ESCAPING THE
NONPROFIT TECHNOLOGY TRAP

ESCAPING THE NONPROFIT TECHNOLOGY TRAP

When your organization is on a mission to change the world for the better, it's easy to neglect the internal needs. After all, day-to-day workplace frustrations can seem pretty trivial, when compared to some of the wider problems you're trying to tackle: hunger, disease, poverty.

So it's understandable that the idea of internal investment makes nonprofit leaders anxious. They worry, moreover, that it will eat into funding that might otherwise be spent on delivering critical programs and services, such as feeding homeless people, funding cancer research, rehoming abandoned animals or providing clean water to rural communities in the developing world.

As a result, for many nonprofits, the order of the day is to make do, or go without. This is particularly true of the IT systems they use: sluggish, inflexible and creaking at the seams, the employees forced to use these technologies often feel hampered or undermined in their efforts to make the world a better place.

Fortunately, many nonprofits are now actively working to break free of this technology trap. In the process, they're discovering that today's cloud-based IT systems offer a fast and cost-effective way to achieve better outcomes and address new opportunities for social impact.

Why Choose Cloud?

The basics of cloud are well understood, but worth reviewing in a nonprofit context. Put simply, nonprofit organizations have very little to gain from running their own IT systems. Indeed, the cost and complexity involved provide compelling arguments for them to transition to modern, cloud-based systems.

Managing and maintaining servers, after all, is a distraction from a nonprofit's mission and typically means having skilled IT staff on the payroll or contracting that work out. The hard-to-plan capital expenses associated with these machines and the software that runs on them, which must be licensed upfront and renewed and upgraded regularly, is an added burden. What many nonprofits have ended up with as a result of their on-premise IT strategies, in fact, is a patchwork of disparate applications and spreadsheets that cost too much and can't 'talk' to each other without extensive integration work—which again, comes at additional expense.

With cloud, customers only pay for the applications they use, in the form of regular, predictable subscription payments. And there's the opportunity to sidestep the need to run servers entirely, because applications are located on the cloud provider's own servers and accessed over the internet. Finally, a steady stream of updates from that provider, included as part of the service, means that customers are always on the latest version of software, without the need for expensive upgrades.

But this model has other benefits for nonprofit organizations, too, as many have already discovered.

Remote Access and a Unified View

Whether a nonprofit organization is committed to tackling problems in its local community, via a national network of operations or through international outreach, much of its work will be carried out 'in the field' or, in other words, away from its offices. With a cloud system, any authorized manager, worker or volunteer can access and update vital information from any location, as long as they have an internet connection. At the same time, the centralized nature of cloud-based systems means that information is captured and stored in one place, providing a unified view of even the most geographically diverse mission.

Ashoka, for example, is a nonprofit organization that provides start-up financing and support services to social entrepreneurs around the world. Its headquarters may be in Arlington, Va., but Ashoka has operations in 32 countries. By standardizing global financials and reporting on NetSuite OneWorld, it has a single, unified view of those operations. As a result, Ashoka is able to plan with more precision and more easily replicate project success from one country to another.

Financial Oversight and Transparency

Nonprofit accounting is a complex business, requiring real-time visibility into budgets and spending in order to optimize social impact. Key performance indicators relating to the cost of servicing the mission, number of donors and grant per donor, for example, provide a good indicator of overall performance for compliance and accountability purposes—but only if they can be accurately measured. A modern cloud-based finance system can support that complexity, while also streamlining the work and boosting the productivity of the nonprofit finance team, so that procurement can be optimized for better spend management, for example, and donations can be processed more quickly and put to work in support of the mission.

At **Water for People**, which focuses on the sustainable development of drinking water, sanitation and hygiene education, NetSuite OneWorld enables 65 employees across Latin America, Africa and Asia to report their expenses and submit purchase orders, while supporting centralized oversight and management of grants and donations. The system supports transactions in more than a dozen currencies and enables finance staff to break down financials by individual projects and tie budgets more closely to outcomes.

A Better Supporter Experience

Here, new models are emerging that blur the lines between for-profit and nonprofit approaches; in other words, today's nonprofits must engage and retain supporters in much the same ways as a commercial organization must engage and retain its customers. That calls for a cloud-based Customer Relationship Management (CRM) approach that offers a 360-degree view of donors, volunteers, supporters and clients—all in one place.

At New York-based **The Adventure Project**, NetSuite is used to cultivate strong and lasting relationships with individual and institutional supporters through applications that keep accurate records of donors and their donor history and helps the nonprofit identify new fundraising opportunities.

New Digital Initiatives

As nonprofits become more confident in their use of cloud-based systems, they're starting to tap into the extra functionality that the most modern systems provide in order to launch new digital initiatives, in areas such as ecommerce, for example. In other words, they can quickly get up and running on selling publications, merchandise and tickets to fundraising events in ways that integrate with their entire organization.

The **Golden Gate Men's Chorus (GGMC)**, based in San Francisco, now runs an ecommerce storefront where it sells CDs, T-shirts and other merchandise, as well as accepting donations from supporters. With NetSuite SuiteCommerce, GGMC handles about 95 percent of these transactions, saving time and money over previous phone and paper mail processes.

Cloud Changes the World

Given that many nonprofits now share many of the same challenges as their for-profit counterparts, as well as the operational complexities, it isn't surprising that they're turning to the same strategies and solutions to tackle them. That includes investing in cloud systems because of the low upfront costs, faster time-to-deployment and the full range of functionality that these now offer.

As we have seen, it doesn't benefit a nonprofit—or the causes it supports—to leave it hungry for decent infrastructure. In fact, it can do it a great deal of harm, leaving it hamstrung in its mission to serve its beneficiaries. With a shrewd investment in a unified, cloud-based business management system, nonprofit organizations can finally manage their entire end-to-end operations for long-term success and accelerate in their missions to change the world.

NETSUITE | #1 Cloud ERP

www.netsuite.com

Chat with an expert.

info@netsuite.com

877-638-7848