RETURN ON INVESTMENT (ROI) IN NONPROFIT TECHNOLOGY DECISIONS

SURVEY FINDINGS AND INSIGHTS

TECHIMPACT®
IDEALWARE SM

DECEMBER 2020

EXECUTIVE SUMMARY

While many organizations factor Return on Investment (ROI) in their decisionmaking, the sector is still not realizing the full strategic value of a thoughtful ROI analysis.

In a survey of 1,078 nonprofits in the summer 2020, Tech Impact found that...

- **87 percent of respondents rated operational benefits as "very" or "extremely influential."** Meanwhile, programmatic benefits lagged behind, indicating that ROI is still focused on removing pain points rather than delivering greater impact.

- **Organizations of all sizes are realizing strong ROI from technology**. More resources don't necessarily translate into bigger returns. Our research suggests that what matters more is the combination of practices and culture that help organizations select the right tools and unlock their value.

- **Websites are perceived as delivering high ROI.** Data integration and project management rate much lower, perhaps because they typically happen "behind the scenes."

- **Tech decisions are made quickly.** 48 percent of all technology purchase decisions are made within three months, implying that many organizations are rushing to implement new technology.

- **Both end users and consultants were less influential than we would have hoped.** Two-thirds of respondents said end users were "extremely" or "very influential" in their tech decision. Only 23 percent found consultants to be influential, while 35 percent said they were not influential at all.

Based on these findings, we hope to see progress in a few areas:

- **More organizations taking end-user concerns into account.**

- **More focus on social benefits.**

- **Longer selection periods.**

- **Higher ROI for data integration.**

- **More staff members thinking about ROI.**

The sector continues to expand its understanding of the role of technology in a nonprofit's success. A maturing model for nonprofit ROI will help all organizations better show the strategic value of technology.

How to Share This Report

While Tech Impact makes our resources free to our audience, requiring registration to access them allows us to notify readers of updates, corrections, and other relevant changes, and to make the case to funders that our work is valuable by demonstrating our reach.

Please share a link to the download page at https://offers.techimpact.org/tech_roi rather than a PDF or print copy.

Want more resources about nonprofit technology? Visit our Technolog Learning Center (TLC) to browse our vast library of free publications, recorded training, and upcoming events: www.techimpact.org/technology-learning-center

Reprinting and Quoting

For information about reprinting, quoting, or repurposing this report, please read our policy online at https://techimpact.org/reprinting-and-quoting.

TABLE OF CONTENTS

INTRODUCTION ▶▶▶

New technology purchases can represent significant investment for a nonprofit. Organizations have to weigh not just the expense but the additional costs—including everything from staff time and training to lost opportunities, disruption, and staff morale—when deciding whether a new technology is worth it.

A deliberative approach to the selection process can help, as can Return on Investment (ROI) calculations—simply speaking, a way to measure the gain or loss generated by an investment relative to its initial cost. But many organizations still do not have a thorough evaluation process for technology investments.

"I've met a lot of people [at nonprofits] who've never been asked about ROI," said Adam Rosenzweig, Senior Manager, Product Impact at Okta for Good. "It feels like busywork to them."

In the summer of 2020, Tech Impact worked with partner organizations to survey 1,078 nonprofits. We wanted to learn how they think about ROI and identify the strongest factors in their technology decisionmaking processes. What we discovered may not surprise you: many decisions are missing the benefit of a thoughtful ROI analysis, which means the sector is probably not using technology as strategically as it could.

Our findings confirm what we all already "knew" anecdotally. Our hope is that, by publishing them, you can better determine whether your own organization's practices align with the norm. We also hope that, by shining a light on the current state of the sector, that we can nudge organizations toward better practices.

> *"I've met a lot of people [at nonprofits] who've never been asked about ROI. It feels like busywork to them."*
> *— Adam Rosenzweig*

For instance, our survey found that most nonprofits work with a small team to decide quickly on technology projects—often without much influence from an outside consultant. Operations are one of the biggest pain points, and organizations often perceive the biggest Return on Investment in that area. And end users—especially if they're nonprofit staff members—are critical to the process.

What's not clear is whether the approach to ROI is intuitive, calculated, or some mix of the two. Some factors are easier to calculate than others—what's the monetary value of someone's happiness?—but if what Rosenzweig said is true, many nonprofits are not even doing the simplest calculations.

One danger of intuitive ROI is that the reality in the numbers can *feel* very different from the reality you're living, especially when a technology system is still new and the timelines are long.

"The pain is short-term," said Jan Kaderly, founder of A Line Strategy, "but the benefits get diffused over time."

Adding to the complexity of the ROI question is that the measurable ROI is so different for each organization, according to Kay Lima, Director of Technology at the Institute for Nonprofit News. There's no easy formula that gets you to the right "return" number if you're factoring in mission, revenue, operational growth and efficiencies, and an increase in engagement. Even strictly financial calculations can be tricky if you calculate opportunity costs along with expenditures.

Regardless of how nonprofits think about ROI for technology projects, it's encouraging that so many organizations are thinking about it at all.

"The software you select and implement is as important as deciding to hire someone," said Patrick Callihan, Executive Director of Tech Impact. "That decision is going to impact the organization, its finances, and how it delivers on its mission. The technology is something you're going to have to live with for quite a while, so you want to do your homework to understand your processes and to know that it's going to solve your challenge."

In this report, we'll highlight some of the findings of our survey and discuss some of the issues or questions those findings raise.
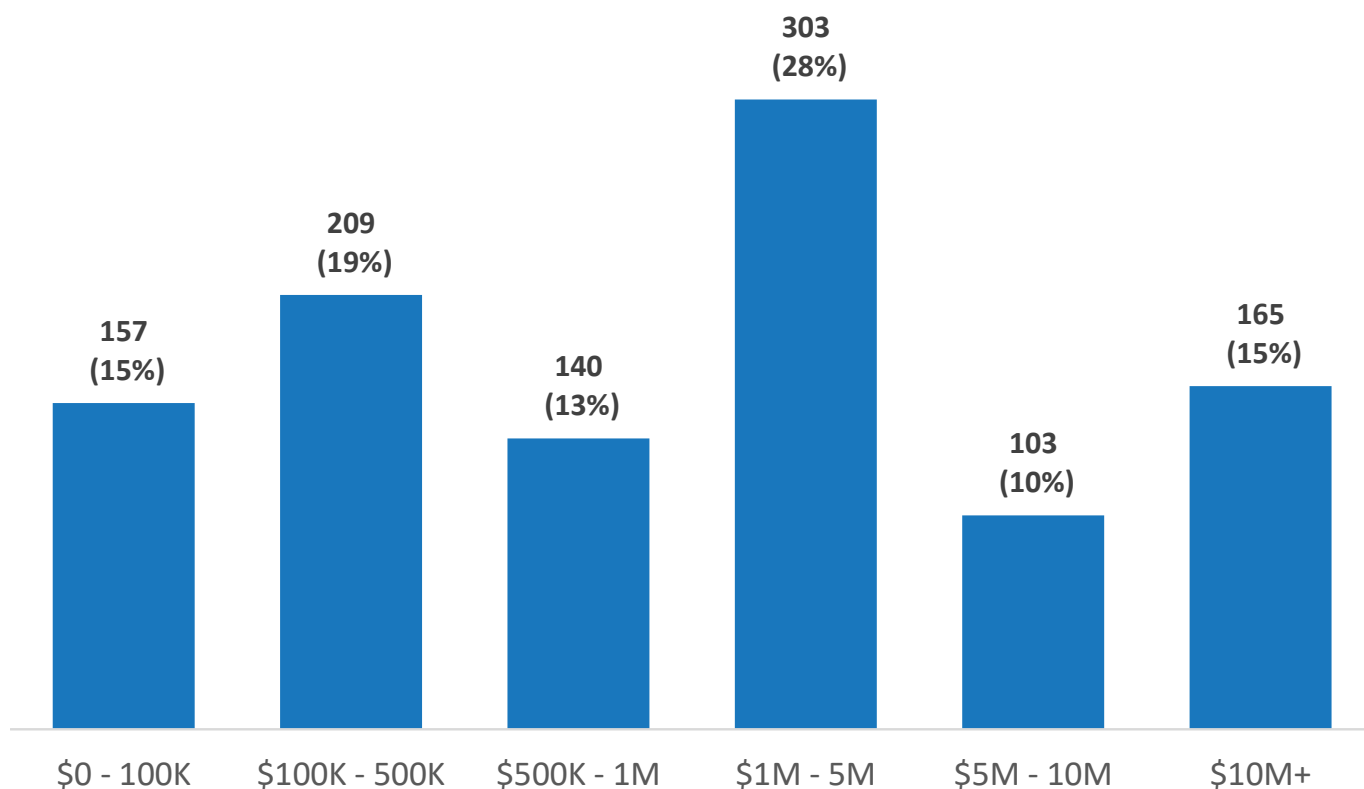

Figure 1: What Size is Your Organization?
The sample included organizations with a full range of annual budget sizes.
About half had budgets under $1 million, and the biggest segment
was organizations with a $1-5 million annual budget.

TECHIMPACT®

COMMON COSTS AND BENEFITS OF TECHNOLOGY

When considering ROI costs and benefits, remember that they include more than just the initial expense of the purchase. Be sure to consider each of the following possible costs and benefits of technology:

Benefits

- Cost savings
- Time savings
- Additional revenue
- Additional capabilities
- Increased reach
- More people served
- Better quality of service
- Better outcomes
- Improved security
- More reliable data
- Happiness

Costs

- Hardware
- Software
- Support
- Training
- Staff Time
- Opportunity
- Disruption
- Morale

OPERATIONAL BENEFITS ARE A FOCUS ▶▶▶

When we asked nonprofits what benefits they considered when making a recent technology decision, 87 percent said organizational or operational benefits were "very influential" or "extremely influential."

Melissa Sines, Programs and Knowledge Director at PEAK Grantmaking, said the influence of operational benefits makes sense when you consider what many nonprofits are facing.

"These questions often come back to nonprofit capacity," she said. "They're very likely understaffed."

87%

Rated organizational or operational benefits "very" or "extremely" influential

Sines added that she's seen a lot of nonprofits struggle with outdated CRM systems that have poor reporting abilities.
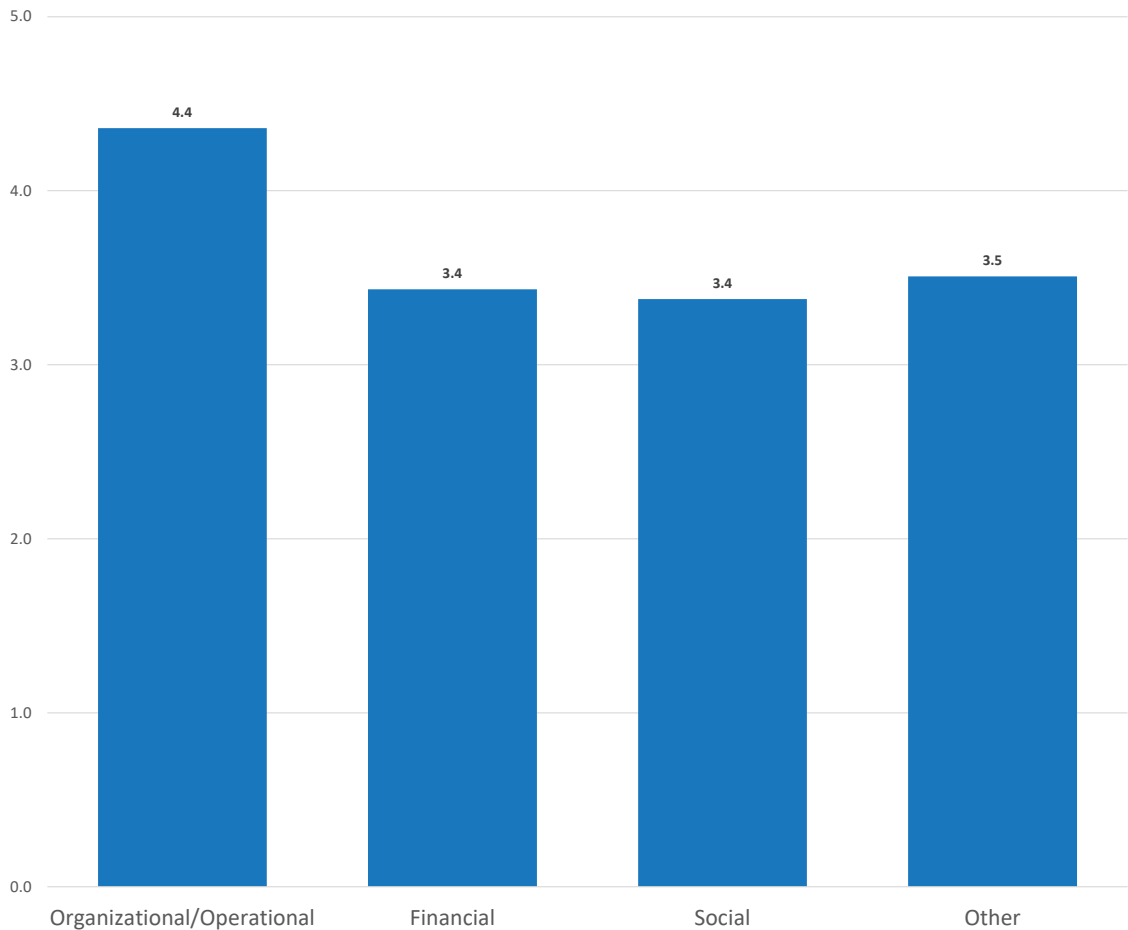

Figure 2: Composite ROI Score by Benefit Category.
Survey respondents weighed organizational or operational benefits more heavily than other types.

TECHIMPACT®

"There's a lot of pain on that lower data capacity. You spend so much time on data that you're spending less time on your mission."

Financial benefits were also significant factors, with 53 percent of survey respondents rating them very or extremely influential. However, that lower number surprised Callihan, who believes it should be higher.

"Operational and financial benefits go hand-in-hand," he said. "If you've improved processes or begun delivering something faster, there's a financial benefit. Time is money."

What we didn't see was a strong correlation between the size of an organization and the ROI of its technology projects. This non-finding is an important one. It means that—at least according to the organizations we surveyed—any organization that follows best practices for technology selection and implementation (including consulting with end users and developing precise requirements) can realize good return on technology investments regardless of its size.

"Any organization can see high ROI on tech," said Callihan. "It's not only for big nonprofits or for-profit companies.

"Knowing the challenge you need to solve and doing your due diligence to find the way forward is more important to a project's success than having a big budget or a big team," he said.
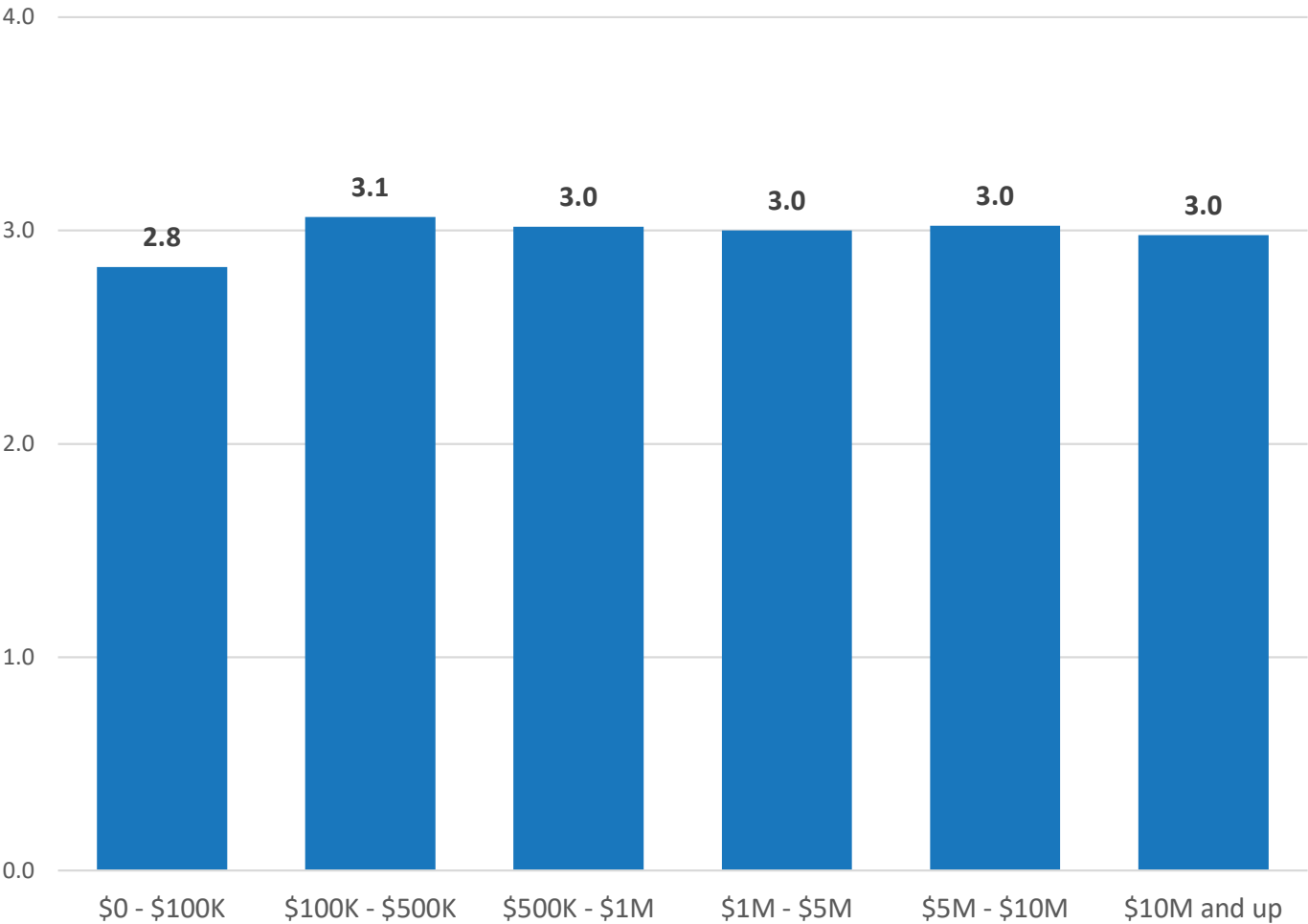

Figure 3: Composite ROI by Organization Size.
We collapsed all the categories of technology to get a composite ROI score.
This score varied little across organizations of different sizes.

WEBSITES ARE PERCEIVED AS DELIVERING HIGH ROI ▶▶▶

We asked survey participants how they rated ROI for seven different types of technology projects: websites, CRM systems, donor management systems, online forms, broadcast email, data integration, and project management software.

Websites rated the highest, with 73 percent of respondents reporting that their websites deliver moderate to high ROI.

A website is not only a place for information—depending on your site's features, it might collect donations, register people for events, gather contacts for your newsletter, or even deliver services.

73%

Reported moderate to high ROI on their websites

In an online world, a website might be a nonprofit's most important tool. "A website is the front door to the organization, and is oftentimes the first impression for a constituent, funder, or client," Callihan said. "It has to be well done."

Category	Don't know	No ROI - cost outweighs benefits	Low ROI	Moderate ROI	High ROI
Organization Website	8%	4%	16%	40%	32%
Broadcast Email	15%	3%	18%	42%	21%
Constituent/Client Management System	21%	3%	14%	37%	25%
Online Forms	19%	3%	18%	36%	24%
Donor Management System	25%	4%	14%	31%	26%
Data Integration	30%	4%	16%	30%	20%
Project Management Software	42%	5%	18%	22%	13%

■ Don't know ■ No ROI - cost outweighs benefits ■ Low ROI ■ Moderate ROI ■ High ROI
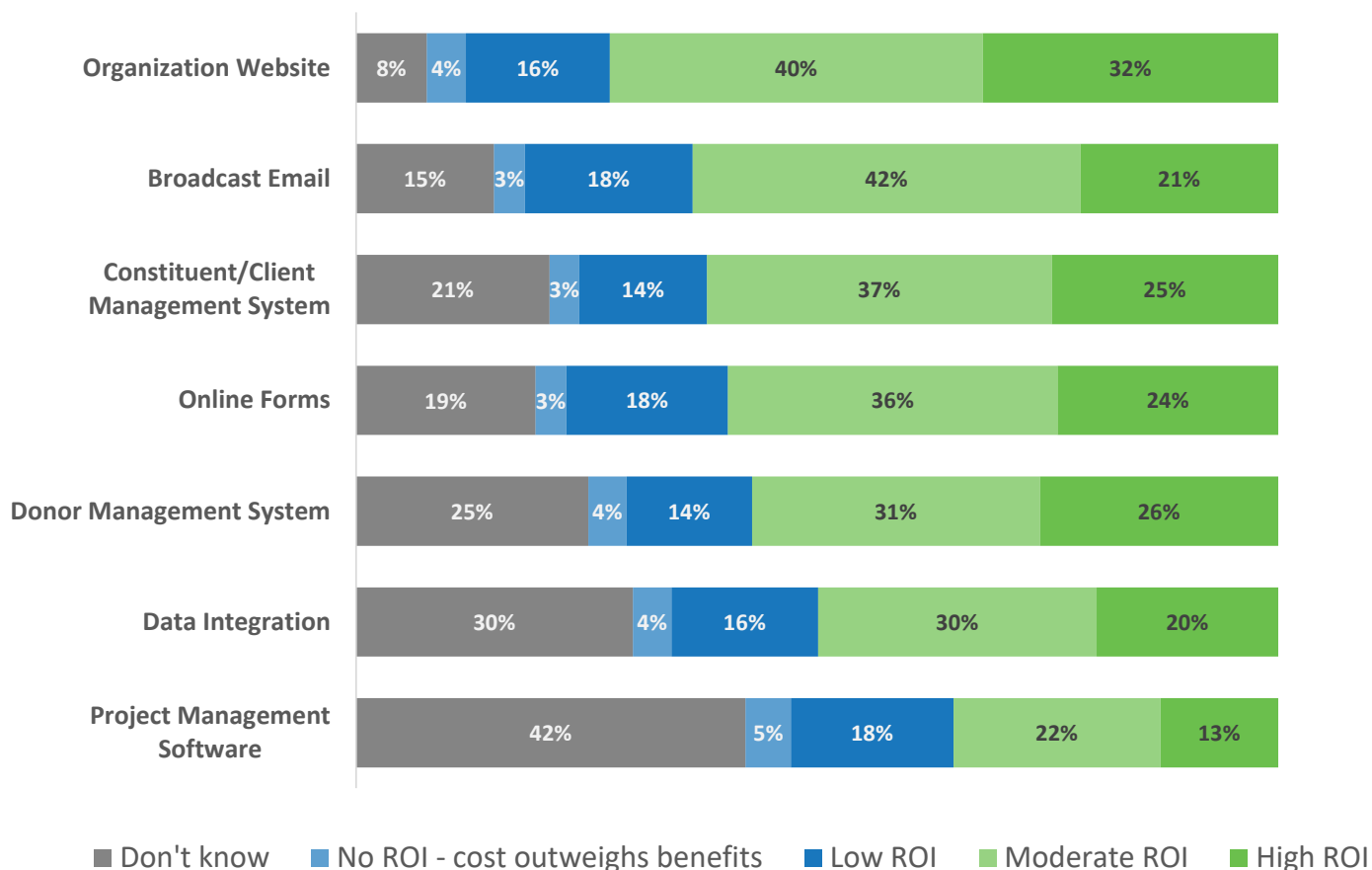
Figure 4: Relative ROI by Category of Technology.
Overall, websites had the highest perceived ROI, while project management software had the lowest.
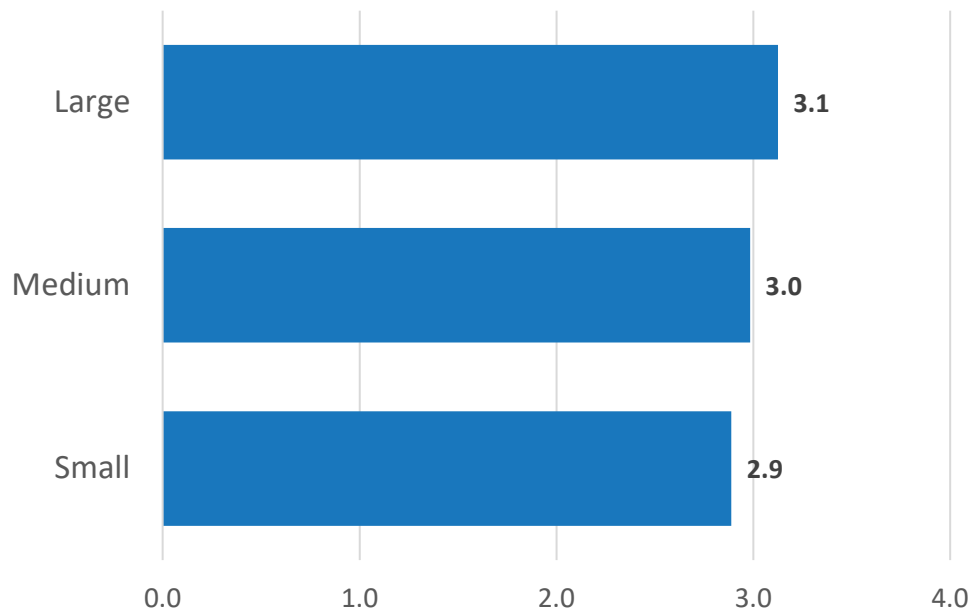
TECHIMPACT®

Figure 5: ROI by Project Size.
Perception of ROI increased as projects got larger. A gain of
0.1 on this scale represents a 10 percent increase in value.

However, some of the value of websites is perception. "A website redesign is conceptually manageable," Kaderly said. "People are familiar with it and can see the results quickly."

She compares that with a CRM system, which is infrastructure and depends on a lot of other systems and processes to succeed. To truly understand the value, Kaderly believes you need to be able to calculate the lifetime value of the constituents.

In our survey, CRM systems did rate fairly well, with 62 percent of respondents perceiving high or moderate ROI. However, only about half of survey respondents said data integration offered high or moderate ROI, with 30 percent selecting "don't know/do not use" in that category. This disconnect is interesting.

A CRM that works well is connected to multiple other systems, and is able to efficiently and effectively gather information and help nonprofit staff members put that data to use. The half of organizations that believe their integration ROI is low or nonexistent are probably not getting the full value of their CRM system. They likely know they need the technology, but are still not sure how best to use it.

Callihan sees integration as a common oversight for executives who are focused on the big picture or more concerned with revenue than expenses—and believes a lack of awareness of the importance of integration may be a symptom of leaving technology people out of strategic conversations.

"They assume integration is happening in the background," he said. "If you went up to an executive and said, 'Two systems don't talk to each other and Mark has to rekey everything,' then they'd get it. But usually, these issues fall into the category of 'It's just the way we've always done things.' Without the knowledge, it's hard for executives to lead an integration effort."

The organizations that are relying on integrations seem to better understand the interconnected benefits of different kinds of technologies. For example, those who rate integration ROI high also more highly rate the ROI of online forms. And small organizations (with an annual budget below $100,000) that rate integration more highly also say CRM systems and donor management systems deliver higher ROI.

Meanwhile, very few organizations are using project management software. And those that do are not rating the ROI very highly. Sines thinks this is partly a function of the overrepresentation of executives in the survey.

More than 40 percent of survey respondents said their organizational role was executive management. Since executives are often not involved at a project level, they're less likely to use or value project management software. Sines speculated that many program staff members are using "shadow" project management software to fill in the gap, and that the overall usage might actually be higher, but she's also seen how a lack of training or acculturation can limit the efficacy of project management software.

Interestingly, when we looked at a composite of ROI ratings by project size, we saw an increase in perceived ROI as projects got larger. In fact, if you consider that the range of ROI ratings is between 2.5 and 3.5 (out of a possible 4), then going from 2.9 to 3.1 represents a 20 percent increase.

It's unclear why many of the organizations we surveyed believe larger projects are delivering higher ROI. If a project is small and costs are low, then it doesn't take a huge return to deliver a strong ROI.

However, since we know that organizations are not making financial calculations only, it's possible that big projects lead to big changes, many of which were probably long overdue. The relief of having solved a major problem, regardless of how the numbers come out, might be greater than solving a smaller problem, especially if the smaller problem is not fundamental to the success of the organization.

"[Implementing new software] is about updating a business process," Sines said. "You have to rewrite policies and statements of purpose. You have to do training and more training. If staff is not using it, ROI falls off."

42%
Don't use or don't know if they use project management software

30%
Don't use or don't know if they use data integration

TECHIMPACT®

EVEN LARGE TECH DECISIONS ARE MADE RELATIVELY QUICKLY ▶▶▶

Just over half (51 percent) of all technology purchase decisions are made within three months, according to our survey. While generally speaking, the larger the organization and the larger the project, the longer it takes to make a decision, a significant number of medium-sized and even large projects are decided in this timeframe.

These numbers surprise Kaderly, who was a marketing executive at a global nonprofit before going out on her own as a consultant.

48%
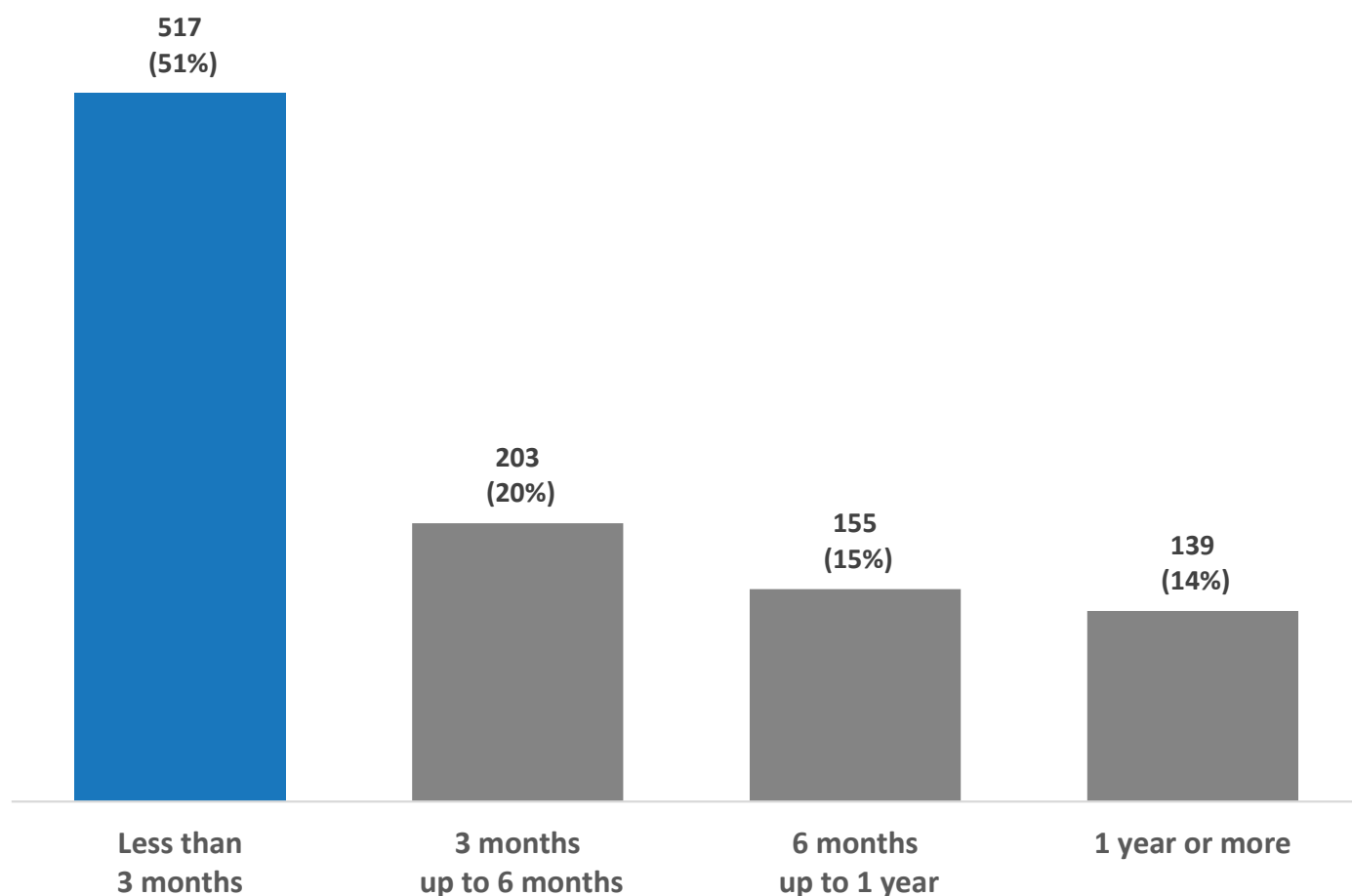### Of all technology purchase decisions are made within three months

Figure 6: How Long Did Your Decision Take?
A majority of respondents (about half) made decisions in less than three months.

At her organization, she worked with a rigorous Chief Financial Officer who always required a detailed ROI calculation before approving new technology purchases.

"New tech investments always had to be justified," she said. "Sometimes that took years."

For Lima, a quick selection process usually means something is missing. "The potential for quicker decision making is often a reflection of a lack of technical guidance," she said, adding that many organizations rely on what they've heard from other organizations or a vendor's sales pitch for the bulk of their information rather than doing independent research.

She recommends that organizations take more time and find someone with both some technical knowledge and a familiarity with the organization to help decide.

"Have someone who's a bridge between your organization and the vendor helping write an RFP," she said.

Sines agreed. "The sales process is designed to be easy and quick," she said—but that's not always to the benefit of the nonprofit. "Every project is behind schedule and over budget because people aren't building in expectations up front."

As technology product lifecycles continue to shorten, long decisionmaking processes can hurt an organization by leading to outdated products being implemented. Organizations need to find ways to shorten the decisionmaking process without weakening it.

TECHIMPACT®

WHAT DOES IT MEAN TO INVOLVE END USERS? ▶▶▶

About two-thirds of respondents said that end users were extremely or very influential in technology investment decisions. However, that means about a third of respondents were not significantly influenced by end users before making a technology decision.

Callihan thinks nonprofits need to make a bigger effort to involve the people who will be affected most by a new technology system or tool.

"Often folks closest to the work on the front lines are most frustrated with the software or the lack of software," he said. "They're the ones who should be most influential."

Staff members who use the systems regularly and understand the nuances of the organization's business processes are essential in the technology selection process. But tech deciders don't always think that way.

"Executives are often tasked with making decisions, but are not inviting the right people around the decisionmaking table," Sines said.

We compared responses to end-user influence based on organization size, organization role, project size, time to purchase, and number of people involved.
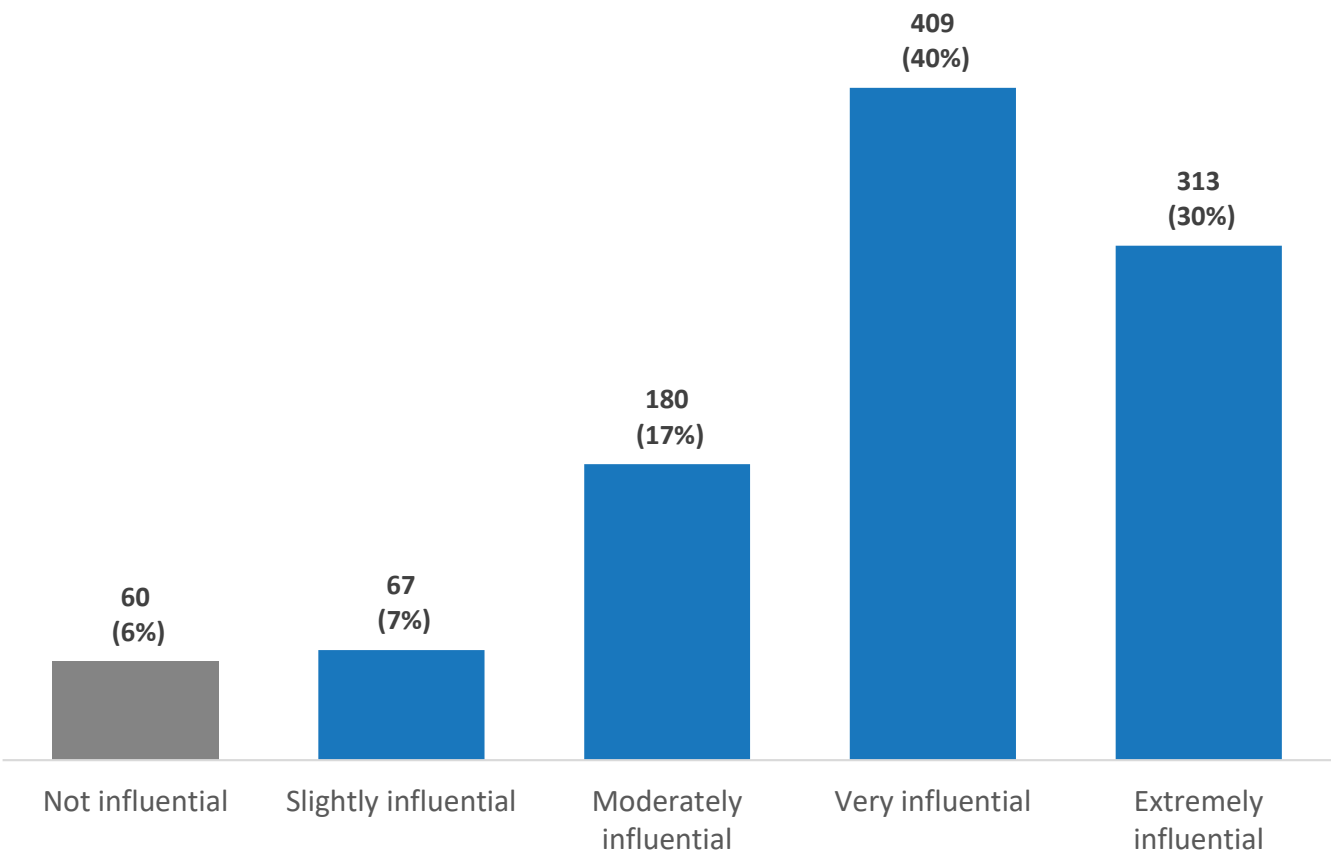
Figure 7: Influence of End-User Concerns on Investment Decisions.
71 percent of respondents said end users were extremely or very influential—but is that enough?
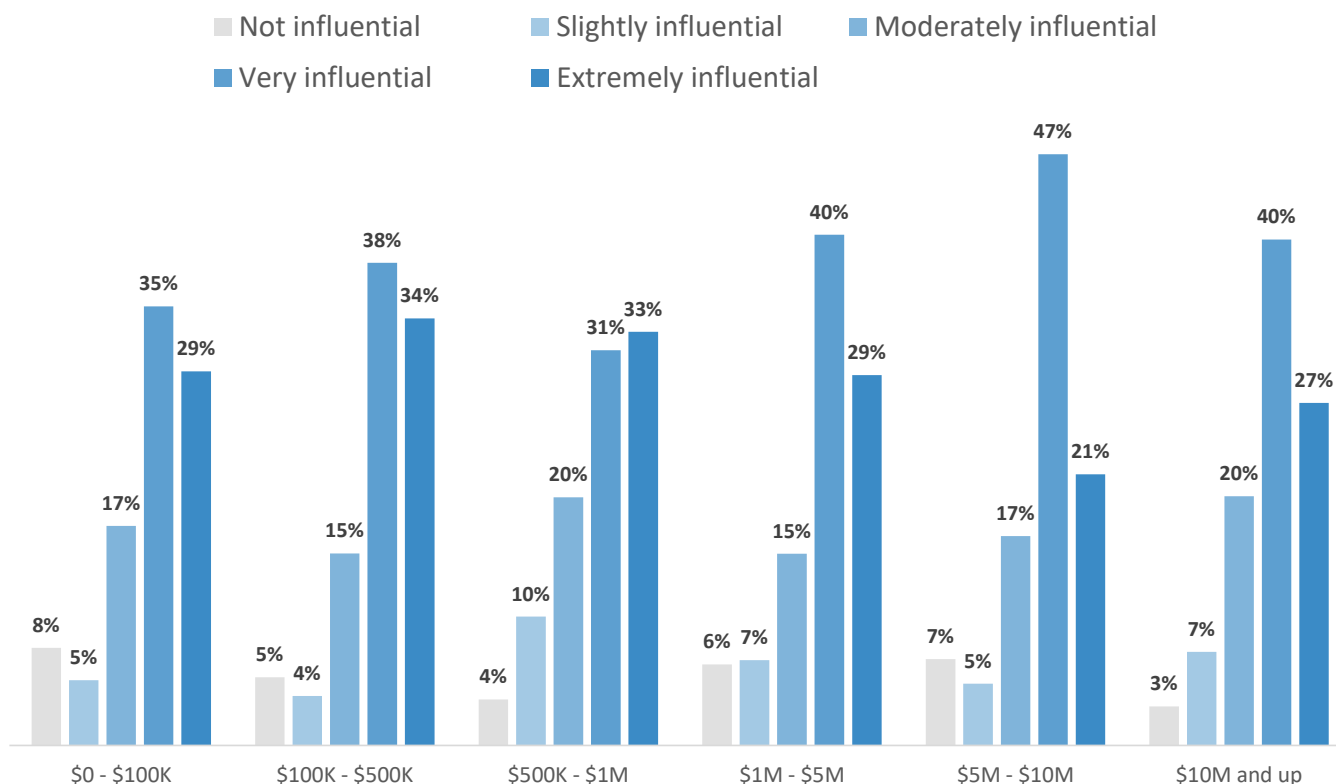
Figure 8: End-User Influence by Organization Size.
Disaggregating the data reveals a consistent pattern across organization sizes.

Generally, longer selection processes did not seem to involve end users significantly more. When we asked about the level of involvement in tech decisionmaking processes by role, our survey found that executives were most involved, but program management, fundraising, and marketing were significantly less involved.

These results can partly be explained by the significant representation of executives in our survey and analysis that found that each respondent type rated its own role higher than how others rated it. However, these results also line up with Sines' experiences.

"Tech has often been seen as a tool to do a job as opposed to transform the kinds of work that you're doing," she said. "But you can set up the most expensive, fancy system, and if folks are not bought into it, it's not going to matter."

To gain buy-in and to choose a system that works well for your organization, Sines recommends involving staff members in requirements gathering, conducting user testing, and investing in training.

Constituents who are end users are even less likely to be involved in the process. This too can be a big mistake. Organizations that roll out a technology tool for people they serve will see better ROI if constituents are consulted closely. This can be a challenge since constituents are outside the organization, but the extra effort is worth it.
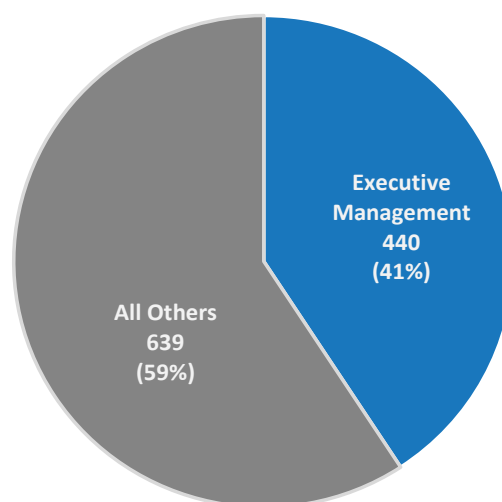

Figure 9: What Is Your Role?
Executive management represented the largest portion of survey respondents.
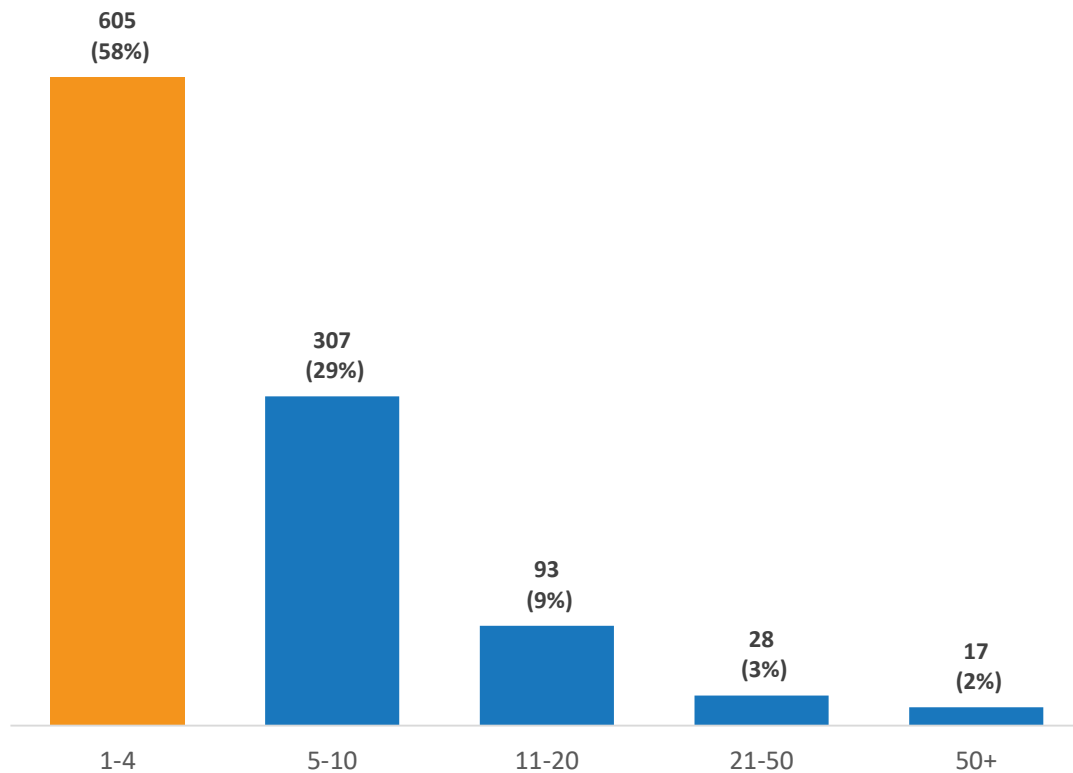
Figure 10: How Many Total People From Your Organization Were Involved in the Decision?
A majority of respondents involved only one to four people in the technology decision.
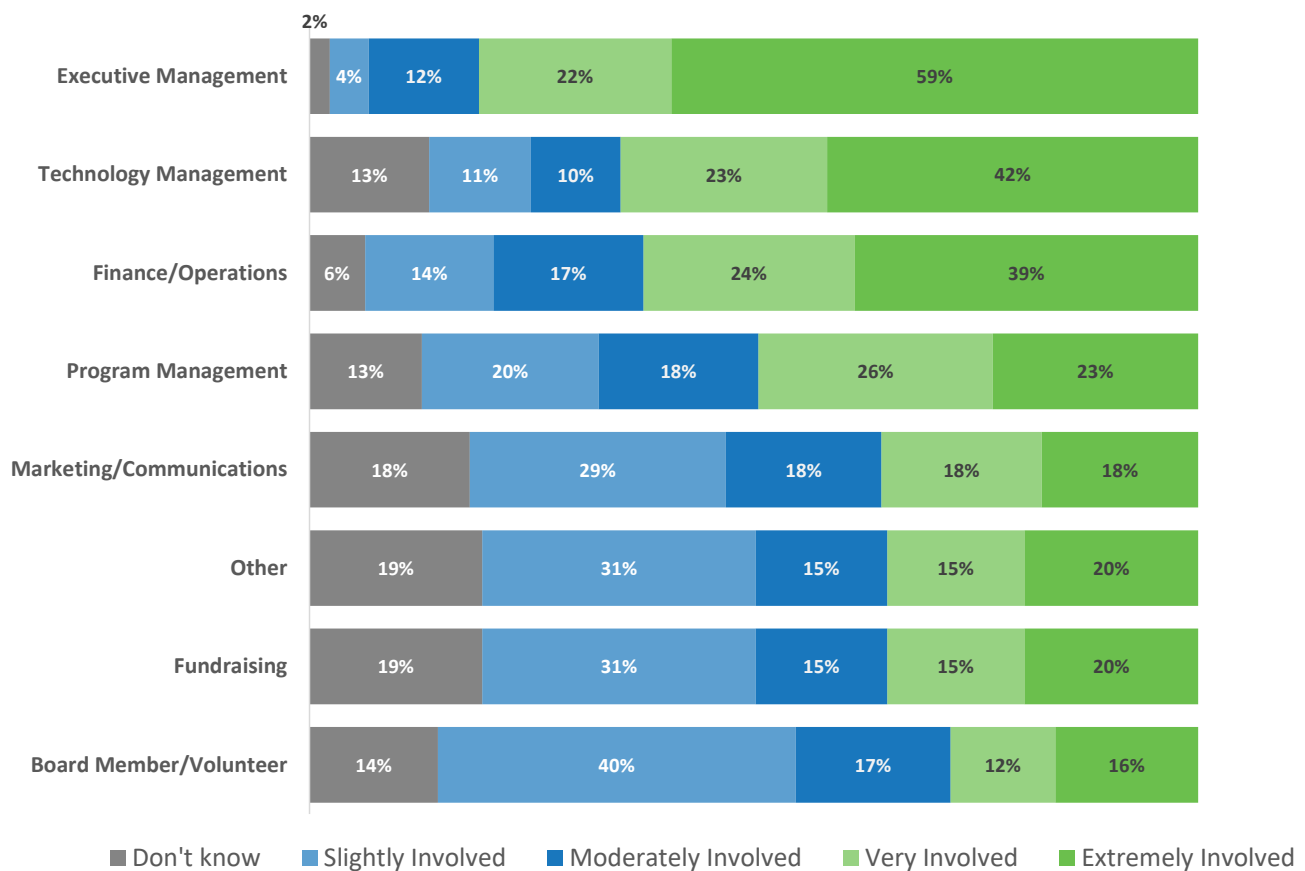

FIgure 11: Involvement in Decision Process by Role.
The survey showed that executive management was usually very or extremely involved. Why?

WHY AREN'T CONSULTANTS MORE INFLUENTIAL? ▶▶▶

We asked nonprofits how influential external consultants were on investment decisions and learned that 35 percent of respondents found them to be not influential and only a combined 23 percent said consultants were extremely or very influential.

On the surface, that result is surprising. However, there are a few possible explanations. The first is that larger organizations are less likely to need consultants, although that notion is undercut by the small increase we found in the influence of consultants as organizational budgets got larger.

Similarly, small organizations are less likely to be able to afford a consultant, at least for the purchase decision phase.

23%
Found consultants to be influential

For small organizations, consultants are typically implementers—the technicians who get the job done. We've also heard from funders and nonprofits that many don't know where to find consultants that specialize in nonprofit technology.
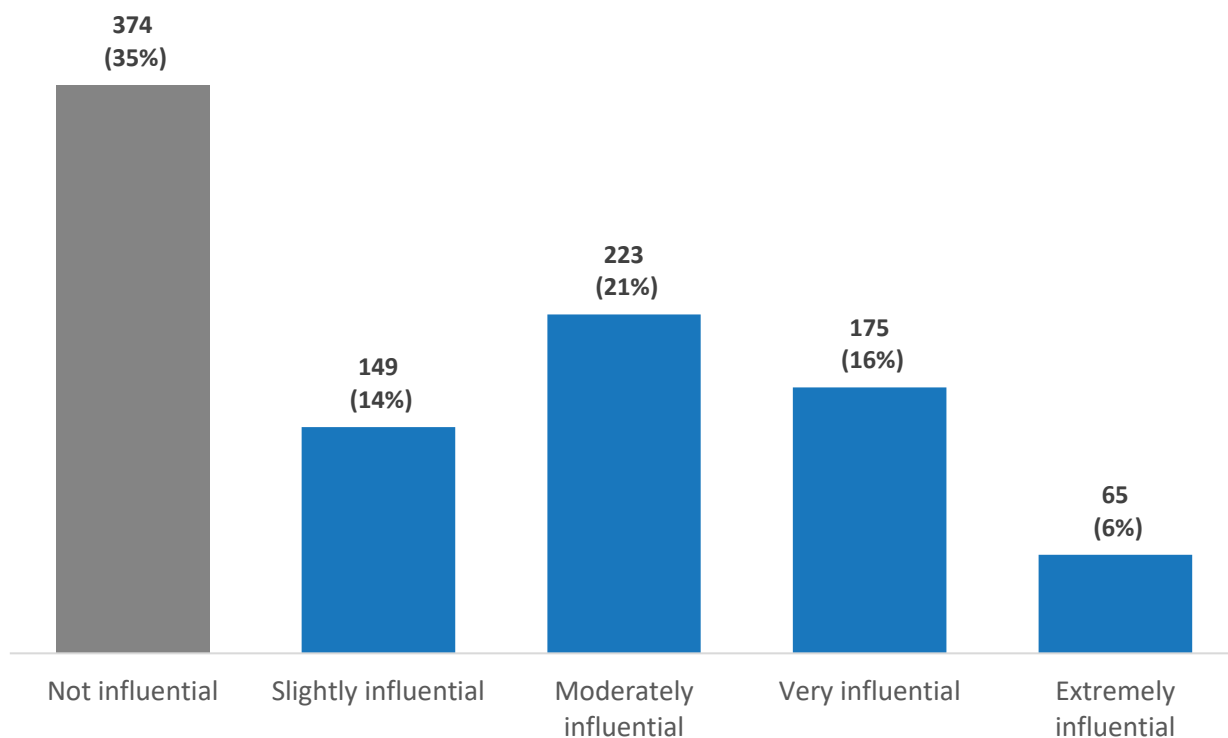

Figure 12: External Consultant Influence.
How influential were the concerns of external consultants on the investment decision?
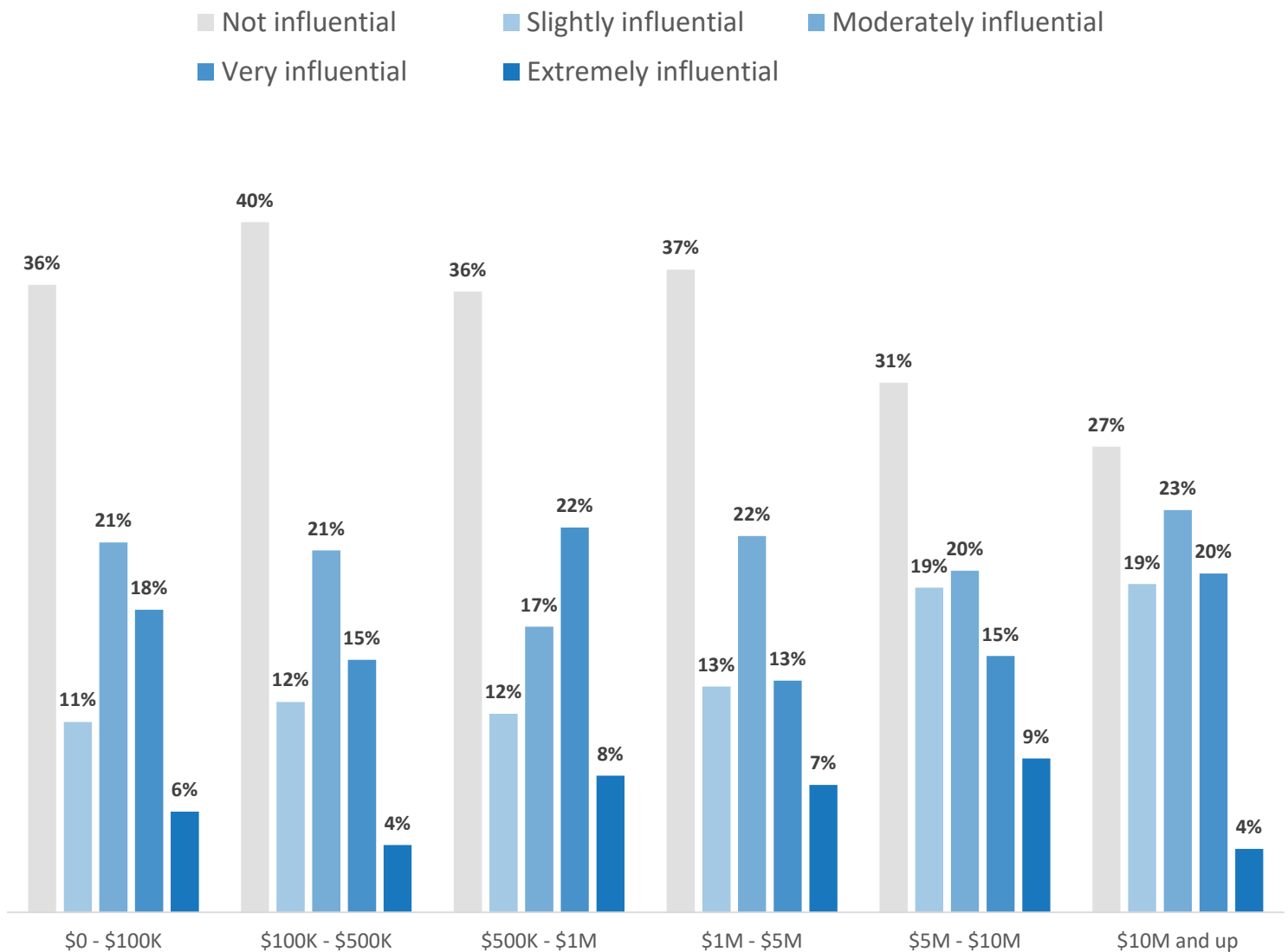
:::TECHIMPACT®

Figure 13: External Consultant Influence by Organization Size.
Consultants were not a strong influence, except in the largest organizations.

However, some experts we spoke with think that the low involvement of external consultants in the decisionmaking phases comes down to trust and roles.

"If you bring in three different consultants, you're probably going to get three different solutions," Callihan said. "You have to carefully weed through to understand why each consultant is offering a different path to the solution."

He cautioned that, for many consultants, alignment with a vendor or certain financial incentives might benefit the consultant, but not the client.

As Lima pointed out earlier, a "bridge" can help protect organizations from influences that are unhelpful, but many organizations don't have someone who can fill that role. The result might be an increasing level of skepticism toward what a consultant is proposing.

DOES EXECUTIVE MANAGEMENT CARE MORE ABOUT ROI? ▶▶▶

As mentioned earlier, executive management is by far the most significantly represented role in our survey. But why?

It could be a result of selection bias in our survey sample. We have reason to believe that executives were disproportionately represented in the population to whom we offered the survey.

But small organizations are likely to only have a few staff members, executive management being one of them. And calculations such as ROI might be more on the minds of executives because of the role they play at their organizations.

Executives are often the final technology decisionmakers, although often in collaboration with a nonprofit's board. They also have the most direct financial responsibility for the organization. Big expenditures that don't deliver results can get an executive director fired.

Executive Management ███████████████ **440 (41%)**

Finance/Operations ██████ **157 (15%)**

Board Member/Volunteer █████ **145 (13%)**

Fundraising Staff ████ **121 (11%)**

Program Management ███ **93 (9%)**

Technology Management ███ **84 (8%)**
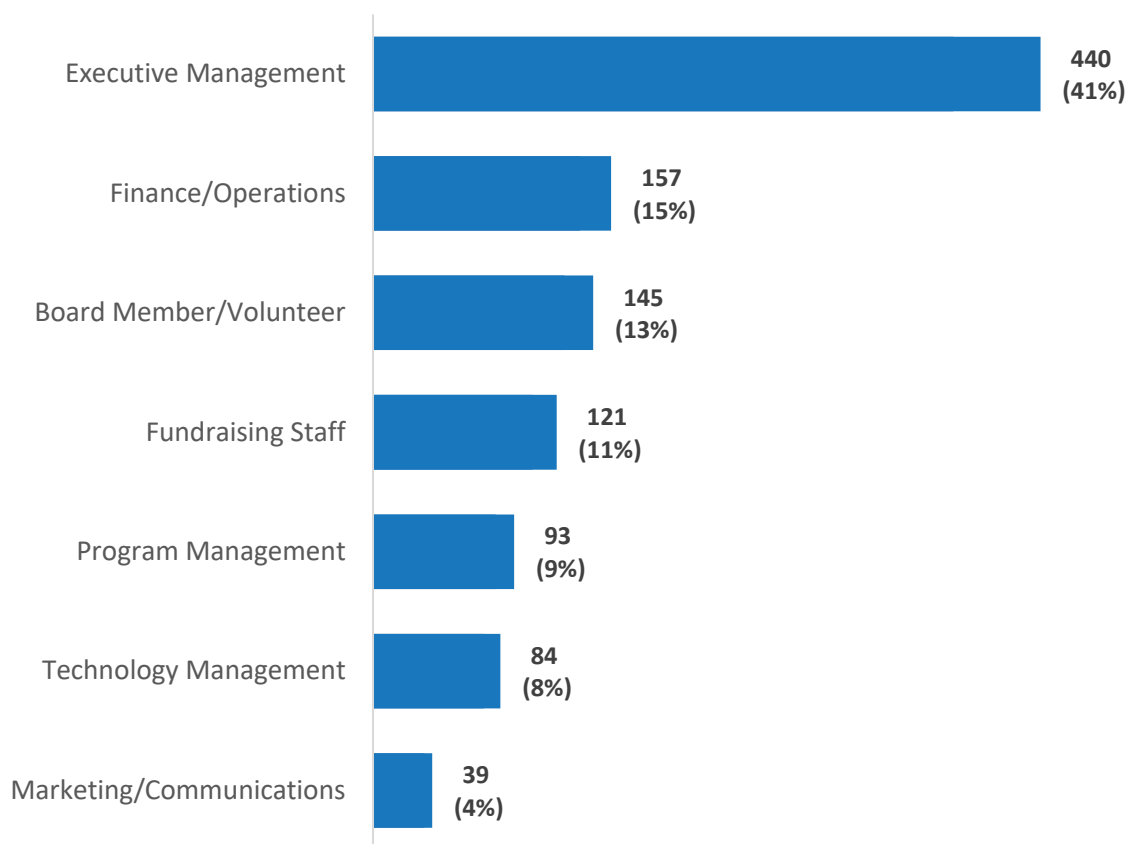
Marketing/Communications █ **39 (4%)**

Figure 14: What is Your Role?
Executives comprised a high percentage of our survey respondents.

TECHIMPACT®

That means the top line is going to be important (Does this technology bring in revenue to offset new expenses?), while the bottom line in terms of time or a refocusing of resources might get less attention.

However, Callihan thinks that focusing on revenue vs. expenses is an overly simplistic view of ROI. Backend efficiencies can save a lot of hours for staff members, which can sometimes translate into dollars saved, but also typically means more impact. That impact is something you are likely to see and understand directly if you're a staff member, but won't show up right away on a balance sheet.

"Executives often have a hard time seeing that," he said. "It can feel abstract to someone focused on numbers."

That's why it's important to map processes so that you can show executives and board members how the organization will benefit. Showing these efficiencies will help executives then make the calculations, Callihan said, either intuitively or with real numbers.

If all staff members expand their idea of ROI beyond financials, they might care more about ROI. The ability to do your work well is a return, but most of us think about ROI data only in terms of numbers or dollars and don't realize that we all play a role in ROI, whether we're making the calculations or not. Executives might be more accountable for the numbers, but all roles can benefit by more explicitly thinking about ROI.

WHAT'S THE ROLE OF BOARDS IN ROI? ▶▶▶

Only about 13 percent of survey respondents were board members or volunteers. However, for organizations with a budget of $100,000 or less, board members and volunteers represented 39 percent of respondents.

Smaller organizations might not have much, or any, staff, so board involvement is critical. Besides, board oversight in technology decisions is important at every organization since board members have a fiduciary responsibility to the organization. Board members can also add useful perspectives and expertise at various stages of the technology selection process.

"Board members have this innate value being outside the day-to-day and being in other industries," Lima said. "You need to leverage that."

She suggests bringing options to the board at various stages in a technology project and getting reactions rather than starting too open ended. Otherwise, you might get a lot of idiosyncratic suggestions rather than a focused perspective on what's possible.

> *"Board members have this innate value being outside the day-to-day and being in other industries. You need to leverage that." — Kay Lima*

In general, a good board can serve a lot of different roles, but is especially helpful early on when seeking out inspiration and late in the decisionmaking process when accountability is important. This might be why for all respondents, board members were at least slightly involved in almost half of tech projects.

CONCLUSION ▶▶▶

It's a great sign to see so many nonprofits applying ROI to a thoughtful technology selection process. Many nonprofits are generally seeing positive returns from their technology investments. This survey also shows that an organization's size doesn't have to hold it back. Small organizations and large organizations alike are applying best practices that deliver strong ROI.

Of course, this survey also shows that there's still a lot of opportunity for organizations to strengthen their evaluation and selection processes and, by doing so, improve ROI.

Here's what we hope to see in this survey two years from now:

- **An overwhelming majority of organizations taking end-user concerns into account.** The better you understand how people actually use the technology and what they need to be successful, the more likely you are to implement a system that is efficient and effective. Organizations that say they don't have time to work closely with end users are likely to instead spend a lot of wasted time correcting for systems that don't work very well.

- **More focus on social benefits.** As a sector, we need to stop thinking about technology as something separate from programmatic work. Technology projects are never just about technology. Technology tools are impact tools. Even a new file sharing system connects to your impact if it improves efficiency because that increased efficiency frees up time or dollars and might also improve the level of service the organization offers. Nonprofits should give sustained attention on financial and operational returns and increased attention on mission returns for technology investments.

- **Thorough selection processes.** Due diligence takes time. This means asking a lot of questions, researching different tools, and trying them out in different ways. Technology selection requires talking to a lot of people, learning about their experiences, and thinking through how those experiences fit with your own. It's not impossible to find the right technology solution in a matter of weeks, but too often nonprofits rush through the process or rely on limited information. This then leads to organizations implementing the wrong technology solution for their needs.

- **Higher ROI for data integration.** Data integration is important, but not always visible. If it's working well, you hardly notice it—the data simply flows to where you need it. Of course, setting up those integrations can be tricky. However, the value of a good integration is huge. Manual processes to move data or replicate it in other systems are incredibly time consuming and susceptible to error. Just as importantly, integration can open up new capabilities that can lead to more effective service, increased fundraising, more sophisticated reporting, and more. There's a lot of value in integration. We hope that more nonprofits can fully realize that value soon.

- **More staff members thinking about ROI.** It makes sense that executives will have ROI on their minds. The financial aspect of their jobs is important. However, ROI isn't only about money. It's a way of thinking about whether you're getting the benefits you need out of whatever you're investing. These are questions program staff, communications teams, and others should be thinking about. We hope they already do and that this will be reflected in the next survey.

As a tool for nonprofits, ROI continues to evolve. Some circles use the terms Return on Mission (ROM) or Social Return on Investment (SROI) in an attempt to move beyond ROI's roots in for-profit thinking and to signal a more holistic way to approach meaningful impact.

Regardless of whether you try to assign financial measures or come at "return" in a different way, it's important for every organization to think about what technology does for it and to weigh those benefits against what it costs in terms of dollars, time, and opportunities.

Our survey is a work in progress. We can already see opportunities to zero in on questions that will uncover further insights. What this year's survey shows is that many nonprofits are thinking about ROI and that they're generally seeing positive returns, but there's also room to formalize these processes further and to gain a clearer view of what technology costs and benefits it can deliver. That's work Tech Impact is excited to do over the next few years. We think it will make a big difference for nonprofits working to reach their full potential.

SURVEY QUESTIONS ▶▶▶

Please tell us a little about your nonprofit and your role there.

1. Organization Size

- $0-$100K
- $100K-$500K
- $500K-$1M
- $1M-$5M
- $5M-$8M
- $8M-$10M
- $10M and up

2. Role

- Board Member/Volunteer
- Executive Management
- Finance/Operations
- Fundraising Staff
- Marketing/Communications
- Program Management
- Technology Management

Think about a technology solution your organization recently acquired.

3. How would you rate the scale of this project?

- Small
- Medium
- Large
- Do not know/unsure

4. From the time your organization started researching the solution to the time of purchase, how long did the decision take?

- Less than 1 month
- 1 month up to 3 months
- 3 months up to 6 months
- 6 months up to 1 year
- 1 year or more
- Do not know

5. Approximately how many total people from your organization (including volunteers and/or board members) were involved in the technology decision?

- 1-4
- 5-10
- 11-20
- 21-50
- More than 50
- Do not know

6. For each of the following areas of your organization, indicate the level of involvement in the decision process:

Board Member/Volunteer

- Extremely involved (4)
- Very involved (3)
- Moderately involved (2)
- Slightly involved (1)
- Not involved (0)
- Do not know

Executive Management

- Extremely involved (4)
- Very involved (3)
- Moderately involved (2)
- Slightly involved (1)
- Not involved (0)
- Do not know

Finance/Operations

- Extremely involved (4)
- Very involved (3)
- Moderately involved (2)
- Slightly involved (1)
- Not involved (0)
- Do not know

Fundraising

- Extremely involved (4)
- Very involved (3)
- Moderately involved (2)
- Slightly involved (1)
- Not involved (0)
- Do not know

TECHIMPACT®

Marketing/Communications

- Extremely involved (4)
- Very involved (3)
- Moderately involved (2)
- Slightly involved (1)
- Not involved (0)
- Do not know

Program Management

- Extremely involved (4)
- Very involved (3)
- Moderately involved (2)
- Slightly involved (1)
- Not involved (0)
- Do not know

Technology Management

- Extremely involved (4)
- Very involved (3)
- Moderately involved (2)
- Slightly involved (1)
- Not involved (0)
- Do not know

7. How influential were the concerns of end users on the investment decision?

- Extremely influential (4)
- Very influential (3)
- Moderately influential (2)
- Slightly influential (1)
- Not influential (0)
- Do not know

8. How influential were external consultants on the investment decision?

- Extremely influential (4)
- Very influential (3)
- Moderately influential (2)
- Slightly influential (1)
- Not influential (0)
- Do not know

9. What benefits did your organization consider when making this technology investment and how much did those outcomes influence the decision?

Financial Benefits (system made us more money than it cost, for example)

- Extremely influential (4)
- Very influential (3)
- Moderately influential (2)
- Slightly influential (1)
- Not influential (0)
- Do not know

Organizational/Operational Benefits (better internal coordination or security, for example)

- Extremely influential (4)
- Very influential (3)
- Moderately influential (2)
- Slightly influential (1)
- Not influential (0)
- Do not know

Social Benefits (improved life for community members, for example)

- Extremely influential (4)
- Very influential (3)
- Moderately influential (2)
- Slightly influential (1)
- Not influential (0)
- Do not know

Other Benefits (these are often difficult to measure: staff morale, being ahead of curve/leading edge, opportunity cost, etc.)

- Extremely influential (4)
- Very influential (3)
- Moderately influential (2)
- Slightly influential (1)
- Not influential (0)
- Do not know

10. For each of your organization's current technology solutions, please rate the relative Return on Investment (ROI):

Broadcast Email

- High ROI (3)
- Moderate ROI (2)
- Low ROI (1)
- No ROI - cost outweighs benefits (0)
- Do not know/do not use

TECHIMPACT®

Constituent/Client Management System

- High ROI (3)
- Moderate ROI (2)
- Low ROI (1)

- No ROI - cost outweighs benefits (0)
- Do not know/do not use

Donor Management System

- High ROI (3)
- Moderate ROI (2)
- Low ROI (1)
- No ROI - cost outweighs benefits (0)
- Do not know/do not use

Data Integration

- High ROI (3)
- Moderate ROI (2)
- Low ROI (1)
- No ROI - cost outweighs benefits (0)
- Do not know/do not use

Online Forms

- High ROI (3)
- Moderate ROI (2)
- Low ROI (1)
- No ROI - cost outweighs benefits (0)
- Do not know/do not use

Organization Website

- High ROI (3)
- Moderate ROI (2)
- Low ROI (1)
- No ROI - cost outweighs benefits (0)
- Do not know/do not use

Project Management Software

- High ROI (3)
- Moderate ROI (2)
- Low ROI (1)
- No ROI - cost outweighs benefits (0)
- Do not know/do not use

ADDITIONAL RESOURCES ▶▶▶

Why Your Organization Needs to Share Metrics as Well as Anecdotes (Guidestar), *Bill Hoffman*

https://trust.guidestar.org/why-your-organization-needs-to-share-metrics-as-well-as-anecdotes

Return on Mission: A Framework to Measure Success at Philanthropic Organizations (sgENGAGE), *Andrew Urban*

https://npengage.com/nonprofit-management/return-on-mission/

Soft ROI and Hard ROI: Why You Should Assess Both (Classy), *Ellie Burke*

https://www.classy.org/blog/soft-roi-hard-roi-why-assess-both/

How to Measure the Value of an IT Investment (Tech Cafeteria), *Peter Campbell*

https://techcafeteria.com/blog/?p=2065

TECHIMPACT®

ABOUT THIS REPORT ▶▶▶

Authors

Dan Rivas, Lead Researcher
Dan Rivas is a writer and editor who has worked with nonprofits, local governments, and large companies to research and communicate ideas that move communities forward. He lives in Portland, Oregon.

Karen Graham, Managing Director of Education and Outreach

Karen is a sought-after speaker, trainer, writer, and consultant with expertise in technology leadership and innovation, nonprofit software, and digital strategy. As Tech Impact's Managing Director of Education and Outreach, she leads the Idealware team of researchers, presenters, and writers who create technology information resources designed to help nonprofit leaders put their vision into action. Her past experience includes leading the technology consulting services and nonprofit technology learning and networking programs at MAP for Nonprofits, helping to build the nonprofit CRM/database solution provider thedatabank from a startup to a thriving software company, and various roles in arts and human services organizations. She holds an MBA in Nonprofit Management from the University of St. Thomas.

Chris Bernard, Managing Editor
Chris is a career writer and journalist with experience in newspapers, magazines, advertising, corporate and nonprofit marketing and communications, and freelance writing. He oversees Tech Impact's editorial and communications.

Contributors

This report would not be possible without the generosity and contributions of many people. Many thanks to those who provided comments on our criteria for review, and reviewed the final report:

- Adam Rosenzweig, *Okta for Good*
- Dee Baskin, *Loan Repayment Assistance Program of Minnesota*
- Heather Martin, *18 Doors*
- Jan Kaderly, *A Line Strategy*
- Jeanne Bell, Joel Toner, *Nonprofit Quarterly*
- Kate Barr, *Propel for Nonprofits*
- Kay Lima, *Institute for Nonprofit News*
- Laura Wario, *Fox Valley Technical College*
- Marnie Webb, Michael Enos, *Tech Soup*
- Melissa Sines, *PEAK Grantmaking*
- Nejeed Kassam, *Keela*
- Patrick Callihan, Peter Schiano, Liora Lebowitz, *Tech Impact*
- Taj Carson, Jacob Joseph, Peter Vuyk, *Inciter*

Survey Partners

Thanks to the following organizations for helping us distribute the survey:
- *CGNet*
- *Community IT*
- *Council on Foundations*
- *DonorPerfect EveryAction*
- *Grantbook*
- *Kindful*
- *Microsoft*
- *Net Hope*
- *Nonprofit Quarterly*
- *Okta for Good*
- *PEAK Grantmaking*
- *Technology Assocation of Grantmakers (TAG)*
- *Tech Soup*
- *United Philanthopy Forum*
- *WizeHive*

How Was This Report Funded?

This report is funded by the generosity of our sponsors—Community IT and WizeHive—and through the continuing contributions of our Leadership Circle sponsors (DonorPerfect, EveryAction, Kindful, Microsoft, and Neon One). It was entirely researched and written by Tech Impact.

Maintaining editorial integrity and impartiality while funding reports in the technology sector demands rigor. We work hard to meet those demands as well as the expectations of our audience.

To maintain editorial integrity and impartiality, we take the following steps:
- Tech Impact's Idealware program is responsible for research and editorial content of this report.
- Ads are sold by fundraising staff without any collaboration or communication with those responsible for researching and writing the report.
- Neither vendors, advertisers, or sponsors see the report prior to publication and have no input over content.

Additionally, Tech Impact may work with promotional partners to help the report find as wide an audience as possible. Such partners agree to help us distribute the report to widen our reach in exchange for promotional considerations.

TECHIMPACT®

About Our Sponsors

Community IT

Community IT is a top-ranked Managed Services Provider (MSP) in the Washington, DC region and a recognized leader in the nonprofit technology community. A 100% employee owned company, Community IT focuses on helping nonprofit organizations achieve their missions through the effective use of technology. Services include IT security, cloud migration, help desk support and strategic IT planning. Learn more at www.communityit.com.

WizeHive

WizeHive provides a secure, cloud platform—Zengine™—along with comprehensive, industry-leading services and support to mission-based organizations. Learn more at www.wizehive.com.

About Our Media Partner

Nonprofit Quarterly

The Nonprofit Quarterly (NPQ) envisions a world in which we live in an active democracy whose values are fully grounded in human rights, economic and social justice, racial equity, and thriving communities. Our mission is to foster an active, engaged and sometimes disruptive civil sector. NPQ uses a range of media channels to help advance critical conversations that can refine nonprofit and social movement policy and practice. In our work, we seek to be a challenging voice that helps to advance conversations in the sector. In so doing, we consciously seek out a wide range of voices. In addition to the work of NPQ editors and staff, we rely heavily on the contributions of volunteer writers, contributors, and advisers, who push us to think about ideas in new ways. Subscribe to our complimentary newsletters at https://nonprofitquarterly.org/newsletters/

About Tech Impact

Tech Impact is a nonprofit on a mission to empower communities and nonprofits to use technology to better serve the world. The organization is a leading provider of technology education and solutions for nonprofits and operates award-winning IT and customer experience training programs designed to help young adults launch their careers. Tech Impact offers a comprehensive suite of technology services that includes managed IT support, data and strategy services, telecommunications, and cloud computing integration and support.

In 2018, it expanded its education and outreach capabilities by merging with Idealware, an authoritative source for independent, thoroughly researched technology resources for the social sector.

Tech Impact's ITWorks and CXWorks training programs have graduated hundreds of young adults with the knowledge, skills and confidence they need to start their careers in the technology and customer experience industries. The organization also operates Punchcode, a coding bootcamp based in Las Vegas, NV. Learn more at www.techimpact.org.

About the Technology Learning Center

Tech Impact's Technology Learning Center, or TLC, is an expansive collection of technology education materials—just like this guide—created exclusively for nonprofits. It includes hundreds of free publications and downloads, a free organizational tech assessment, and the most comprehensive curriculum of webinars, courses, and on-demand learning about nonprofit technology currently available. The vast majority of resources are free, and the remainder are priced within reach of even the smallest nonprofits. Give your tech knowledge a little TLC at https://techimpact.org/technology-learning-center.

CommunityIT Innovators® | where technology meets mission

IT Support for Nonprofits
Accomplish Your Mission with Better IT

Your technology shouldn't hold you back. It should drive you forward. We can help.

We're the only IT company that's exclusively served nonprofits for over 25 years.

We constantly research and evaluate nonprofit technology to ensure that you get cutting-edge solutions that are tailored to the needs of your organization. Our technicians are friendly IT experts who are passionate about serving nonprofits. Get a strategic IT partner. Reduce issues. Get peace of mind.

Services Include:

- Managed IT Support
- Workstation and Server Monitoring
- Managed Antivirus
- Managed Backup
- Email Filtering, Security, and Continuity
- Training and Technology Adaptation
- Managed Firewall

- Onsite Support
- Cybersecurity
- Server Hosting
- Network Management
- Cloud Management
- Endpoint Management
- Consulting and Strategy

Ready for Better IT? Let's Talk.

communityit.com • connect@communityit.com
1101 14th St NW #830, Washington, DC 20005

Want to be sure you're making the right IT decision?
Download our free Nonprofit Guide to Vetting a Managed Service Provider.

Software that's personalized.

Service that's personal.

Discover grants management software that's flexible, integrated, and supported, all to enable your mission and grow your impact.

wizehive.com | 1.877.767.9493

wizehive

Know more.
Raise more.
Do more good.

Kindful's fundraising and donor
management software will help you
understand your donors like never before.

Learn more at Kindful.com

Kindful

Introducing Fundraising and Engagement for Dynamics 365 Sales

Create donors for life and increase mission impact by getting a holistic, connected view of fundraising, finance, and program functions.

aka.ms/FundraisingandEngagement

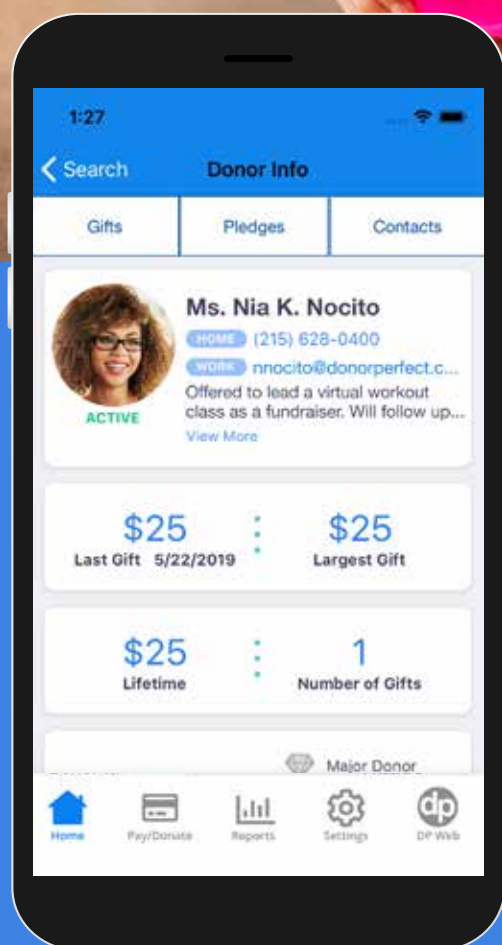Microsoft

Why
EveryAction?

It's nonprofit software that people love.

EveryAction's unified CRM, digital, and fundraising platform makes it easy to:

- Engage supporters and donors strategically across channels
- Collaborate across teams and programs
- Create and leverage 360° supporter data for improved return
- Raise more money!