

**2020/2021 Report**

# The State of Digital Maturity in the Not for Profit sector



## An Introduction from The Access Group

Whilst many of you will have begun 2020 thinking about the importance of your organisation becoming more digitally mature, none of us could have expected the finite importance digital would take on as the year progressed. This year will be remembered as one where the fundraising, comms and marketing departments in charities and not for profits, along with scores of volunteers, had to pivot from face to face interactions and multiple revenue streams, into a new digital only world where the ability to receive online donations became a must.

The London Marathon. Not this year. Big Coffee Morning gatherings. No can do. Lucrative pub quizzes. Sorry, they are closed! It was time to get creative and collaborative, and that is exactly what happened. Run 5, Donate 5, Nominate 5 latched on to the popularity of daily exercise allowance during lockdown, and became a massive social media success story. Similarly, pub quizzes pivoted to online zoom quizzes, as the popularity of a zoom quiz (that did not involve your extended family...) grew.

The innovation shown by charities and charitable individuals was perhaps the most encouraging sign of the last six months. It would be remis of us to forget about one individual who highlighted the importance of simplicity and not overthinking an idea, one individual whose laps of his garden raised £33m for charity, we're of course talking about Captain Sir Tom Moore.

With all that's been going on, all the innovation that has had to be shown, and the huge shift in approach charities and not for profits have had to take on, The Access Group wanted to find out how the sector currently sees the subject of Digital Maturity. With that in mind we undertook a survey in August to understand how charities and not for profits currently see their progress digitally as well as how they feel they compare to other organisations and how this affects their current performance.

The aim of this report is to identify similarities and disparity across the sector when it comes to Digital Maturity progress. This we hope will help provide a benchmark for Charities and Not for Profits to judge themselves against for continued progress in the coming months and years. With the overall aim of highlighting areas for improvement across the sector to encourage idea sharing and collaboration between organisations.

As a leading digital technology provider for the NFP sector, we have been involved every step of the way during the challenges that 2020 has presented to us all. Never have we seen such creativity, resilience and fortitude as we have this year, which makes these report findings even more impressive. With that in mind, we invite you to view the full findings of this State of Digital Maturity Report 2020.





## **Foreword: Ian Patterson - Digital Strategist**

For a long time now, digital has been both rewarding and frustrating. We are reminded of the famous novel by Charles Dickens, *A Tale of Two Cities* which begins "It was the best of times, it was the worst of times..." Whilst there's no point putting lipstick on the 2020 pig and we understand that the worst of times have challenged the best of us - we are fascinated with this report's results. This report highlights differences between senior managers and the C-Level Execs opinions, but overall demonstrates a distinct maturing of approach and attitudes towards digital in the Not for Profit sector.

When considering the Not for Profit sectors' collective response towards digital maturity during these trying times, we could have expected one of two outcomes. For organisations to either 'drop the digital ball' and focus less on improving their digital strategies and capabilities due to other pressing priorities (such as downsizing or damage limitation) or, for the pandemic to have a compounding effect, whereby the need to digitalise became very real. I am pleased to say that we have seen the latter; a true maturing of the sector, where digital is no longer a 'nice to have' or can-kicking exercise, but something obtainable and achievable for all.

Other leading reports on this topic allow us to consider interesting comparison. Such comparison can only ever be anecdotal, but it can provide wider context. For example, the Deloitte Digital Disruption Index (Jan 2019) found that 28% of senior leaders said their organisations were in the early stages of digital development. When we look at our data, we see 27.51% of senior leaders saying they are 'Ahead in most respects'. Do these stats provide a hint towards a sudden, sharp focus on digital in recent months?

Some might say that COVID-19 was a powerful catalyst that sharpened attentions and gave NFP's the permission, impetus, and investment to deliver against digital expectations. In reading the survey findings it's clear to me that we are way past grass roots, having now reached a new plateau of digital maturity within this sector, a stage where technology is no longer a barrier, and approval at senior level is no longer holding us back.

# Survey Key Findings

**38%** of respondents say their Digital Maturity is very much still a work in progress

**55%** of senior managers feel their advancements in Digital Maturity are mostly behind the scenes, and not of direct benefit to their charities supporters or those who rely on their help

**73%** of respondents acknowledged competition for share of wallet to be real, with competition becoming stronger

**41%** of respondents say they're currently actively investing in new technology to aid their digital maturity

**39%** of respondents encouragingly stated that digital forms of communication, such as a Q&A engine, have replaced/ supplemented more traditional forms of communication with supporters

**48%** of respondents stated that their digital strategy and overall strategy only crosses over on obvious things such as fundraising, showing clear room for improvement on aligning the Digital Strategy with overall organisational strategy

**47%** of senior managers said that only some people had access to digital reporting, and that these reports were not widely shared throughout the organisation, meaning access to digital metrics is limited



# Digital Maturity Progress in the Not for Profit sector

Encouragingly, the vast majority of those surveyed feel confident enough to judge their own stage of digital maturity, with 98% of those surveyed responding with an answer to the question ***“Which of the following best describes your organisations state of digital maturity?”***

Among the many questions asked in our state of digital maturity survey, perhaps the most simple but equally most important of all was the first, *“Which of the following best describes your organisations state of digital maturity?”*

Encouragingly almost all **(98%)** of those surveyed felt they were in a position to give an answer one way or another on their current state of maturity, which shows an understanding for such an important concept.

The majority **(38%)** stated that their current level of Digital Maturity was ‘A work in progress’ showing positive progress but also a willingness to not stop now.

Perhaps most interestingly of all, there was a clear disparity between the viewpoint of C-Level execs and those of Senior Management. On the above question, **43%** of those in senior management positions felt their Digital maturity was where they ‘wanted/expected it to be’ whilst only **27%** of C-Level executives felt the same way.

## KEY FINDING #1

The vast majority of NFPs feel empowered enough to judge their own stage of digital maturity. A clear sign of a sector that has achieved a healthy state of self-awareness, aided by access to increased availability of free digital resources and information



The next thing to consider, once an understanding of how digitally mature organisations in the sector were, was to look into what they had been doing to become more mature in their own minds, and the minds of their supporters. When asked how digital advancements are benefiting their organisation both front of and back of house, **28%** of respondents say they're trying their best to make advancements on both sides.

However, the highest response (**45%**) came from those who are mainly focussing on back of house digital advancements. This isn't necessarily a negative as many back of house advancements will ultimately benefit supporters and users.

Notably, when looking at Senior Managements' response to the above option, the number increases to 55%, indicating a shift change whereby implementing digital change behind the scenes is being given the green light more so than usual by decision makers within NFP organisations.

## KEY FINDING #2

Digital is being leveraged both internally and externally, despite investment in external activities being traditionally easier to justify.

This highlights that NFPs are rising to the challenge to make use of digital to drive operational efficiencies, collaboration and strategy.

The NFP sector traditionally values collaboration and idea sharing and this has been vital during a crisis like the one we're currently experiencing. With that in mind it was important to delve into this further and ask how it felt to see other NFP organisations succeed digitally. Was it inspired and motivated, or was it envious and left behind?

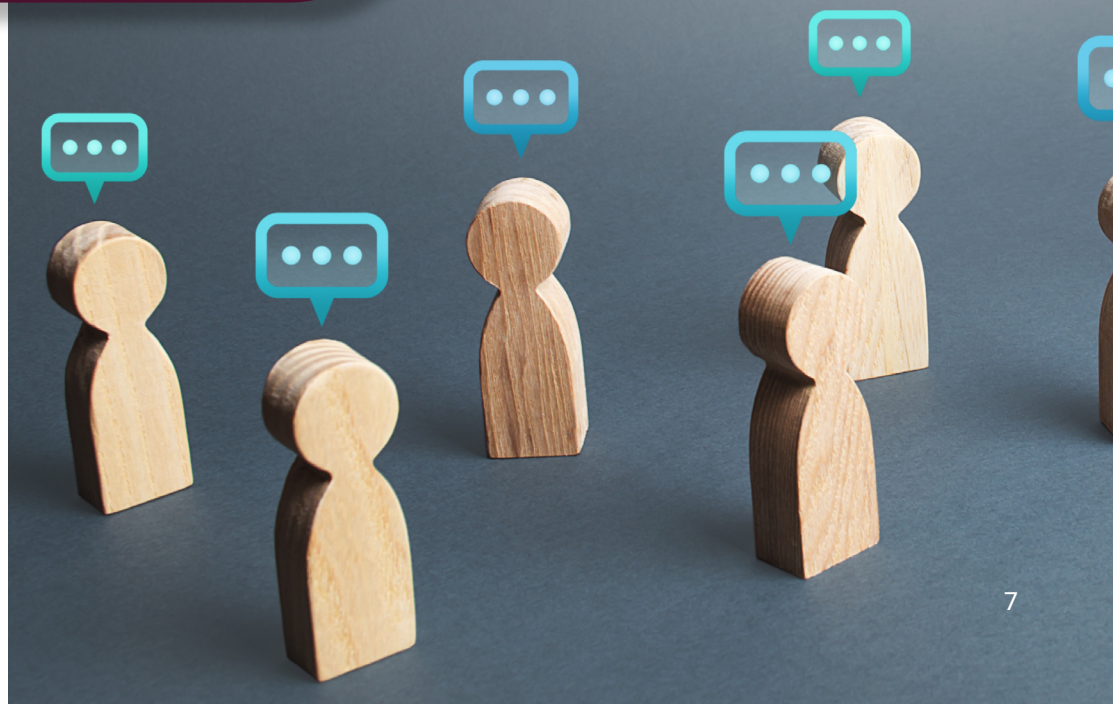
Reassuringly, **47%** of those surveyed suggested that hearing about others successes inspired them to try similar ideas, however **35%** stated that they are currently only able to move at their own pace, and even when they see inspiring ideas, they often don't have the capacity to try something similar.

The variance in results could indicate that NFPs appreciate the benefit of seeing other success stories, whilst being honest enough to express the reality of their circumstances, to not always be able to act upon them.

### KEY FINDING #3

**Sharing peer success within the NFP sector has powerful implications.**

**Even when being inspired to try new ideas as a consequence of seeing successful results, some decision makers also exercise caution with a sense of either indifference or frustration, given that they can only move at their own pace.**



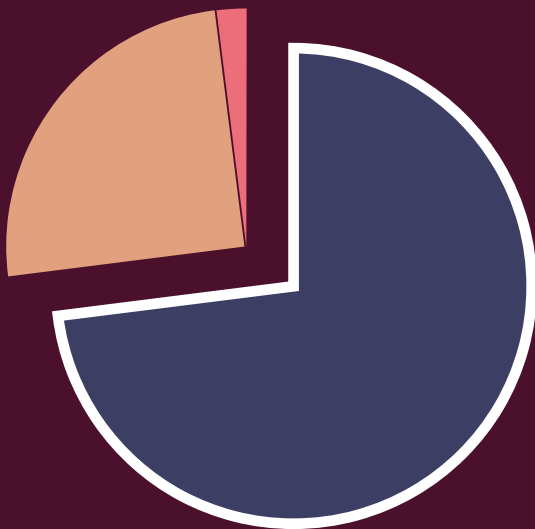
# What does Digital Disruption mean for NFPs?

Covering a new and emerging area of importance

The subject of competition in the Not for Profit sector is a tricky one, unlike commercial entities, NFP organisations don't compete in the traditional sense for buyers attention. However, when all is stripped back, your organisation still has to compete for a supporter's donations in a crowded field, so the principles seen in the commercial world still apply.

Unlike similar reports that side-step the acknowledgement of competition in the NFP sector, we wanted to meet this head-on by asking our decision makers if they experience competition.

When asked 'In your experience, is digital disruption introducing competition?' 7 in 10 (**73%**) of respondents acknowledged competition for share of wallet to be real, with a much smaller **25%** not seeing digital disruption driving competition in what they do.



## 73%

Of those surveyed stated that digital advancements have created competition for share of wallet in the Not for Profit sector.

To analyse how advanced NFPs are on their digital maturity journey, it was vital to ask what importance was currently placed on Digital and I.T. strategies.

Results showed that an impressive **87%** of NFPs have either an I.T. and/or digital strategy, whereas a much smaller proportion (**13% or 1 in 7**) do not.

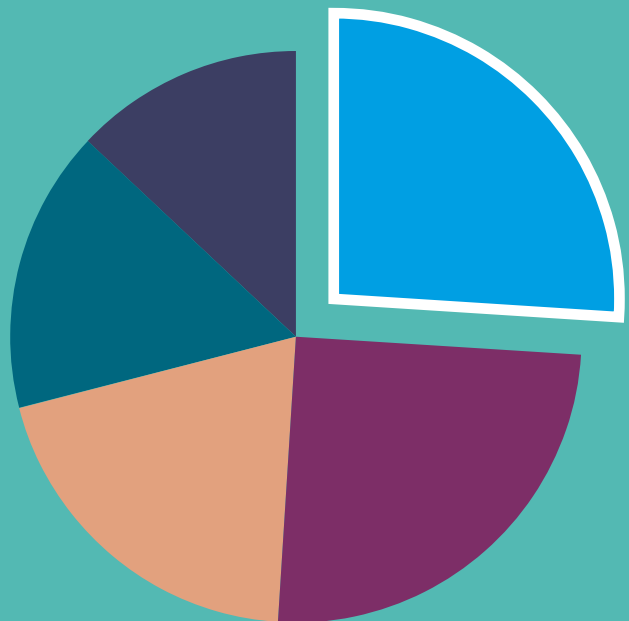
More NFPs (26%) have a digital strategy in place, whilst fewer (16%) have an I.T. strategy. This demonstrates the importance of digital strategy to NFPs and may also reflect a trend towards digital becoming a term that includes I.T. in some instances.

This question also asked whether, of those who had both strategies in place, had they managed to align the strategies to help meet organisational goals. The results showed that **20%** of NFPs have successfully aligned their digital and I.T. strategy, which is impressive by any sector's standards.

On viewing the results, digital strategist Ian Patterson stated *"Evidence of a digitally mature sector is that digital strategy has taken the lead in favour of I.T. strategy. In 2020 the vast majority of NFPs have either an I.T. and/or digital strategy, however alignment between these two areas remains an objective for the sector"*.

# 26%

Of those surveyed  
stated that they have  
a digital strategy but  
not an I.T. strategy



# The implementation of Technology in NFPs

On any digital maturity journey, the implementation of technology to make your organisation more efficient or more accessible to those you serve is imperative.

## How are NFPs currently investing in technology?

For the next phase of the research, it was important to understand where Not for Profit organisations currently stood on the concept of investing in new technologies. When asked what currently applies to their organisation in relation to investment in new technology, **41%** responded that they are 'investing now' in new technologies, an incredibly encouraging statistic given the current climate.

Once again these results made Access collaborator Ian Patterson sit up, he noted that *"If evidence were needed to prove that NFPs are rising to meet the challenge of 2020 – this is it. It's clear that NFPs are not putting their plans on hold, but rather investing in digital solutions and services during this unprecedented period, to the benefit of their good causes and their people."*



## Implementing technology to improve internal and external communications.

The next phase of the research aimed to discern the sort of communications technology NFPs are currently using, and whether this has changed at all due to recent circumstances. The survey at this point asked a number of questions as part of a set around 'communications channels'

### Forms of external communication

Encouragingly from a digital maturity perspective, a huge **78%** of all NFP respondents use some form of digital communications to engage with their donors and supporters.

This is offset by a much smaller **20%** of respondents who said their organisation mainly provide offline comms options e.g. snail mail, telephone or in person. It's safe to suggest that even those who selected this option will have had to pivot in recent months to more digital forms of supporter communication.

### Forms of internal communication

Respondents were also quizzed on their approach to internal communication, an area that has taken on a real level of significance in recent months.

A large proportion of NFPs (**65%**) provide some form of integrated comms, messaging or video service for internal communications purposes. Notably, this is only **17%** for video comms.

With a distinct focus on digital strategy to aid internal operations and investment in new digital technologies, more of the NFP sector should begin to enjoy a wider range of internal comms options. This could include video, which is increasingly deemed to be an essential form of remote communication for many home workers

## Improving the user experience through technology

The final technology based question allowed respondents to select all of the options that currently applied in relation to how they have implemented digital technology to improve their users experience with the organisation.

Just under **40%** of respondents stated that they direct users to their online Q&A page, rather than rely on traditional methods such as answering queries over the phone or via email.

### KEY FINDING #4

Perhaps the standout of all responses in the technology section, was the higher than expected **34%** who stated they currently use Chat-Bots to respond to user queries in a timely and automated manner, demonstrating a mature use of AI and automation in this sector

# Aligning Digital and Organisational objectives

As the emphasis on digital grows within NFP organisations, the importance of aligning your digital objectives with those of the overall organisation's objectives becomes clear.



There's often a risk when setting digital objectives, that these simply meet the needs of the digital team to prove the success of their efforts, rather than align with overall organisational objectives.

The results of initial findings in the Digital Objective section of the survey showed that In 2020, digital is fundamentally aligned to NFP organisational strategy in the majority of cases, with only **1 in 6 (16%)** of respondents saying that their organisation's plan and digital metrics are separate.

When it comes to aligning digital and NFP organisational KPIs almost half (**48%**) of respondents said 'There is some cross over, but for obvious things such as donations' whilst just under a third (**32%**) of respondents said that they work even harder to ensure that all digital activities support their overall organisational strategy.

Once again this is another sign of maturity in the sector that we can clearly consider to be digitally confident, in a variety of examples, whilst still understanding there is significant room for improvement.



## Visualising and sharing digital reporting.

One of the key elements of aligning digital and organisational objectives, is being able to visualise and share digital reporting to ensure organisation wide buy in. If Digital teams are simply keeping their data to themselves and working in an insular way, it becomes near impossible to measure and align objectives with the organisation as a whole.

Digital reporting, and more specifically – socialising of digital analytics, appears to a major area of improvement needed across the NFP sector. This could be due to adoption of piecemeal or legacy digital solutions that are unable to integrate and visually represent digital reporting information, or it could be due to NFPs having not worked out how to make reporting data meaningful and motivational for the widest possible benefit.

Almost half (**47%**) of senior managers surveyed stated that some people have access to digital reporting, but that this is not shared throughout the organisation for all to see. Interestingly just over a quarter (**26%**) of C-Level execs said the same, which somewhat illustrates the disparity and lack of results sharing.

Perhaps surprisingly given the encouraging developements we've seen throughout, only **22%** of respondents said that they have organisation wide access to a system that displays all key digital metrics. This particular statistic highlights the need for NFPs to remember to follow up their investment in digital maturity by ensuring they're accurately reporting and sharing their achievements with the wider organisation, to ensure continued buy in.

# 32%

Of those surveyed stated that select people have access to reports but that these reports are not spread throughout the organisation.



# The role of innovation in the Not for Profit sector

Being innovative might seem like the last thing on people's minds whilst navigating a crisis, but innovation doesn't have to be over complicated. Simple pivots like the move to online fundraising seen during the recent lockdown can provide great experiences for your supporters.

“ One thing I love about digital is the innovation. Sure you have to be interested in order for that to be a factor, but what I'm trying to say is that digital has become synonymous with innovation, and for that reason I enjoy talking with people about digital, the change it can bring and the doors it can unlock. ”

**Ian Patterson**

Digital Strategist - Desktop Shortcut

The final aspect of this research was aimed at understanding how the sector currently sees the topic of innovation, and whether it's a priority or something pushed to the side in favour of steadying the ship. Respondents were asked a broad multiple choice question around the reasons (if any) they feel innovation is important.

Almost half (**47%**) of respondents said '*Being more productive*' was one of the main reasons they consider innovation to be important, whilst over 2 in 5 (**45%**) of respondents said '**Driving down costs**' was one of the main reasons they consider innovation to be important.

NFPs associate innovation with being more productive and driving down costs, which is a clear sign that attitudes towards digital investment are mature – given that innovation (to the novice) is often met with fear of waste and risk.

Encouragingly, given the need for NFPs to be innovative quickly in recent times, over 2 in 5 (**42%**) respondents said '*Experimenting e.g. trying new forms of fundraising, donation methods, awareness raising*' was one of the main reasons they consider innovation to be important. A clear indication that creativity is on the rise within the sector, and some of the fear factor associated with innovation is diminishing.



## Understanding the current skillset level.

With innovation on the rise in the NFP sector, it's vital to understand whether the skillset is there to support an increase. Of course that's not to say you have to have particular qualifications to be innovative, but having a level of experience in delivering innovation projects will help NFPs meet their goals and deliver a great supporter experience.

Of those surveyed, just over 3 in 5 (**61%**) said yes, their organisation does have the skills, training and knowledge to innovate in digital but they need to improve the remit to be more innovative. Once again, like many points established in this report, this statistic is encouraging on two fronts. Firstly it shows the majority of NFPs surveyed feel they have the skills to innovate and secondly it shows a level of humility and understanding that there's still room to improve.

### KEY FINDING #5

**In the main, NFPs now feel that they have the skills, training and knowledge to innovate in digital. This demonstrates how hard NFPs have been working to source digital talent and ensure their people are aware of options to innovate in digital within the organisation.**

# Final words: Ian Patterson

I have no doubt that other sectors have previously considered NFPs to be behind in digital – likely far behind, especially when compared with the commercial world. This report paints a significantly different picture, of a sector that has risen to grasp the opportunities that digital can afford, to benefit their donors, stakeholders, and trustees. What is truly impressive is that we have reached this point during a crisis of unprecedented proportions.

Most telling is that important digital topics are commonly understood and accepted today, in the conversations we have and the publications we read. For a long time digital transformation was met with frustration and even denial by some, but now we have reached an equilibrium, forged out of a need to work together during difficult times, whereby digital disruption, transformation and maturity are accepted and acted upon.

This is great news for supporters, volunteers, donors, contributors and all those people who benefit from digital ‘on the ground’ in their daily lives and day-jobs. After all, when we talk about digital maturity, we are first and foremost interested in improving relationships with people, and we have seen plenty of examples of this happening.



### **About The Access Group:**

The Access Group has been recognised in The Sunday Times Tech Track 100 in 2019 and is a leading provider of business software to mid-sized UK organisations. It helps more than 35,000 customers across commercial and not-for-profit sectors become more productive and efficient. Its innovative Access Workspace cloud platform transforms the way business software is used, giving every employee the freedom to do more.

Founded in 1989, The Access Group has an enterprise valuation of over £1billion and employs more than 2,700 staff.