Can it be helpful? I think that question has been answered clearly, yes.

**Agbabiaka:** This is where the theoretical questions we have been asking start to have real-world applications. We’re developing case studies on nonprofits actually using technological solutions. They demonstrate it isn’t necessarily a massive undertaking that requires many resources. Our hope is that the case studies can create a conversation among nonprofits which is a part of how organizations and the nonprofit sector go from technology un-savvy to technology savvy.

**Kelly:** It’s a real challenge for any organization to continually assess information technology infrastructure, the data that is being collected, and how it’s being analyzed. But those challenges need to be overcome to fully embrace digital.

DanChurchAid, a Danish aid organization that works with poor people worldwide, has established a learning lab to address the issue of a non-digitally-oriented culture head on. They know they need to innovate in order to stay competitive. They’ve set up a forum to explore, develop, and implement blended approaches to capacity development without a large budget. For example, in one year, they developed and tested cost-effective mobile learning solutions on mine risk education, cash transfer programs, and village saving and loans associations.

**Laporte:** I don’t think most nonprofits are going to do that without help. Whether it’s the pro bono assistance provided by an organization like Compass, hiring consultants, or finding other resources, I think most nonprofits will need some form of help from outside.

**Kelly:** Our research has found the technology products and services available to nonprofits are plentiful and many are actually low cost. There are education and training programs that leverage technology. There is information sharing through nonprofit technology networks.

A significant part of the issue is a lack of awareness of the resources. Certainly, limited budgets and a small percentage actually allocated to technology are critical, too. That's where the strategic value and transformative impact of investing in technology has to be made clear.

**Q: Can you envision a time when there will be technological tools or capacities targeted at the needs of nonprofits that are effectively plug and play?**

**Agbabiaka:** Before the sector can adopt plug-and-play approaches to technology, there needs to be nonprofit-by-nonprofit capacity building. There need to be culture shifts within each organization developing confidence and comfort with technology. There need to be champions who can embrace and push and construct a culture that uses and adopts technology on an ongoing basis. If you don't develop that foundation, you can offer 1,001 technologies with plug-and-play usability—they just won't stick.

**Kelly:** Since the overall goal is to strategically use technology to impact the mission, different classes of nonprofits may be best aligned with different areas of technology. Perhaps sensors tied through the Internet of Things could collect highly-granular data on illnesses and interventions through nonprofits working to cure specific medical conditions.

Donors and volunteers feel a very high trust level with nonprofits. The non-profit sector could be a great place to try new technologies in innovative ways because there is that trust in the organizations employing the technology.

If one nonprofit has successfully deployed a technology in the field, theoretically, it could be readily replicated in other similar projects at other organizations. But different nonprofits have different missions and different scale. That complicates things. As does the fact that technology changes. As do organizations. Whenever that happens, the organizational strategy and use of technology may have to be adjusted as well.

**Agbabiaka:** We aim to help nonprofit leaders move up the learning curve so they become comfortable with technology adoption. We want nonprofits to get into a position where they're thinking more like technology professionals without necessarily being technology professionals.

**Laporte:** There are real differences in culture and ways of operating in the nonprofit sector versus the corporate environment. Our volunteers are not going to be able to walk in, lay out a great

technological solution, and have a nonprofit just say, wow, let's do that. They may not be able to afford it. They have to think about, how is this going to impact the staff? How is it going to impact culture? It will take real work, but I can say I was a skeptic myself at the start of this project. I hadn't thought about the potential of technology as a differentiator for a nonprofit. I can guarantee when this project ends we will be looking at Compass' own strategic use of technology.



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