
nten

February 2021

**Technology-Enabled
Operations Report**

An NTEN Report
by Robert Hulshof-Schmidt



NTEN envisions a just and engaged world where nonprofits fulfill their missions through the skillful and racially equitable use of technology. We support organizations by convening the nonprofit community, offering professional credentials and training, and facilitating community skill and resource sharing.

NTEN reports support the growth and development of the sector through benchmarking the technology goals and challenges of nonprofits and identifying areas of need.

For more, visit nten.org/reports.



Unit4's next-generation enterprise solutions power many of the world's most people-focused mid-market services organizations. Our cloud ERP, HCM and FP&A applications transform work to be more meaningful and inspiring through software that's self-driving, adaptive and intuitive, intelligently automating administrative tasks while providing easy access to the answers people need. Unit4 serves more than 5,000 customers in industries including professional services, public sector, **nonprofit** and education.

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Nonprofit staff across the U.S. and beyond have been affected in myriad ways by the COVID-19 pandemic for nearly a year now, including the quickly increasing needs of communities without access to income, health care, or other necessary supports. NTEN partnered with Unit4 to identify the realities, challenges, and plans of nonprofits specific to technology and operations.

A few notable findings include:

- 15% of respondents reported that their organization was not prepared in any way (technologically or culturally) for an emergency that would require staff to work from home.
- 75% of organizations who said they were prepared technologically and culturally could entirely shift to staff working from home in one week or faster.
- Nearly 70% of respondents had to invest in technology systems and tools to continue operations.
- Only 5% of respondents indicated their organization had engaged in little to no planning or forecasting after the pandemic began.
- 2/3 of respondents feel their current solutions for financial management, project management, operational reporting, and other operational supports are working at least mostly well.

Foundations, start-ups, and tech companies alike have asked us for this kind of data. While we have qualitative feedback and stories to share, collecting data enables NTEN to advocate for the funding, technology solutions, and leadership buy-in that could be part of your organization's success. We are hopeful that this report can highlight needs and be used for advocating for the multitude of ways support can be provided to organizations now and in the years to come.

You're encouraged to use the report to start conversations within your team and organization.

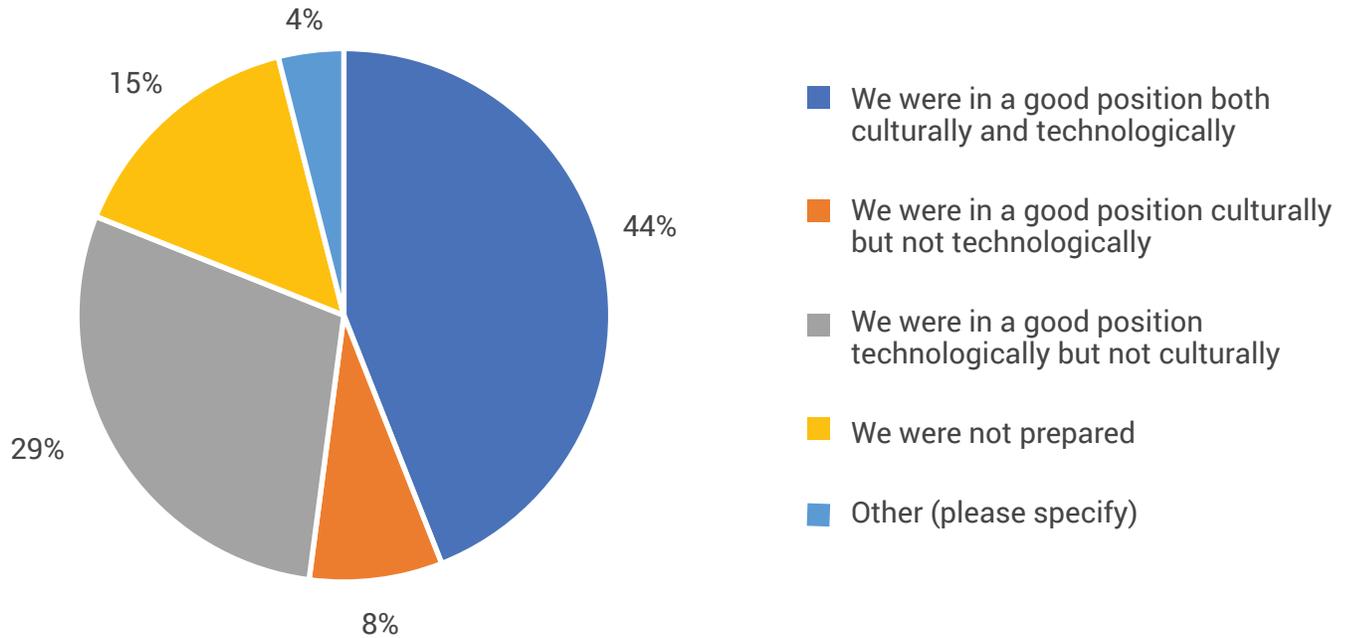
Opportunities exist to strengthen operations in all organizations, so there are potential opportunities that your staff can identify today. I hope you will use this resource in tandem with the **Equity Guide for Nonprofit Technology** to ensure that as you make changes and improvements to your policies and processes as a team, you do so with equity at the center of that work. NTEN's community forums, courses, and other resources can help you and your whole organization move forward.



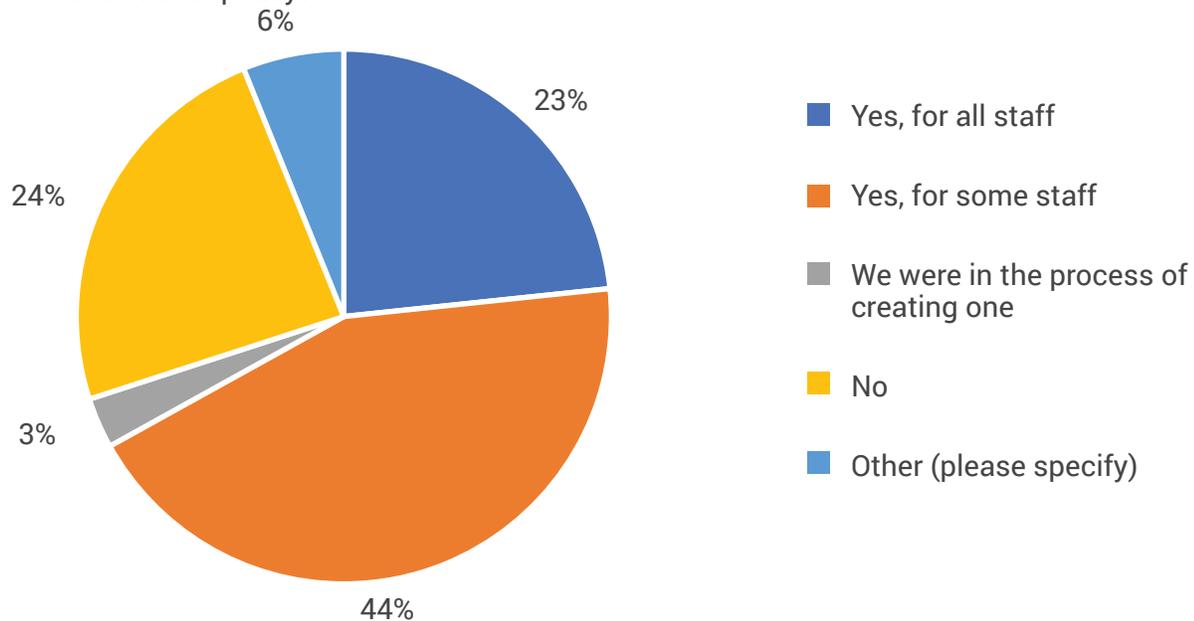
Amy Sample Ward
CEO, NTEN

WORK-AT-HOME SHIFT & READINESS

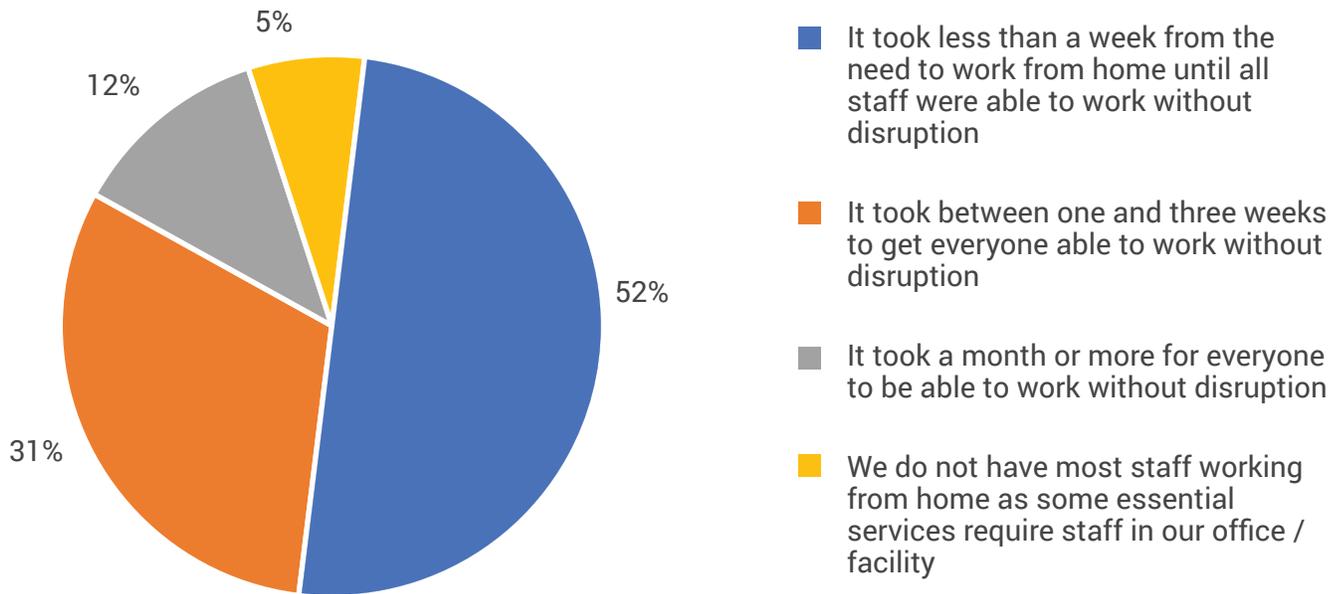
How prepared do you feel your organization was for an emergency that would require staff to work from home prior to the COVID-19 pandemic?



Prior to the COVID-19 Pandemic, did your organization have a remote work or work-from-home policy?



How quickly did your organization adapt to most staff working from home without disruption? Please note “without disruption” includes work-related technology issues only, not personal obligations like childcare or family support.



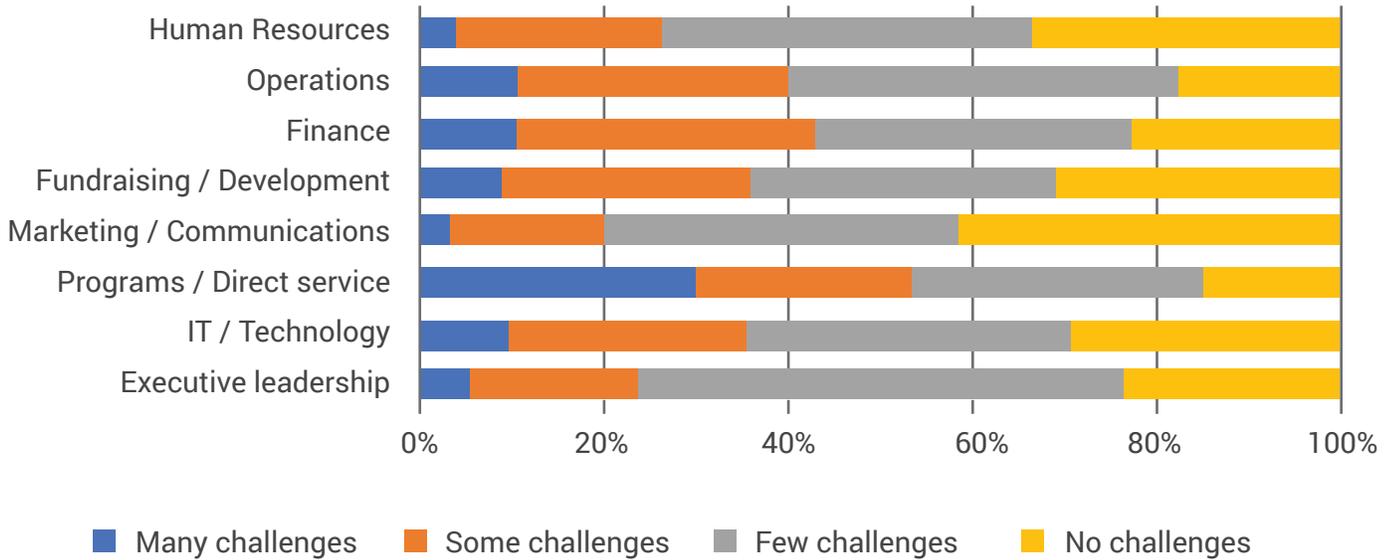
Respondents generally felt at least somewhat prepared for a shift to work-at-home requirements due to the COVID-19 pandemic. Almost half said they were prepared both culturally and technologically to support such a shift. Of those who were only somewhat prepared, technological readiness was almost four times larger than cultural readiness. A significant 15% were not ready at all. Those who indicated “other” described organization-specific circumstances such as being considered an essential service, being a primarily outdoor space, or having in-person contact make up much of their work.

Two-thirds of respondents had a work-at-home policy in place before the pandemic. While there is not a perfect correlation, there is significant overlap between organizations with policies in place and those who felt they were ready for the shift. Those who indicated “other” ranged from a formal no-work-at-home policy to fully remote workplaces, with most indicating special circumstances related to the nature of their missions.

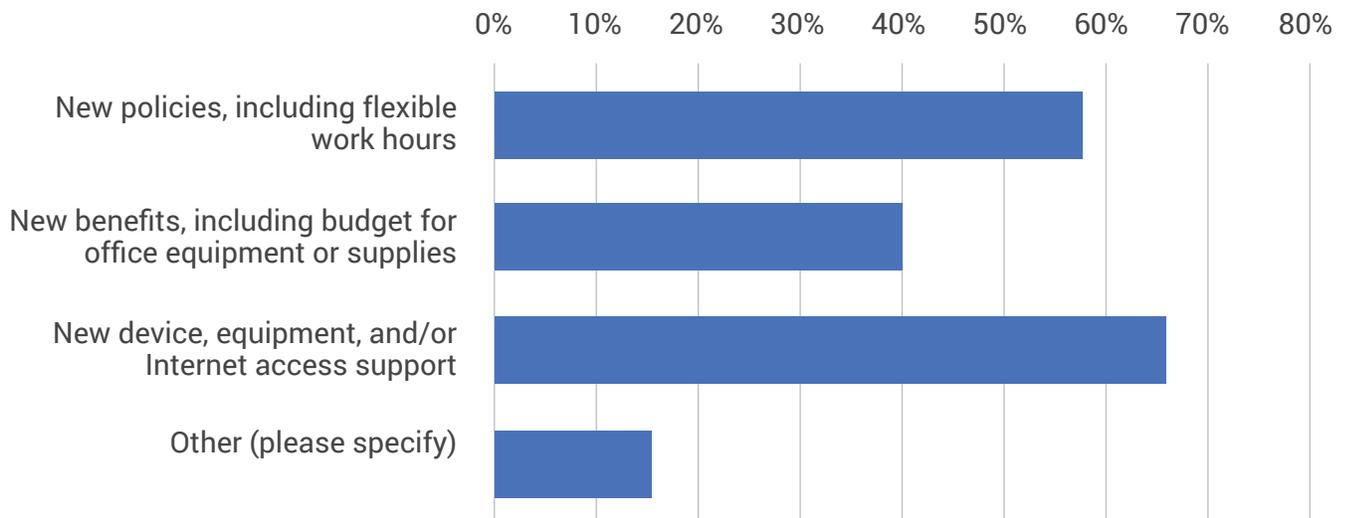
As one might expect, preparation led to an easier transition. 75% of organizations who said they were ready for the shift both technologically and culturally made the change in a week or less. Fully 90% of those who had a policy in place for at least some staff made a similarly quick transition. Those that took a month or more to shift to remote work were a varied group, although they tended to have larger staff sizes – 80% have staffs of 50 or more.

ADAPTING TO NEW CIRCUMSTANCES

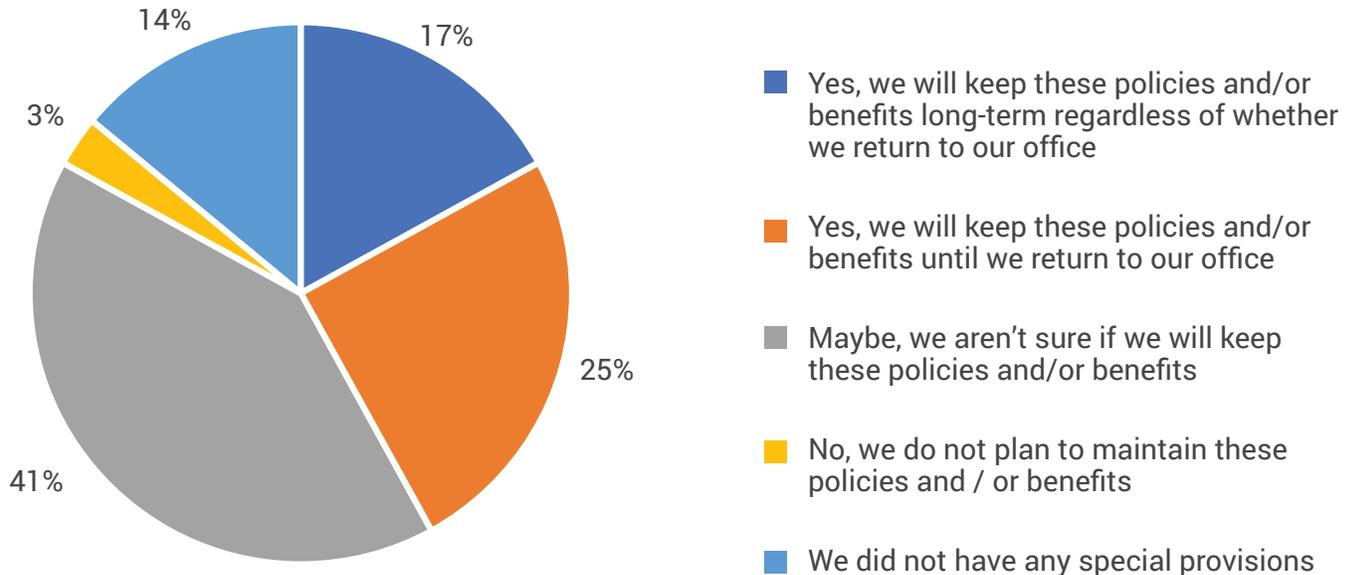
To what degree did your organization's teams experience challenges with adapting to remote-only work?



Did any special provisions need to be made in order to support staff? Please select all that apply.



If you noted any special provisions in the previous question, do you believe those provisions will become permanent?

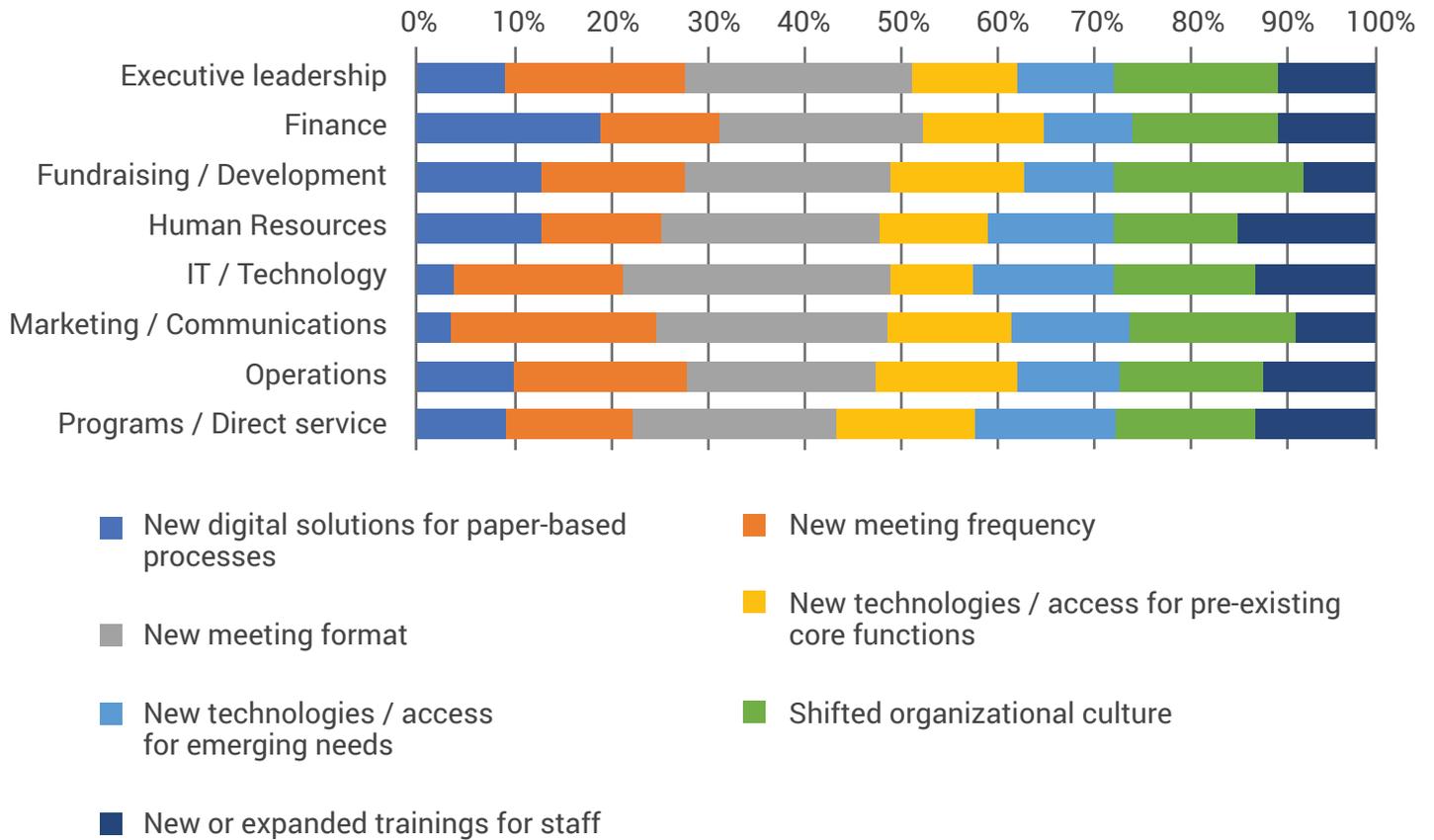


On average, about half of organizations reported having some or many challenges adapting to remote work. The largest work sector to experience challenges was program / direct service, which is not surprising. Office-centered teams like operations and finance also experienced more challenges, at 40% some or many. Teams that interact with clients and users but do not provide direct service (fundraising and communications) had the fewest challenges.

Almost every respondent had to make some kind of special provision to support large-scale remote work. Nearly 70% had to invest in technology and tools, and nearly 60% had to craft new policies and work standards. The 15% who indicated "other" mostly indicated some variation of technology adaptation that involved realignment rather than purchasing new tools.

The overall uncertainty surrounding the pandemic and the need to accommodate for it shows in the responses about the permanence of changes that nonprofits have made. Over 40% are unsure if they will keep the policies and benefits that they have created for current circumstances, while only 17% are certain that they have made permanent changes.

What changes were necessary for your teams to be effective in a remote-only work environment?

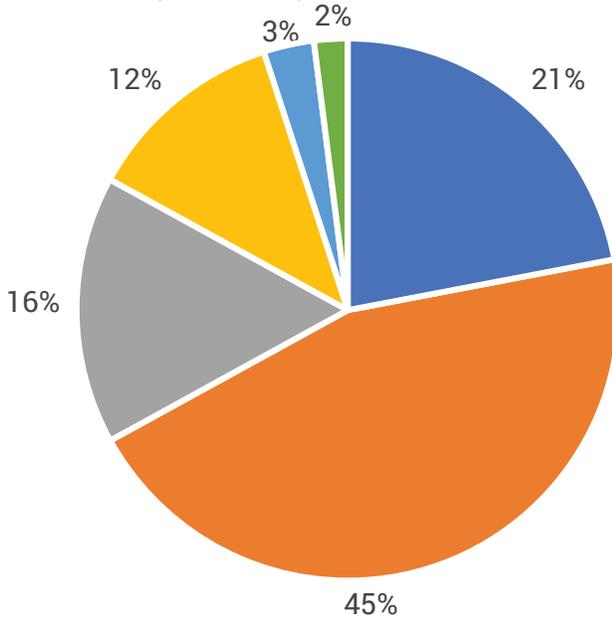


Work teams at responding nonprofits needed a mix of changes to deal with a remote workplace. Not surprisingly, the most common adjustment was meeting format, with an average of 43% of teams needing this accommodation. Adapting people to the new reality was another significant need, with an average of about 30% needing to shift their organizational culture and their meeting frequency.

While there was some variation by team, the overall mix was fairly similar, with a few notable exceptions. Finance teams needed a much more significant shift from paper-based processes to a digital solution. Executive Leadership and Human Resources needed more significant changes in meeting frequency, presumably to help shepherd the changes in their organizations. Consistent with earlier responses, Program and Direct Services staff needed more new technologies and access to meet the new environment’s emerging needs.

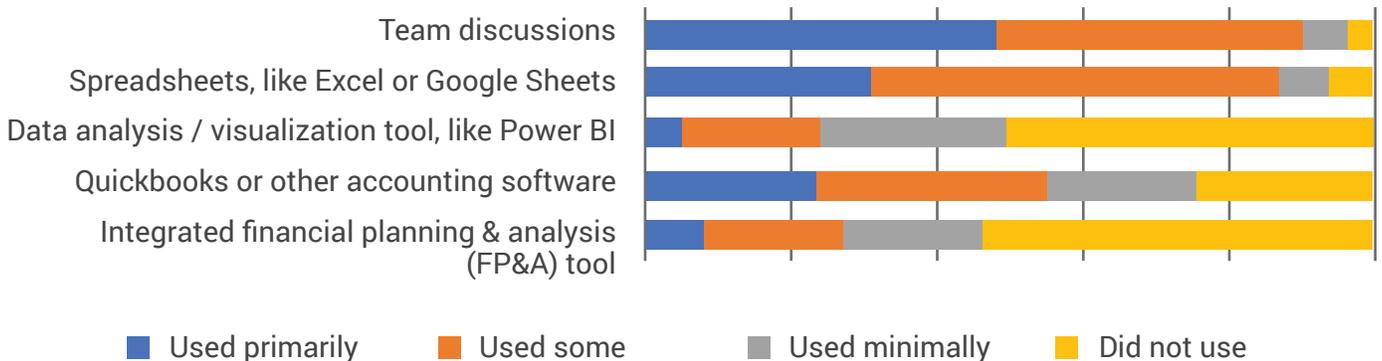
PLANNING

In the last four months, has your organization engaged in additional business planning, revenue forecasting, or other what-if scenario planning to inform decisions about the coming months /years?



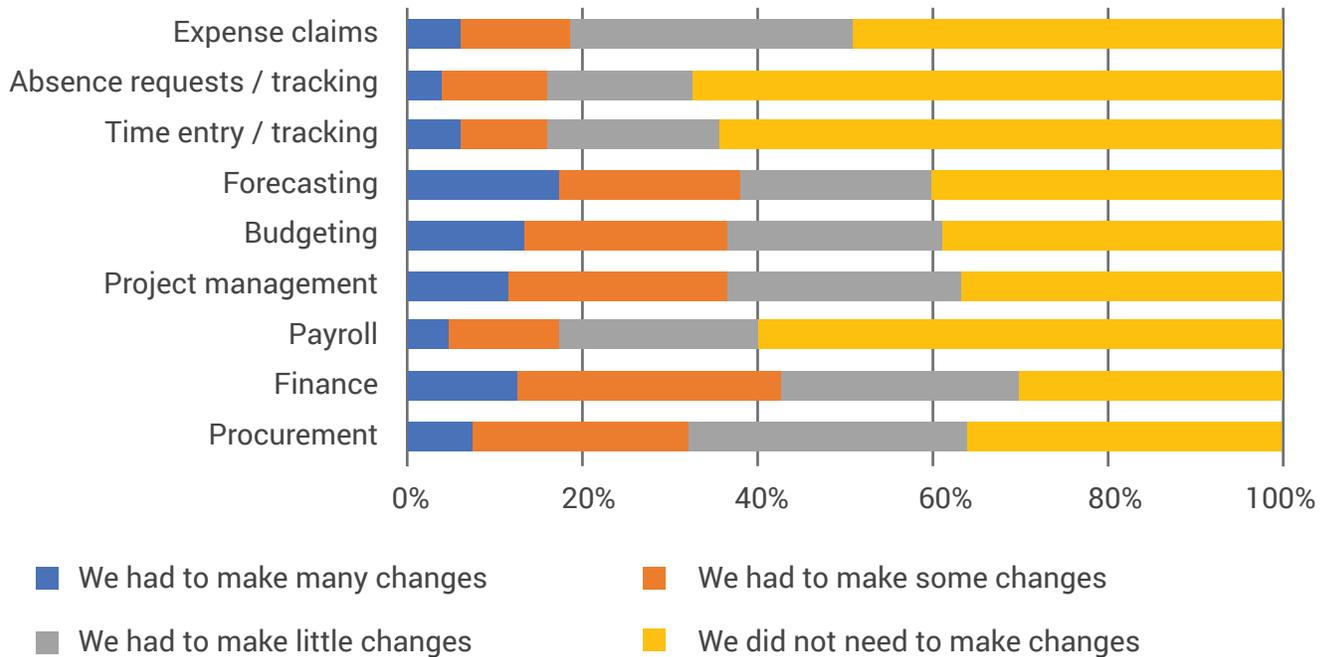
- We have done a strong amount of modeling including scenarios based on economic and community data
- We have engaged in strategic conversations with staff and board, and have done some forecasting of both budget and program impacts
- We have done some preliminary budgeting with different revenue options
- We have done a little, mostly as discussion
- No, we have not done any specific planning or forecasting based on the pandemic's potential impact
- Other (please specify)

If your organization engaged in additional business planning, what tools or approaches did you use?

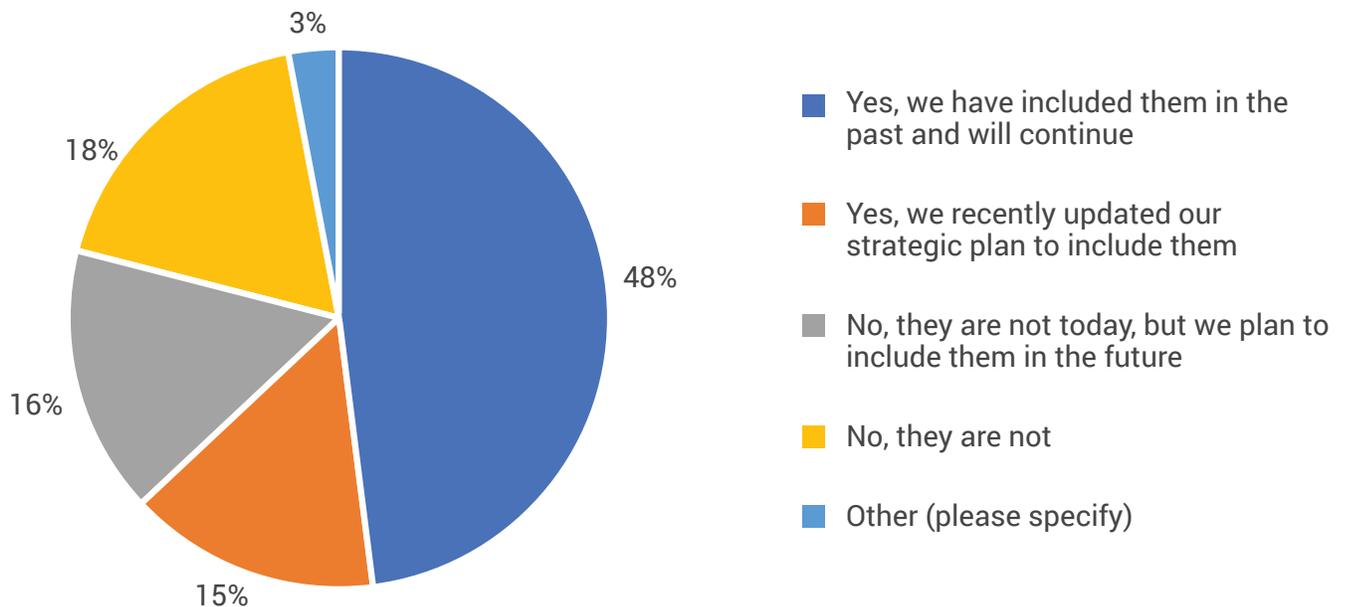


■ Used primarily
 ■ Used some
 ■ Used minimally
 ■ Did not use

With staff working from home, how did everyone get what they needed to be successful with the following areas of work?



Are technology investments and / or technology plans and goals included in your organization's strategic plan?



Not surprisingly, most respondents have engaged in some level of planning and forecasting in recent months. Only 5% indicated either no planning or forecasting or said “other”, listing very organization-specific circumstances. Two-thirds have done either a strong amount of modeling or engaged in strategic conversations.

While engaging in planning discussions, these nonprofits have relied on personal and low-tech tools for the most part. Over 75% have used team discussions primarily or somewhat. For supporting data, a similar number have relied on spreadsheets rather than more sophisticated tools. Given the financial implications of these conversations, it is not surprising that when technology comes into play, it is in the form of accounting software like QuickBooks.

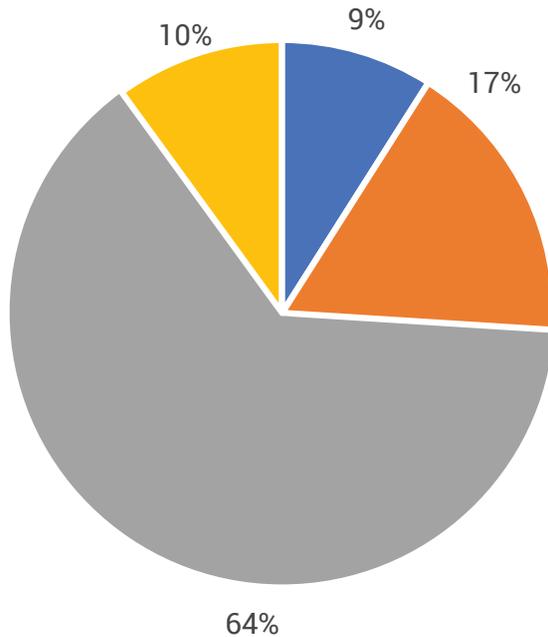
More automated processes like expense claims and payroll required the least adjustment in the new environment, with fewer than 20% of respondents indicating many or some changes. The processes requiring the most adjustment were finance, fundraising, and procurement.

There was not a significant difference in these planning measures based on the size, budget, or longevity of the nonprofit. Larger organizations were somewhat more likely to have done a strong amount of planning, but the specific measures did not vary much.

Half of all respondents have technology included in their strategic plans, and another 15% have recently adapted their plans to include technology. There is some correlation to the size and age of the nonprofit and the inclusion of technology in strategic planning.

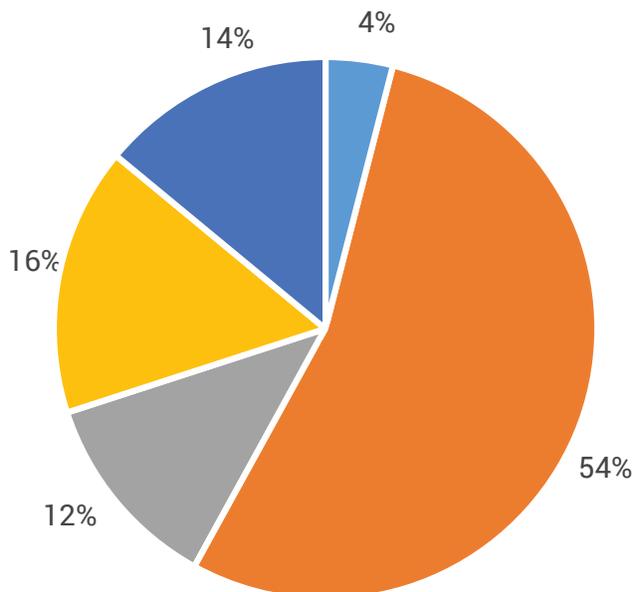
TECHNOLOGY SOLUTIONS

Is your organization using an integrated enterprise resource planning (ERP) solution for Financial Management, Procurement, Project Management, Operational Reporting, HR & Payroll, Field Service Management, and / or Grant Management?



- Yes, one comprehensive solution
- No, we have multiple integrated point-solutions
- No, we have multiple point-solutions that are not all integrated
- Other (please specify)

How well does your current solution for Financial Management, Procurement, Project Management, Operational Reporting, HR & Payroll, Field Service Management, and / or Grant Management meet your organization's needs?



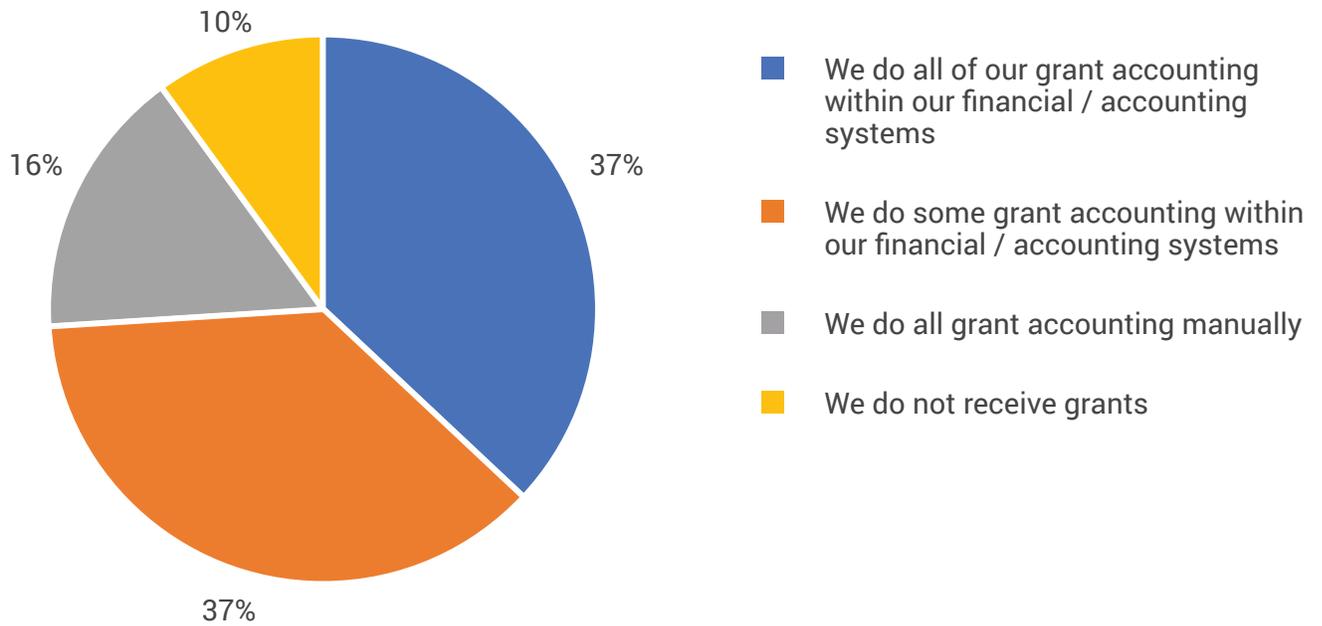
- Very well, it is fully integrated with all the solutions we need
- Mostly well, but it is not seamlessly integrated with all the solutions we need
- Mostly well, but it does not include nonprofit specific functionality like award management and flexible fields for funding restrictions
- Not very well, it is not flexible enough
- Other (please specify)

Very few respondents are using fully-integrated enterprise solutions for managing their operations. Nearly 2/3 do not have such a solution at all, and fewer than 10% have a comprehensive solution. Most of those who indicated “other” said that they did not know what their organizational tool was.

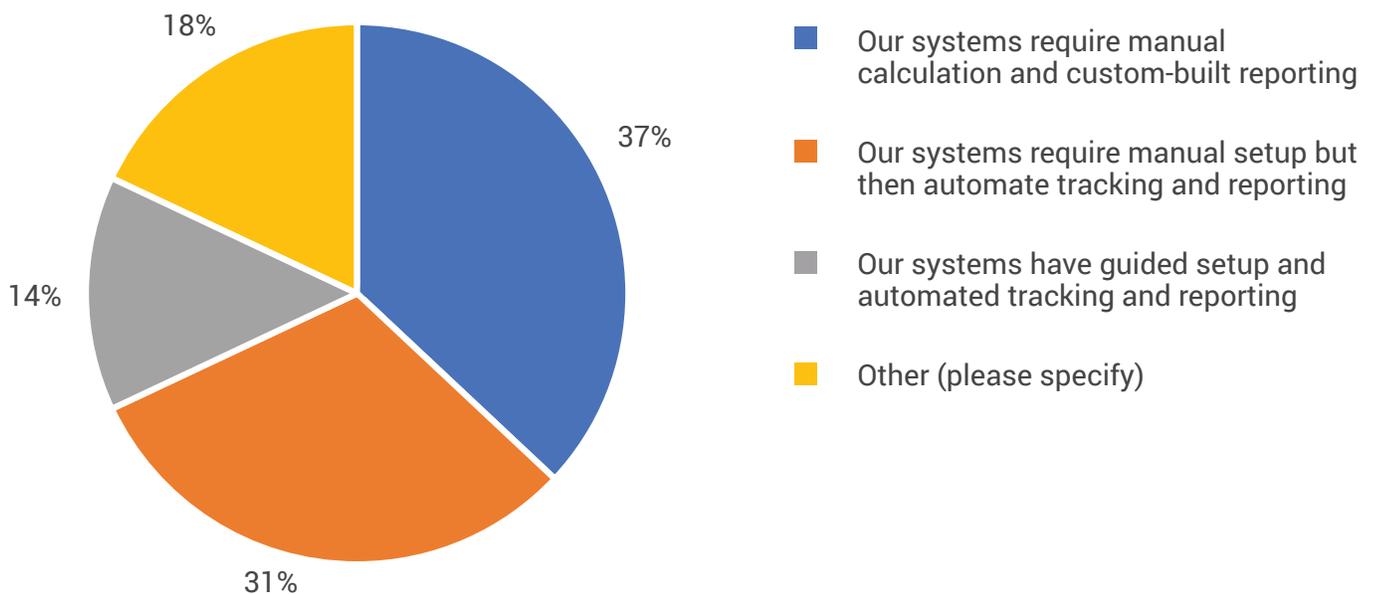
Despite this, almost 2/3 feel that the solution they have in place is working “mostly well”. A significant subset of this group does not have nonprofit specific functionality in their solution. Almost all of the nonprofits who said that their solution was not flexible enough did not have an integrated solution at all.

Not surprisingly, larger organizational budgets correlate closely with more integrated solutions.

Does your organization have sufficient technology solutions and processes for effectively and efficiently tracking grant allocations and restrictions?



If you manage restricted grants within your financial / accounting systems, how would you best describe your allocations process?

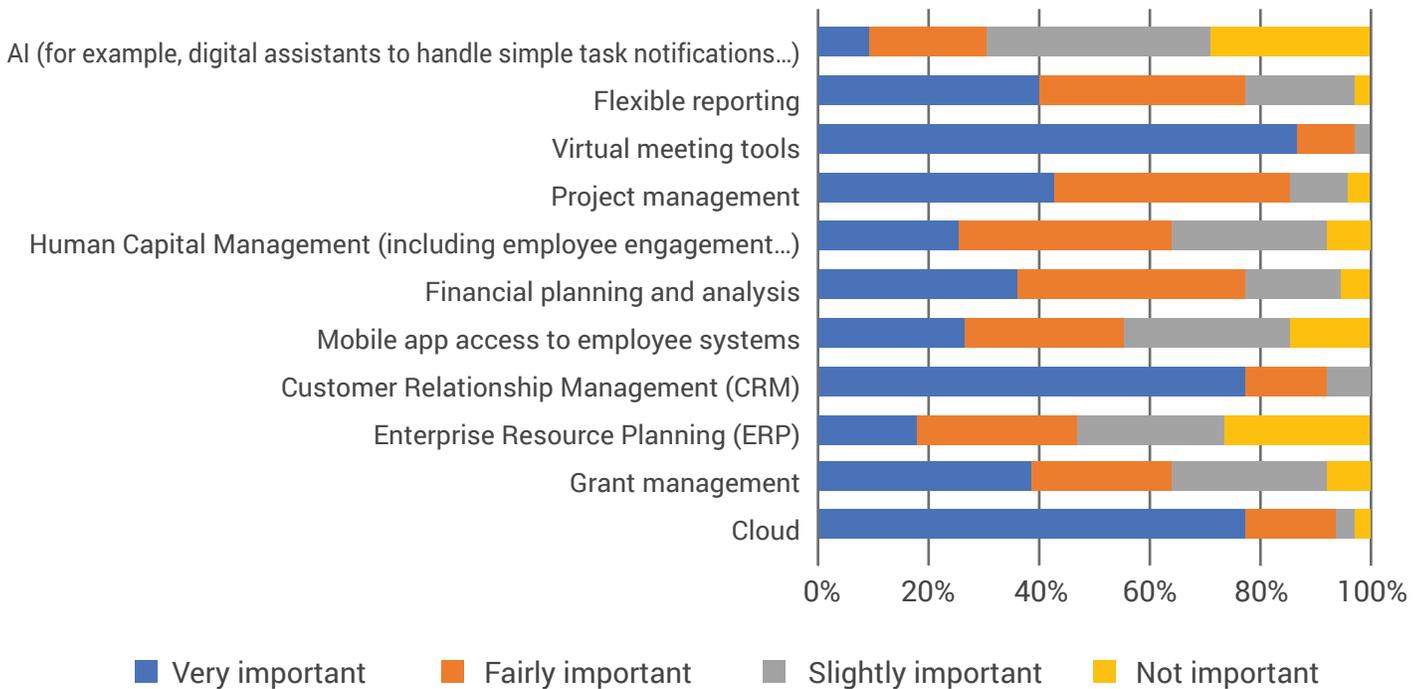


About 3/4 of respondents use their financial and accounting systems to manage grant allocation and restriction tracking. This is split evenly between those who indicated all and those who indicate some.

A similarly large group must do at least some manual setup or calculation to track grants effectively. Most of those who indicated “other” either do not receive grants or do not know how tracking is done at their organization.

THINKING ABOUT THE FUTURE

What strategic processes or systems do you believe will support your organization’s success in a digital-focused future?



Three strategic processes rise far above the others in importance for survey respondents: virtual meeting tools, CRMs, and cloud services. All of these provide integrated, active support for remote staff. They are also more common, generally less expensive systems to implement.

The only two to rank below 50% for combined very and fairly important are AI and ERP.

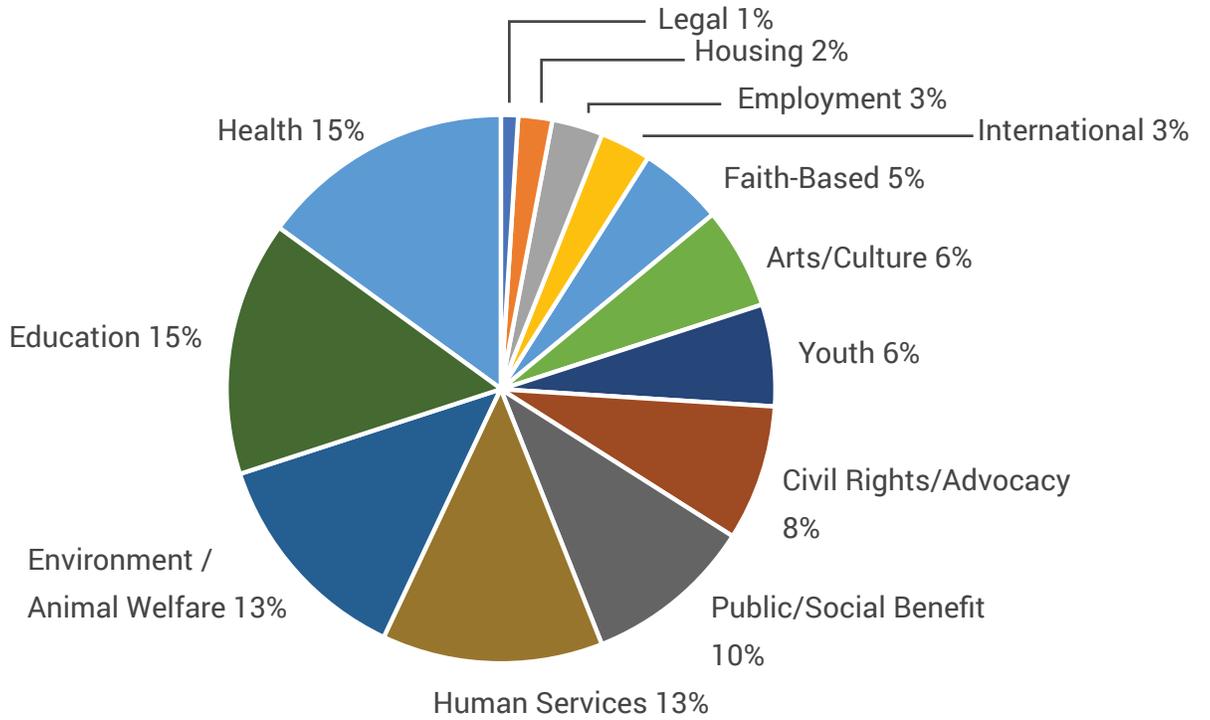
Tools that help staff – specifically professional development and project management – are the most important solutions to respondents. Tools that were rated earlier as needing the least adaptation (expense and time reporting) were seen as the least important.

Do you think your organization would benefit from more modern technology solutions / tools that directly support any of the following?

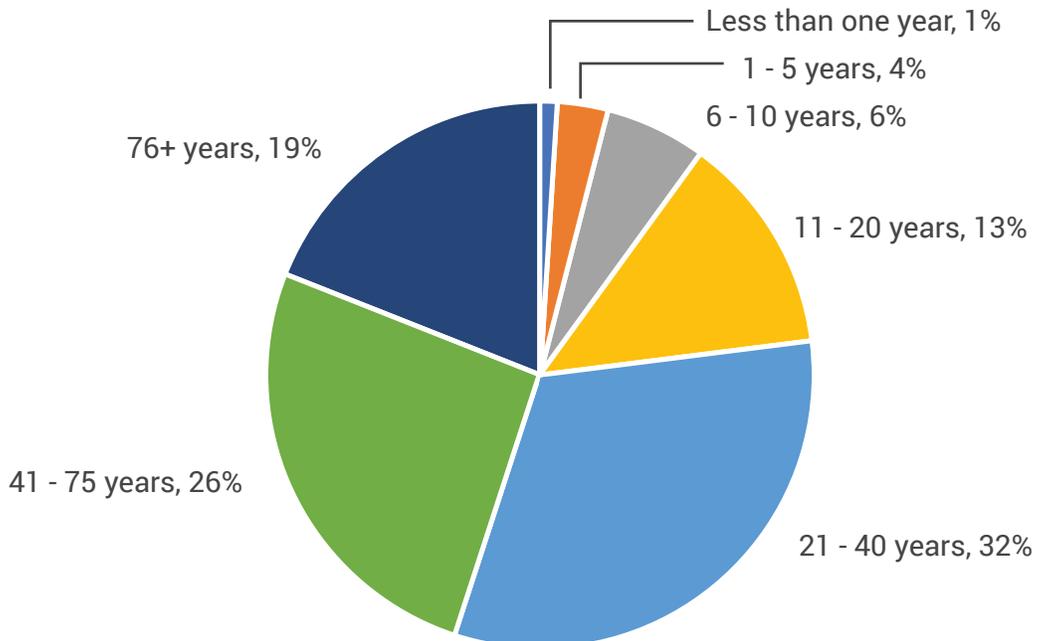


DEMOGRAPHICS

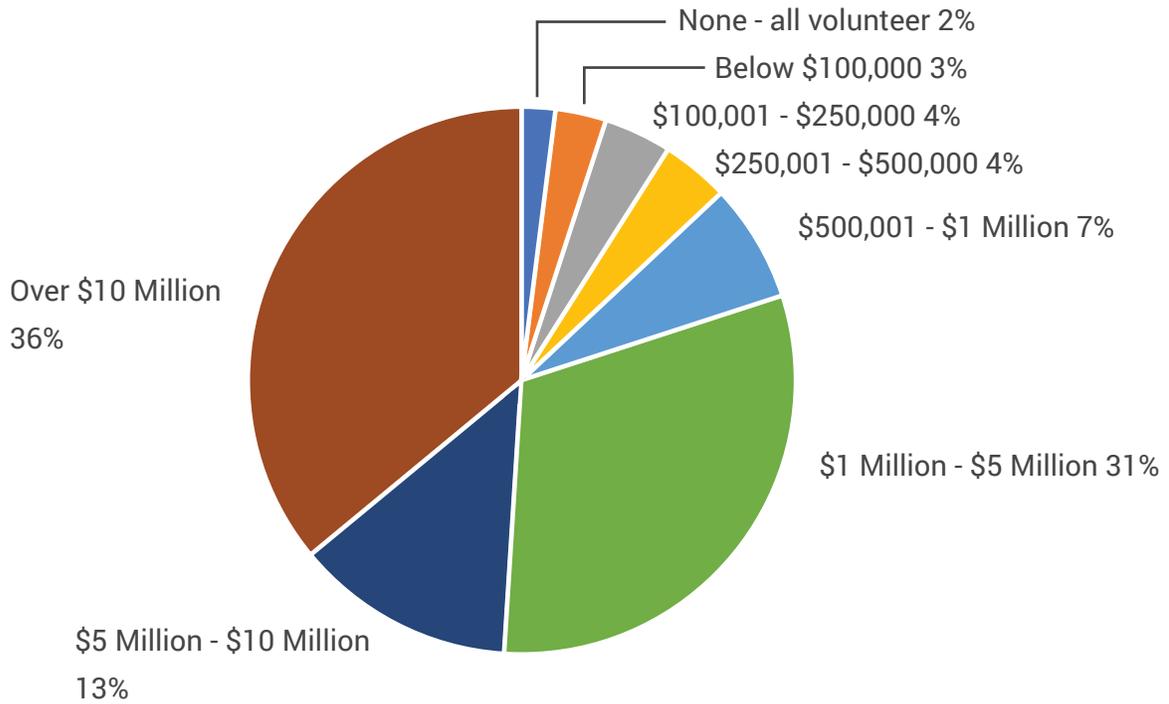
What best describes your organization's primary issue area?



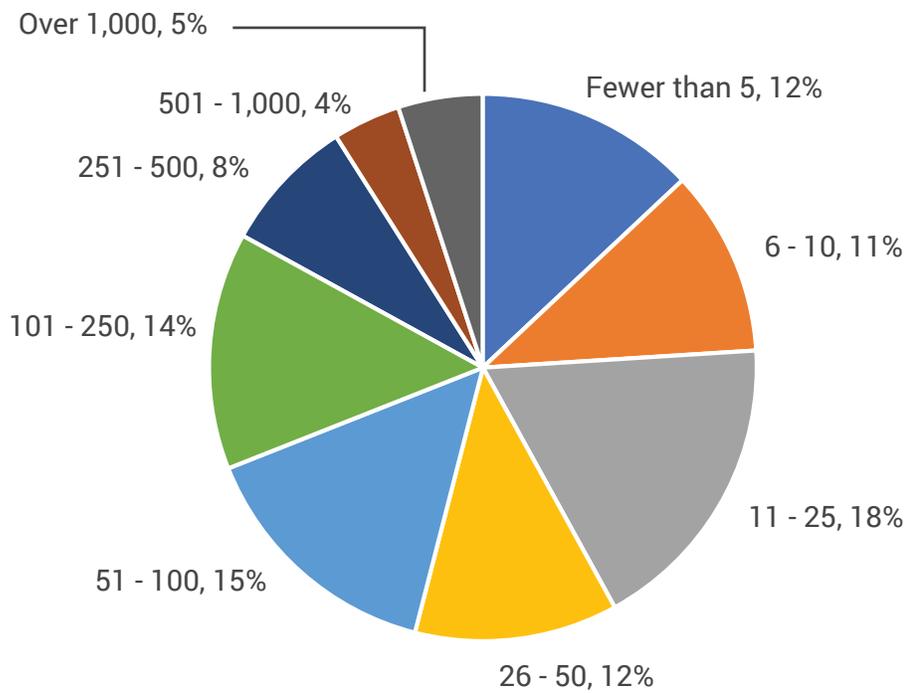
About how long has your organization existed?



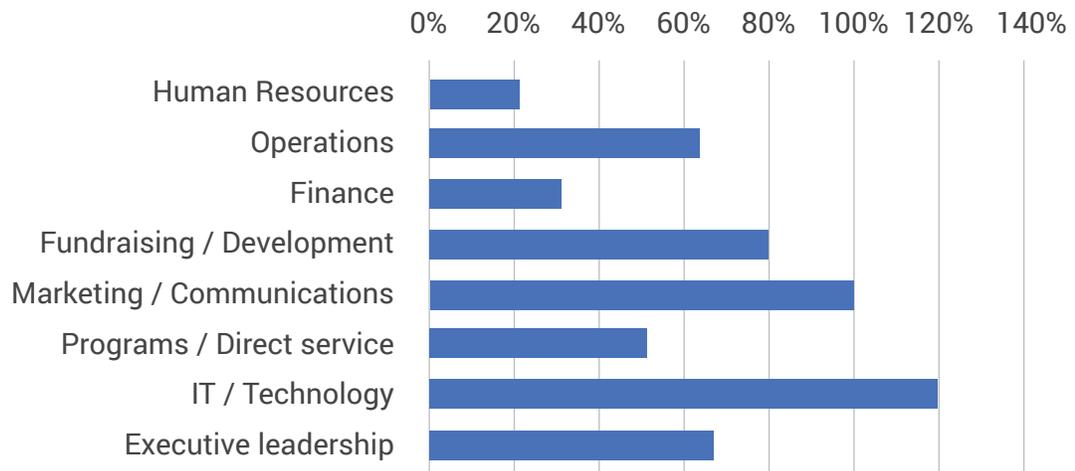
What is the approximate annual budget of your organization?



What is the size of your overall organization staff?



What team or department is most closely related to your work? If your organization combines these teams, you may select more than one answer.



People representing 300 organizations responded to this survey. They represented a wide range of nonprofits, from small, volunteer only shops to multimillion-dollar budgets with large staffs.

Nearly 50% of respondents work at organizations dealing with direct human services like education, health, and employment. Most of these nonprofits were well established, with 45% existing for more than 40 years and only 10% existing for ten years or less.

The sizes of the respondent's organizations were well distributed, with employee counts of 10 to 500 accounting for over 2/3 of these nonprofits. Organizations larger than 500 were significantly less common than other sizes, while the 11 to 25 bracket was the most common. However, budgets tended to be larger, with 80% of respondents having annual budgets of \$1,000,000 or more.

Respondents play a variety of roles at their nonprofits. Not surprisingly, the majority work with teams related to technology and data, the largest being IT, Marketing / Communications, and Fundraising / Development. As is typical of nonprofits, many respondents wore multiple hats, with responsibilities ranging from one to all eight of the categories listed. Fully 40% worked with two or more teams; there is a close correlation between organizational staff size and the workload diversity of the respondent.