

**COURSE SYLLABUS:** Non-profit Administrative Systems Made Easy

**WHERE AND WHEN:** Wenatchee Valley College

March 9, 2005 11:30 AM – 1:30 PM

**OVERVIEW OF PURPOSE:**

Examine resources and systems to get the work of a non-profit organization done

Introduce methods to assess technology needs

**LEARNING GOALS:**

**WHERE ARE YOU NOW**

Evaluate current operations in your organization

**WHERE ARE YOU GOING**

What needs to be done to fulfill on your mission and vision?

**HOW WILL YOU GET THERE**

How to plan and implement human resources and technology systems to reach your goals

**FORMAT, STRUCTURE:** Introductions

Burning questions

Review Board structures

Evaluation exercise

Identify the gaps

Describe staff and volunteer job descriptions and evaluations

Describe steps to evaluate and implement software systems and internet technology

**REFERENCE MATERIALS:**

**Websites**

[www.npower.org](http://www.npower.org) newsletter, resources

[www.blackbaud.com](http://www.blackbaud.com) Raiser's Edge software, resources, newsletter

[www.onphilanthropy.com](http://www.onphilanthropy.com) 5 newsletters

[www.gilbert.org](http://www.gilbert.org) newsletter

[www.nten.org](http://www.nten.org) Tech Finder

[www.techsoup.org](http://www.techsoup.org) Tech Soup

**Book**

Small Websites, Great Results Doug Addison

## **Blackbaud and Tech Foundation Joint Survey Finds Board and Technology are Vital to Success. Technology Planning and Staff Training Need Attention**

Today's nonprofit faces unprecedented challenges from increased need and competition for donations to continual staff turnover and a push from funders for success metrics. Although some nonprofits are leading the way in establishing best practices in these areas, others don't know where to begin or where they stand compared to other organizations.

Blackbaud and Tech Foundation launched this survey to help add to the dialogue surrounding nonprofit management in the 21<sup>st</sup> century. The results of the survey provide information on three key areas deemed vital to the management of a successful nonprofit:

1. The board of directors
2. Technology
3. Performance metrics

The survey was distributed to a wide nonprofit community through the *Philanthropy News Network* e-newsletter alert and to Blackbaud clients in a weekly e-newsletter. The survey was administered online; therefore, it is important to take into account this sampling bias. Three hundred and sixty four organizations participated in the survey.

Nonprofits clearly agree that the boards' leadership is vital to their success and that boards, in general, value the organizations' work. However, respondents also report that boards are not currently focusing on technology and fundraising to the degree required and identified these as areas for improvement.

### **The Board:**

- ✎ **70%** feel the board understands the importance of hiring and retaining talented staff.
- ✎ **69%** have confidence in their board's ability to strategically govern the organization.
- ✎ **50%** say the board understands the importance of technology in meeting strategic objectives.
- ✎ **48%** have confidence in the board's ability to help raise funds.

We found that technology is very important to the majority of nonprofits surveyed. Although many organizations are allocating resources for technology, few nonprofits have written technology plans and use these plans to guide technology purchases.

## Use of Technology:

- ✎ **73%** view technology as vital to meeting their organization's mission-critical objectives.
- ✎ **59%** have a technology budget.
- ✎ **29%** have a written technology plan.
- ✎ **76%** of those with a written technology plan feel it is used effectively as a guide for the purchase and deployment of technology.
- ✎ Internal staff training was the top-rated technology need, rated by **79%** as Very Important or Important.

Finally, the survey uncovered a sector-wide weakness in the understanding and use of performance measurement systems. While most respondents recognize the importance of performance measurement, they also report that developing quantifiable standards is extremely challenging, saying that the time and money required to implement such success measurement systems is often lacking.

## Ability to Measure Success:

- ✎ **34%** say each department has defined metrics used to measure success.

**Thinking about your organization's board, please indicate your level of agreement with the following statements? (n=355)**

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>I don't know</b>
The Board understands the importance of the technology in meeting our strategic objectives	15%	35%	28%	15%	4%	4%
The Board approves the necessary technology budget the organization needs to meet our strategic objectives	14%	42%	20%	13%	4%	5%
The Board understands the importance of hiring and retaining talented staff	25%	45%	16%	8%	4%	1%

## Representative Comments:

Respondents were asked to comment on the biggest challenge they face with respect to their boards. Responses can be grouped into two primary challenges:

## **1. Lack of role clarity within the board**

### a. Fundraising:

*“Encouraging them to be more involved in the raising of funds, not just the management of the funds they raise.”*

*“Our organization is relatively new to fundraising and there is an unwillingness on the part of the Board to actively participate in fundraising.”*

### b. Strategic planning:

*“Getting them to commit to the development of a written strategic plan and process. Getting them to move into the next phase of growth. Getting them to understand technology.”*

*“They micromanage the staff. Many board members apply their narrow personal experiences when formulating personnel and technology policies.”*

## **2. Lack of communication between staff and board**

### c. Value of staff:

*“Impressing them with the need to maintain an adequate number of well-trained employees to maintain the database for the development office.”*

*“Reaching consensus on when additional staff will be needed to better achieve the organization’s mission.”*

### d. Value of technology

*“To keep the board updated with the latest technical info to meet the organization’s strategic objectives as we develop and expand into the future”*

*“Realizing the importance of proper technology tools staff need to do the proper job and the cost that is involved”*

### e. Nature of programs

*“Ignorance of the organization’s programs and services, resistance to change and reluctance to delegate power/control”*

*“They do not understand what we do on the ground level. “*

### f. Value of board

*“Convincing the staff that the board [members] are there as visionaries who describe the difference the organization is to make in our little part of the world.”*

## Use of Technology:

Very few of the organizations surveyed have written technology plans that guide their technology planning and purchasing. Although 73% of organizations agree that technology is vital to meeting their mission-critical objectives and 59% have a specific allocation in the budget for technology purchases, only 29% report that their organization has a written technology plan.

What is not clear from this data is whether organizations are choosing not to develop written technology plans because they lack the resources to do so or because the written technology plan is not viewed as critical to the success of implementing technology.

Comments made in response to an open-ended question on technology indicate that time and money are both factors. Regardless of the reason, these findings show a significant need for nonprofits to inventory their technology related needs, plan for the future, and use the plan as a formal roadmap.

## Thinking of how your organization uses technology, please indicate your level of agreement with the following statements:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	I don't know
a. My organization views technology as vital to meeting its mission-critical objectives. (n=359)	30%	43%	14%	9%	3%	1%
b. My organization has a written technology plan	10%	19%	14%	30%	18%	9%
c. The written technology plan is used effectively as a guide for the purchase and deployment of technology	9%	16%	23%	23%	15%	11%
d. My organization's current budget has a specific allocation for technology purchases and upgrades	15%	44%	15%	16%	7%	4%
e. My organization effectively uses software to manage its mission-critical data.	14%	38%	22%	16%	7%	2%
f. My organization effectively uses the Internet as a part of its overall outreach efforts.	15%	33%	20%	21%	8%	1%
g. My organization seeks outside input on how to best use technology to meet mission-critical needs	9%	32%	27%	18%	10%	3%

The data in the next section reinforces the findings in several recently published reports that highlight the increasing importance of the .organizational divide.. (*Bridging the Organizational Divide: Toward A Comprehensive Approach to the Digital Divide*, Policy Link, Fall 2001 and *Beyond Access: A Foundation Guide to Ending the Organizational Divide*, National Committee for Responsive Philanthropy, Jan 2002.) The organizational divide is the gap between those organizations that have the ability to use technology to further their missions and those that do not.

Where the digital divide describes lack of access to equipment resources, the organizational divide illustrates the lack of expertise to take advantage of these resources. The data shows that while nonprofits view every IT need listed in the survey as important internal staff training is clearly identified as the most important IT need.

This result implies a gap in access to expertise about, not in access to, equipment and software. This lack of expertise prevents the effective use of technology and, therefore, is potentially the biggest, current challenge to the effective adoption of technology by the nonprofit community. This finding is echoed in the free-form answers to the question about the greatest technology challenge faced by nonprofit organizations (a summary of these results follow).

### How important are the following IT needs to your organization's mission?

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	I don't know
a. Additional computers - increase number of machines being used (n=356)	18%	32%	25%	19%	5%	1%
b. Upgraded computers - increase power of machines being used (n=357)	35%	40%	13%	7%	4%	1%
c. Improved network - i.e. increased resources, enhanced functionality, etc. (n=357)	34%	37%	16%	8%	3%	2%
d. Updated office software - i.e. latest versions of MS Office, Adobe, etc. (n=357)	28%	38%	18%	11%	4%	1%
e. Specialty software - i.e. online donation, client tracking, etc. (n=356)	34%	37%	19%	6%	2%	1%
f. Updated Web site - i.e. more control, enhanced features, etc. (n=356)	43%	35%	15%	6%	2%	1%
g. Additional dedicated IT staff member(s) (n=356)	22%	30%	27%	11%	6%	3%
h. Internal staff training (n=355)	34%	45%	13%	4%	2%	2%

### My organization uses technology (please choose all that apply):

	Number of Responses	Response Ratio
To deliver products/services	174	49%
To manage fundraising operations	283	80%
To manage finances	316	90%
For outreach via e-mail	250	71%
To deliver an online newsletter	102	29%
To make 990 forms and annual reports available online	58	16%

### Representative Comments:

Respondents were asked to comment on the biggest challenge they face with respect to technology. Responses can be grouped into three primary challenges:

## **1. Increased staff training to make better use of existing technology**

*“Providing staff with adequate training to use the existing technology to full extent of its possibilities.”*

*“Using the power of the computers and software that is on site.”*

*“We do not use the technology we have efficiently or effectively. We could be doing our work much faster.”*

## **2. Embracing a more holistic approach to technology**

*“Getting everyone in the organization to view technology as an important, integral method for accomplishing our mission. Getting staff trained so that they feel more comfortable with technology. Most importantly, getting all employees to view technology as an integral part of their job rather than viewing it as just ITs job.”*

*“No comprehensive strategy, technology has been acquired piece by piece without much expertise involved in planning.”*

## **3. Staying on top of constantly evolving technology**

*“Purchasing technology that meets the needs of our organization that is affordable and the technology does not become obsolete in a few years.”*

*“Trying to stay current and updated”*

### **Ability to Measure Success:**

Measuring organizational success represents a particularly difficult challenge for most nonprofits. Many nonprofit managers find it hard to convince their staff and boards of the importance of organizational performance measurement, and establishing a place for it within the organization presents a particularly significant challenge. Nonprofits claim that developing quantifiable measures of their success in meeting their mission-critical objectives is very complex and that the time and money involved represent significant hurdles.

Given the zero-sum game that most nonprofits play with respect to time and money, the development of organizational performance measures often takes a backseat to mission-specific work. Only when the value of these measures is fully understood and accepted will they be seen as an essential part of every organization’s management toolkit.

Lack of perspective is another important challenge for nonprofits to overcome in order to improve their ability to measure success. Nonprofits lack the means to benchmark themselves against like organizations because so few organizations have developed quantifiable performance measurement methods. Going forward, nonprofits face the challenge of defining what performance measurement means to their organizations, a challenge that continues to take on new meaning in today’s environment of increased funding competition.

### **TECHNOLOGY PLANNING**

ASSESS present resources: take a full inventory of systems and devices

- Personnel
- Hardware / Software
- Communications
- Facilities
- Operations

SURVEY prospective users to assess:

- utilization of current systems
- satisfaction with current systems
- technology needed (desired) over medium and long-term
- potential benefits to be realized (cost/benefit analysis)

ASSESS readiness to engage in planning for new technology

- Timing
- Leadership
- Financial Feasibility
  - Budget capacity or grant opportunities
  - Include: hardware and software acquisition
  - training (initial and on-going)
  - data conversion
  - maintenance fees and contracts
  - consulting

ORGANIZE a Technology Committee

- Get board buy-in
- Get staff buy-in
- Involve expert volunteers

ASSESS the goals

- What do the users want?
- What are the expected outcomes?
- How does it improve efficiency?
- Create a vision statement for the Technology Plan –
  - How does it relate to your organization's mission?

CRAFT the Technology Plan

- Where does the organization want to be?
- What is realistic and achievable?

CREATE the Funding, IMPLEMENT the PLAN

- Create a timeline
- Develop pilot projects
- Create long-term training schedule
- Communicate, Communicate, Communicate
- Evaluate and Revise

## Tips of the Week

### Boards - Governance, but what type?

The idea of governance, while important for nonprofit organizations, can mean different things to different people, and therein can lie problems. The very definition of governance can be a stumbling block to nonprofits, even as they struggle to find a definition.

In their book *Governance as Leadership*, Richard P. Chait, William P. Ryan and Barbara E. Taylor have developed a set of what they call First Principles of governance. While they do not provide an answer for all questions that may arise over the sticky issue of governance, they can provide some direction.

The principles are:

- Nonprofit managers have become leaders. The historical stereotypical image of a nonprofit manager as someone who was a well-intentioned do-gooder, probably trained as a social worker, educator, artist, cleric or physician, is giving way to that of someone who is a sophisticated executive.

These people have experience in investments, finances, labor relations and other "real world" concerns. Many have graduate degrees, some even in nonprofit management.

- Trustees are acting more like managers. According to the authors, the problem here may be not the board that micro-manages but the one that micro-governs, attentive to technical details but blind to governance as leadership.
- There are three modes of governance, all created equal: the fiduciary mode, concerned mostly with tangible assets; the strategic mode, wherein boards create a strategic partnership with management, and a generative mode, wherein boards provide a less recognized but crucial source of leadership.
- Three of those modes are better than two or one.

### Human Resources - Employee assistance programs

The plain fact is that employees may have personal problems that will affect their job performance. This can be to the detriment of both the employee and the organization for which that person works. In her book *Human Resource Policies and Procedures for Nonprofit Organizations*, Carol L. Barbeito offers several suggestions for procedures aimed at employee assistance. These procedures are:

- Supporting referral and rehabilitation efforts extended to staff members affected by personal problems or situations. No staff member's job security or promotional opportunity will be put in jeopardy because that individual sought help and conscientiously followed a program of treatment.
- Supervisory personnel are expected to recognize difficulties based on strictly on unsatisfactory job performance resulting from apparent behavior or personnel problems.

- Making available the name, address and telephone number of outside agencies that offer or make referrals for treatment. Staff members who suspect they have a problem are urged to take advantage of the employee assistance program and voluntarily follow through with any prescribed treatment.
- When the behavior of a staff member undergoing treatment results in poor job performance, it will be handled in the same manner as any other substandard performance.
- Making it clear that reporting to work under the influence of drugs or alcohol, or possession of drugs or alcohol on the organization's property, will result in immediate dismissal.
- Establishing that voluntary acceptance of a treatment program does not negate requirements regarding job performance.

### **Technology - Scoring your disaster readiness**

Having a disaster recovery plan in place is essential for today's technology-reliant nonprofits. Dennis Bagley, manager, and Michael Harnish, CPA, associate, technology consulting and solutions, from consulting firm Plante & Moran offered up this quiz to assess an organization's preparedness.

The scoring is zero for No, one for sort-of and five for yes.

- Has your organization, within the last 12 months, made a detailed assessment of all its computer applications and identified which ones are of top priority in supporting routine business operations? 0-1-2-3-4-5
- Do you know, based on the results of a study and analysis, the estimated dollar losses your organization would suffer if it had a computer or network outage (for any reason) for a week, two weeks, a month? 0-1-2-3-4-5
- Do you think the quality and completeness of your organization's documentation and operating instructions for information systems would enable otherwise qualified strangers to understand and operate your systems without undue delay, research and guesswork? 0-1-2-3-4-5
- Does your organization store backup computer tapes (or diskettes) off-premises, so that at least minor recovery operations might be performed? 0-1-2-3-4-5
- When was the last time you inventoried your organization's computer backups to ensure that all needed files are, in fact, being kept? (Be sure to consider your newer applications and changes to older ones) 0-1-2-3-4-5
- Have you, within the past 18 months, formally surveyed or interviewed key representatives from departments that use and rely on your organization's computers or network to obtain their views on what kind of manual or semi-automated processing could be accomplished, if all services were suddenly cut off for long periods ranging up to one month? 0-1-2-3-4-5
- Does your organization have an up-to-date, detailed, written set of procedures on what to do in an emergency and exactly how recovery operations (specifying the who, what, when, where and how) would go forward if your computer facilities were destroyed or made inaccessible as the result of a serious fire or other disaster? 0-1-2-3-4-5
- Has your organization performed tests under simulated disaster conditions in order to help verify that its computer processing can be accomplished at an alternate computer site under whatever provisions (formal or informal) your organization has for backup and recovery operations? 0-1-2-3-4-5

The scoring:

**40** = A good state of emergency preparedness.

**30-39** = Not too bad, but a need for additional attention in some areas.

**20-29** = Unprepared for potential difficulties that could have been foreseen and avoided.

**10-19** = Very spotty attention to a number of key areas. Significant difficulties and delays in data recovery can be expected.

**1-9** = Little attention has been given to a disaster recovery plan. A disaster would be very costly. Charter a task force immediately.