Operational Software in the Non-Profit Industry:
Adoption, Issues and Opportunity

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EXECUTIVE SUMMARY

New research from NAPCO Research and case management software provider Social Solutions examines the adoption of, advantages in using, and opportunities of technology to manage cases in the non-profit industry. NAPCO Research surveyed more than 330 non-profits to identify case management behaviors, attitudes and trends.

Half of all non-profits use an off-the-shelf technology platform and those that use advanced technology (off-the shelf/technology from a software vendor or a home-grown system) self-report significant advantages in managing day-to-day operations, including managing cases and generating reports for donors and stakeholders. Advanced technology owners also report higher confidence in being able to examine data and identify problems than non-owners. Nearly all off-the-shelf technology owners reported it has helped them solve organizational pain points, most significantly, the ability to access data for donors and better manage individual cases.

Despite the benefits they are seeing from the technology, three-quarters of case management technology owners admit they are not currently getting full benefit from the platform. Going forward, case management technology owners must examine internal processes *and* procedures and work with their technology partners to get more value from the technology. Non-profits that don't currently own case management technology must re-examine if the benefits can justify the investment while identifying the right technology partner who will work with them to pinpoint ROI during the buying process and help them get the most benefit from it post-deployment.

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INTRODUCTION

The technology revolution has impacted nearly all aspects of our lives. What once seemed impossible not long ago, such as a fully connected Internet computer in our pocket or purse, the ability to video chat with someone on the other side of the globe and even cars that drive themselves is now a matter of routine.

A parallel revolution has been happening in the B2B space. Now, organizations can make use of robust technologies that enable management of their businesses—from operations to finance, to how they connect with and interact with their audience. The non-profit industry is no exception. Now, non-profits have a plethora of options for running the day-to-day operations of their organizations. Today, non-profits can choose from traditional, yet often costly, CRM systems such as Salesforce, Oracle and SAP, to platforms designed specifically with the non-profit in mind such as Social Solutions and Blackbaud.

Given the advances the industry has seen in the last few years in technology specifically designed for the non-profit's unique challenges and operational workflow, case management technology platform company Social Solutions commissioned NAPCO Research (NAPCO Media is the parent company of nonprofit management publication *NonProfit PRO*) to examine the technology non-profits use to support their operations.

The goal of the research is to:

- Identify the degree to which non-profits are adopting technology to support their operations and their approach when it comes to the "build" vs. "buy" dilemma

- Identify the challenges non-profits have faced in adopting operational technology systems

- Identify the impact technology adoption has had on non-profits operational efficiencies

- Identify the opportunities that present themselves to non-profits with the adoption of technology

With this study, NAPCO Research and Social Solutions hope that non-profits will walk away with an understanding of the non-profit technology landscape, including insight on the challenges non-profits face in its adoption and clarity on the opportunities presented by its successful adoption and deployment. Technology has become too critical a catalyst for growth and operational efficiency for non-profits not to be well informed about the landscape, potential advantages and steps to take for increased efficiency going forward.

Survey of Non-Profits

In July of 2018, NAPCO Research fielded an online survey to the *Non-Profit PRO* audience, collecting 333 results. Respondents were from a variety of non-profit types, with the top three categories Human services/ Homelessness/ Victim services, Education, and Animals, Environment and Wildlife. Forty-six percent of non-profits were under $1 million in annual operating budget and 53% were over $1 million. The top three respondent titles were President, Executive Director, President or CEO; Development Director or Marketing/Communications Director; and Board Member and Vice President (tied). See *Appendix A – Methodology* for more information.

CASE AND DATA MANAGEMENT SOFTWARE

Before diving into the results, some definitions are in order to ensure uniformity of language.

"Case and data management software" or "case management software" refers to operational software that helps the non-profit with data tracking and reporting, including measurement of how they are delivering on their mission.

It allows organizations to:

- Measure every effort, program, dollar, and hour

- Prove that they are making an impact on clients' lives for continuous funding and donation support

- Manage data and records in a secure and compliant way

- Easily customize, view, and share reports

- Track data and automate processes around day-to-day operations

Functionality of case management software includes: donor records/management, scheduling of appointments, create or publish release forms, process service referrals, implement or plan for goals, handle program enrollment, measure program progress etc. The explanation above was provided to survey respondents before beginning the survey to ensure all respondents were on the same page before proceeding with the survey.

Half of all non-profits use an off-the-shelf technology platform to manage cases
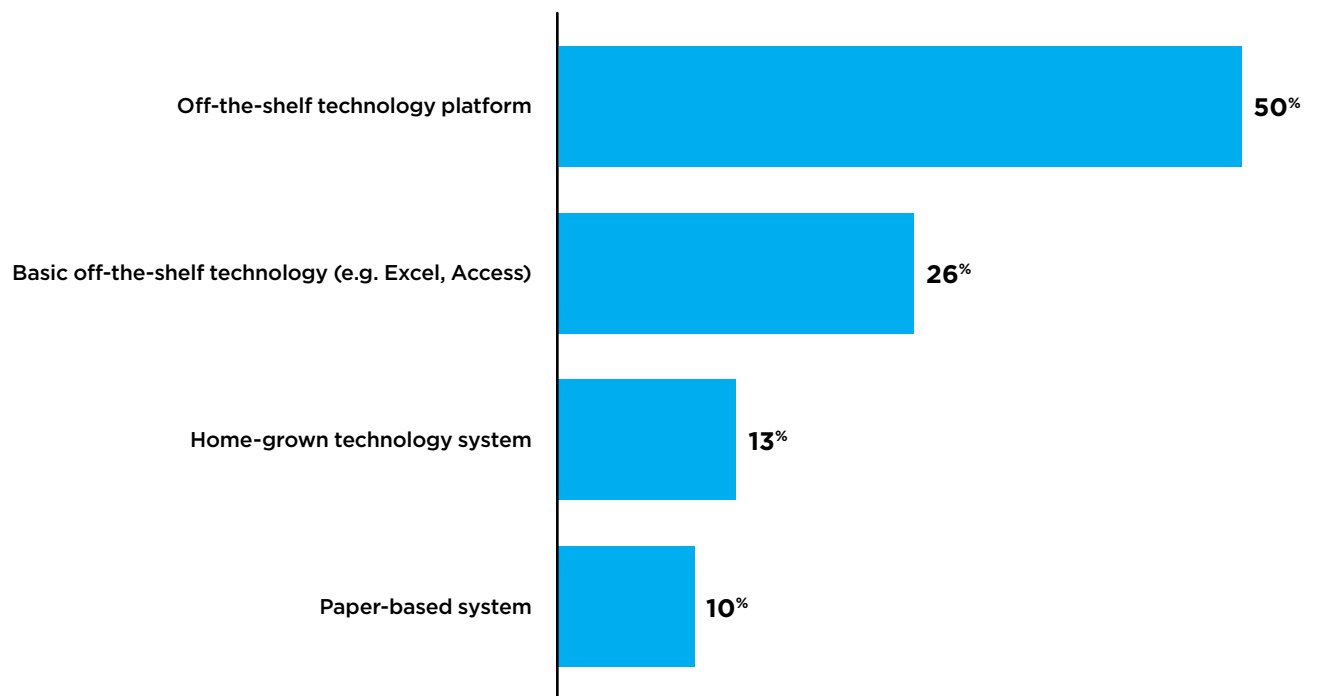
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63% OF NON-PROFITS USE ADVANCED TECHNOLOGY FOR CASE MANAGEMENT

The first data point suggests non-profits may not be as far behind when it comes to technology adoption as, perhaps, once traditionally thought. 63% of non-profits use advanced technology such as an off-the-shelf case technology platform or home-grown technology system. When it comes to the build vs. buy decision among advanced technology users, 79% of non-profits use off-the-shelf software, while 21% are building a solution in-house.

This likely suggests that off-the-shelf software has evolved sufficiently to meet the needs of non-profits. And, it reflects a general shift in the last several years, as nonprofits, traditionally laggards in technology adoption relative to the general B2B industry, have gradually adopted technology that helps them streamline their day to day operations.

FIGURE 1
Case Management Method

Method	Percentage
Off-the-shelf technology platform	50%
Basic off-the-shelf technology (e.g. Excel, Access)	26%
Home-grown technology system	13%
Paper-based system	10%

Q. How does your organization currently manage cases? (n-289)

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ADVANCED TECHNOLOGY OWNERS MORE EFFICIENT AT MANAGING CASES

When asked how effective they are at managing cases, advanced technology owners rated themselves an average of 7.25 on a 10-point scale, compared to 5.89 for basic technology or paper-based systems owners. This suggests that those non-profits that invest in technology have an operational advantage in day-to-day management of cases vs. those that use basic technology or paper-based systems.

> "Advanced technology owners rate their effectiveness at managing cases 23% higher than basic technology owners."

FIGURE 2
Effectiveness at Managing Cases
(1=not at all effective, 10=highly effective)

Advanced Technology	7.25
Basic technology or paper-based system	5.89

Q: On a scale of 1-10, with 10 being highly effective and 1 being not at all effective, how effective is your organization in managing cases (e.g. how operationally effective are you in managing cases, how laborious is the process, how easy is to generate operational reports etc.) (n=261)

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When asked about the impact technology has had on internal manual processes, off-the shelf technology owners reported the most substantial impact, with nearly half (49%) reporting a "significant positive impact." Of organizations that built technology solutions in-house, 38% reported significant impact while a quarter (26%) of basic technology owners did the same.

FIGURE 3
Impact of Technology on Manual Processes
('Significant Positive Impact' Show)

|	
Off-the-Shelf Technology	49%
Home-grown Technology	38%
Basic Technology	26%

Q. To what degree, if at all, has technology impacted your organization's manual processes relative to what you were doing prior to the introduction of technology? (n: 189)

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This operational efficiency is further illustrated when respondents were asked about difficulty generating reports. Half (50%) of all advanced technology owners stated it was "not all difficult" or "not very difficult" to generate internal or stakeholder reports. Conversely, nearly the same percentage (53%) of basic technology/paper-based system owners report difficulty ("very difficult" or "somewhat difficult") generating reports, with only 20% reporting it was "not very difficult/not at all difficult."

Difficulty Generating Reports

Advanced Technology — 50%, 28%

Paper System/Basic Technology — 20%, 53%

■ *Not Very Difficult/Not at All Difficult*　　■ *Very/Somewhat Difficult*　　| NAPCO RESEARCH
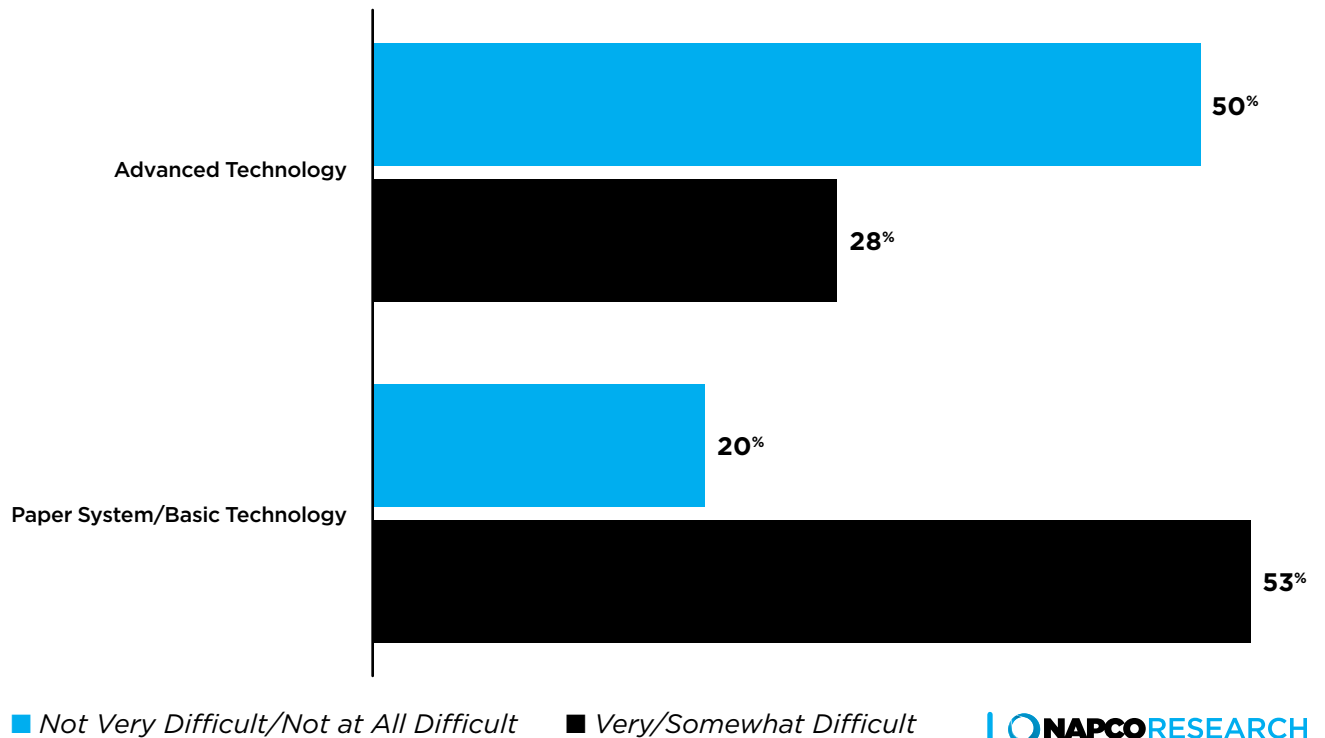
Q. How difficult is it to generate reports for internal purposes and stakeholders? (n=214)
**not shown: 'Neither Difficult nor Not Difficult'

For the industry overall, this set of data points is good news: Technology for non-profits —and accompanying adoption rates—have evolved such that those who invest in robust technology systems see substantial benefits in overall operational efficiencies and in generating critical reports.

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TECHNOLOGY ENABLES ORGANIZATIONAL PROBLEM IDENTIFICATION AND RESOLUTION

It would be a mistake to think case management software is just for managing the day-to-day operations of a non-profit. In reality, non-profits with advanced technology (off-the-shelf and home-grown) report a greater degree of confidence in being able to examine their data and identify problems that require resolution. 71% of advanced technology owners report they are "very confident" or "somewhat confident" in being to use data to identify problems vs. 56% of basic technology or paper-based system owners who report the same.

Case Management Software Enables Data Analysis for Problem Identification:

▌ The availability of progress metrics due to real time reporting: all relevant data is combined in one place, making it easier to spot small problems before they can grow larger

▌ Cloud-based technology allows secure data access across the organization, increasing transparency and the ability to collaborate

▌ Enhanced reporting and dashboards provide sophisticated views into data, trends, and outcomes

▌ Data input takes less time, giving organizations more time to review data analysis and take necessary actions

FIGURE 5

Organizational Confidence to Examine Data and Identify Problems

Q: How confident are you, as an organization, in your ability to EXAMINE YOUR DATA AND IDENTIFY PROBLEMS OR CHALLENGES that require correction? (e.g. analyze the data and be able to identify organizational issues or problems that require further attention). (n: 226)

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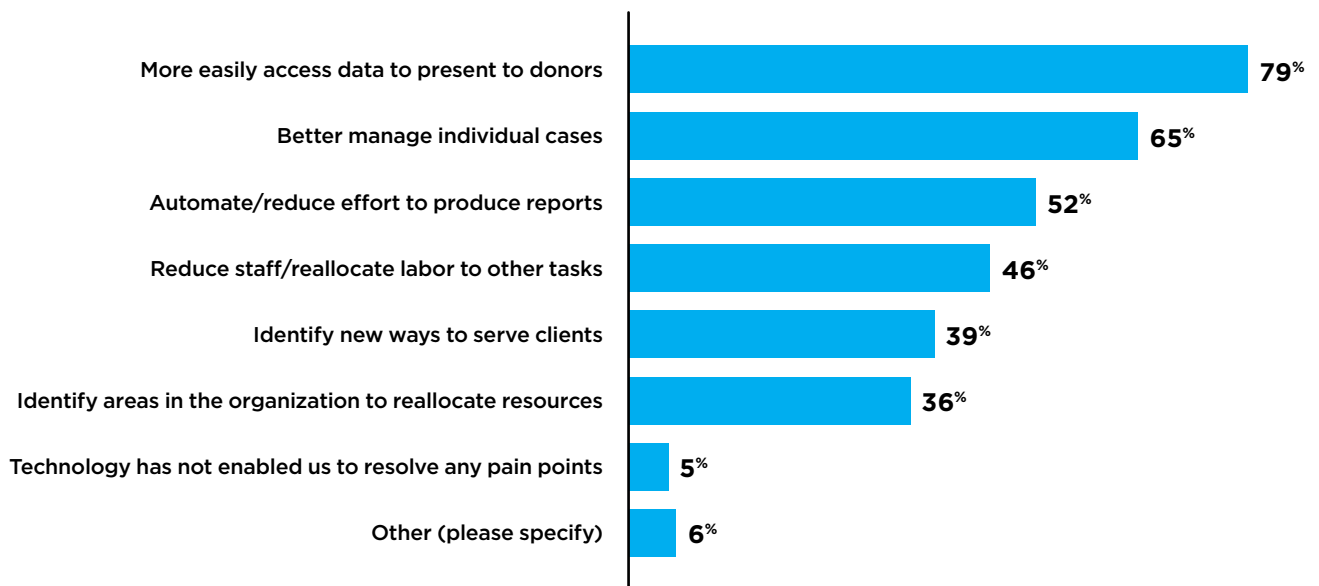## CASE MANAGEMENT SOFTWARE ADDRESSES MANY PAIN POINTS

When asked to identify organizational pain points (operational or otherwise), case management software has helped resolve, 95% of technology owners point to at least one pain point, with only 5% saying technology has not enabled them to resolve any pain points. For non-profits considering a technology investment, this is a signpost along the buying journey to be sure to consider the operational efficiencies that will be realized from the investment in mature technology when evaluating the purchase decision. For software vendors, they must help non-profits to fully understand and evaluate the ROI achieved with advanced technology, from efficiency gains in day-to-day case management to report automation.

95% of case-management technology owners say it has helped solve organizational pain points

Non-profit donors want to know their donation will be put to good use so being able to access data demonstrating the impact non-profits are having on their cause is critical to fundraising efforts. 79% of case management owners pointed to the ability to more easily access data to present to donors as the number one pain point case management software has solved. A further 65% cited the ability to better manage individual cases and another 52% automation/reduction of effort required to produce reports.

FIGURE 6
Pain Points Solved with Case Management Software

Pain Point	%
More easily access data to present to donors	79%
Better manage individual cases	65%
Automate/reduce effort to produce reports	52%
Reduce staff/reallocate labor to other tasks	46%
Identify new ways to serve clients	39%
Identify areas in the organization to reallocate resources	36%
Technology has not enabled us to resolve any pain points	5%
Other (please specify)	6%

Q: What pain points, if any, operational or otherwise, has case management software enabled you to resolve? (Choose all that apply) (n:100)

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CASE MANAGEMENT OWNERS CAN GET MORE VALUE FROM THEIR SOFTWARE

Though 99% of nonprofit organizations that use case management software say they get value, there is still additional potential for benefit that many are leaving untapped. Nearly three-quarters of case management software owners admit they are only getting partial value from the platform, implying there is still work to be done to wring maximum value from their investment.

The onus falls on both the vendor and the non-profit: for the vendor, they must continue to improve on the usability of the technology, develop training materials, and provide education and best practices to non-profits including in-person events to help get the most out of the technology.

For the non-profit, they must remember it's not enough to go through a procurement process and deploy the software, it must be internally evangelized, processes and procedures must be updated to ensure process and technology are in-sync, and progress continually evaluated to ensure optimization of both personnel and technology.

FIGURE 7

Value from Case Management Software

FULL value	26%
PARTIAL value	73%
NO, OR CLOSE TO NO value	1%
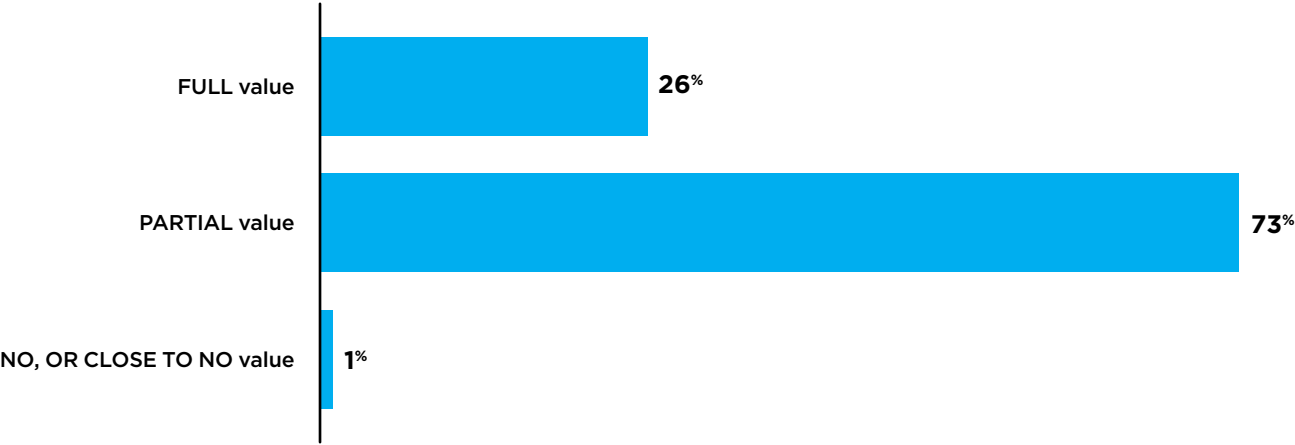
Q. Which of the following best describes the value you are currently getting from your technology platform? (e.g. to what extent are you making full use of its capabilities?) (n: 98)

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RECOMMENDATIONS

Non-Profits Who Have Not Yet Invested in Case-Management Technology

- **Take a Second Look at Technology**

  If you're not yet thinking about investing in new technology, take a close look at the benefits colleagues and competitors say they are achieving and ask yourself if it's time to take a close look at a technology investment. Technology evolves so quickly that a regular look at technology is required.

- **Avoid Tunnel Vision on Operation Efficiencies in the Case Management Software Buying Journey**

  It's probably fair to say that most non-profits looking to upgrade to a case management platform initially kickstart the process to level-up their day to day operations from a paper-based system or home-built technology. For many, justifying the ROI may not be easy when viewed through that narrow lens.

  To get a more realistic view of the value of a technology upgrade, non-profits must look holistically at the potential benefits it will provide in their unique situation — whether access to data to help donors support the cause, stakeholder reporting or identification of organization problems before they mushroom to bigger issues.

- **Find a "Partner," Not a "Vendor"**

  Working with the right partner can be the difference maker in being a non-profit that runs smoothly, has the right data at hand for donors and identifies and resolves problems before they balloon into bigger issues and one that throws away a costly technology investment. To become the former, non-profits must find the right technology partner, not a "software vendor." The right partner will be knowledgeable about your space, ask the right questions to assess your needs and stick around long after the sale to ensure you hit the ground running and are making the most of your investment.

- **Find a solution that focuses on User Experience**

  Although there are now a variety of technology solutions for non-profits to choose from, many are hampered by user interfaces that are dated and difficult to use. This makes internal adoption a difficult sell as internal stakeholders become frustrated by the experience. An intuitive user experience, however, will lead to high adoption and ease of use, a critical factor for organizations that rely on volunteers.

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NON-PROFITS WHO OWN
CASE-MANAGEMENT TECHNOLOGY

- **Increase the Value You are Getting from Case Management Software**

  74% of non-profits admit they get only partial value from their case management software. Technology owners must take a hard look at why they are only getting partial value from so critical a piece of their software stack. This includes evaluating internal processes and procedures, working with your software partner to identify areas for improvement and training opportunities, and interviewing personnel who use the technology on a regular basis.

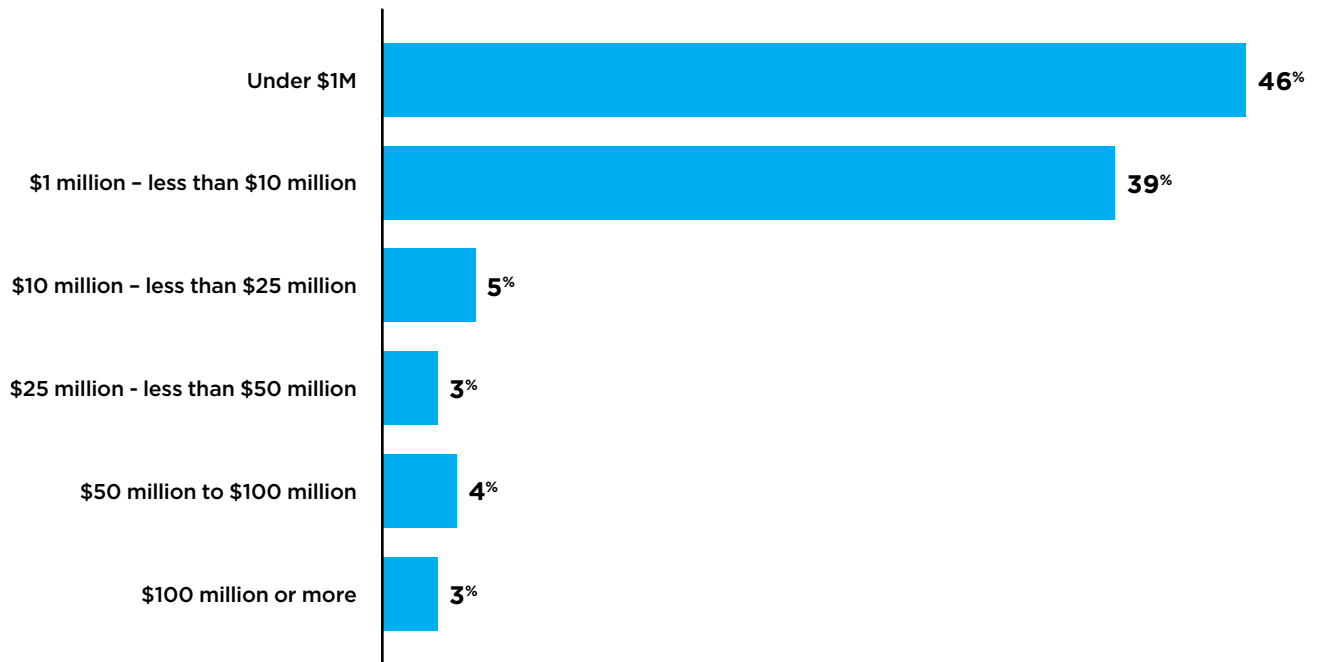- **Use Data to Stop Small Problems from Becoming Big Problems**

  Case management owners report a higher degree of confidence in using data to identify problems and challenges than non-owners. With limited budget and resources, non-profits can't allow small problems to mushroom into bigger ones, whether issues with operational workflow, resource allocation or donor contributions. Non-profit case management technology owners should take a step back from the day to day and identify whether they have the proper procedures and workflow in place to use data to regularly audit and identify problems and challenges and solve them before they become bigger.

- **Use Technology to Identify New Ways to Serve Clients**

  39% of case-management technology owners state they've been able to use the technology to identify new ways to serve clients. For those who are not currently doing so, they should take a close look at whether the technology can help them identify ways to expand service to clients. For example, the technology could flag additional services that a homeless shelter may be able to offer clients based on demographic, geographic or case history data.

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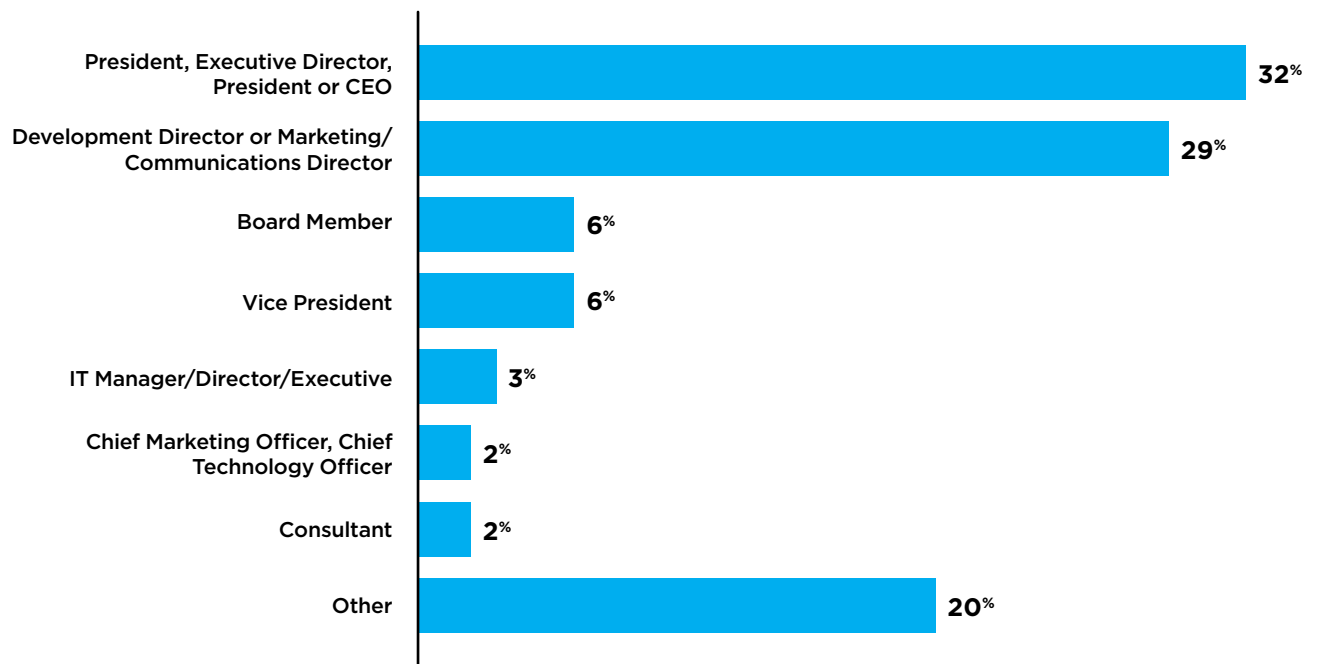
Annual operating budget

Budget	Percentage
Under $1M	46%
$1 million – less than $10 million	39%
$10 million – less than $25 million	5%
$25 million - less than $50 million	3%
$50 million to $100 million	4%
$100 million or more	3%

Q. For classification purposes only, what is your non-profit's annual operating budget?(n=210)

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Organizational Role

Role	Percentage
President, Executive Director, President or CEO	32%
Development Director or Marketing/ Communications Director	29%
Board Member	6%
Vice President	6%
IT Manager/Director/Executive	3%
Chief Marketing Officer, Chief Technology Officer	2%
Consultant	2%
Other	20%

Q. What is your role at your organization? (n=210)

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Non-profit Category

Category	Percentage
Human services/ Homelessness/ Victim services	27%
Education/high education	12%
Health	11%
Youth development/ Child services	7%
Religion/faith-based	7%
Animals, environment and wildlife	7%
Arts, culture and humanities	6%
Social advocacy	4%
Foundations	2%
Workforce/ Reentry	2%
Other	15%
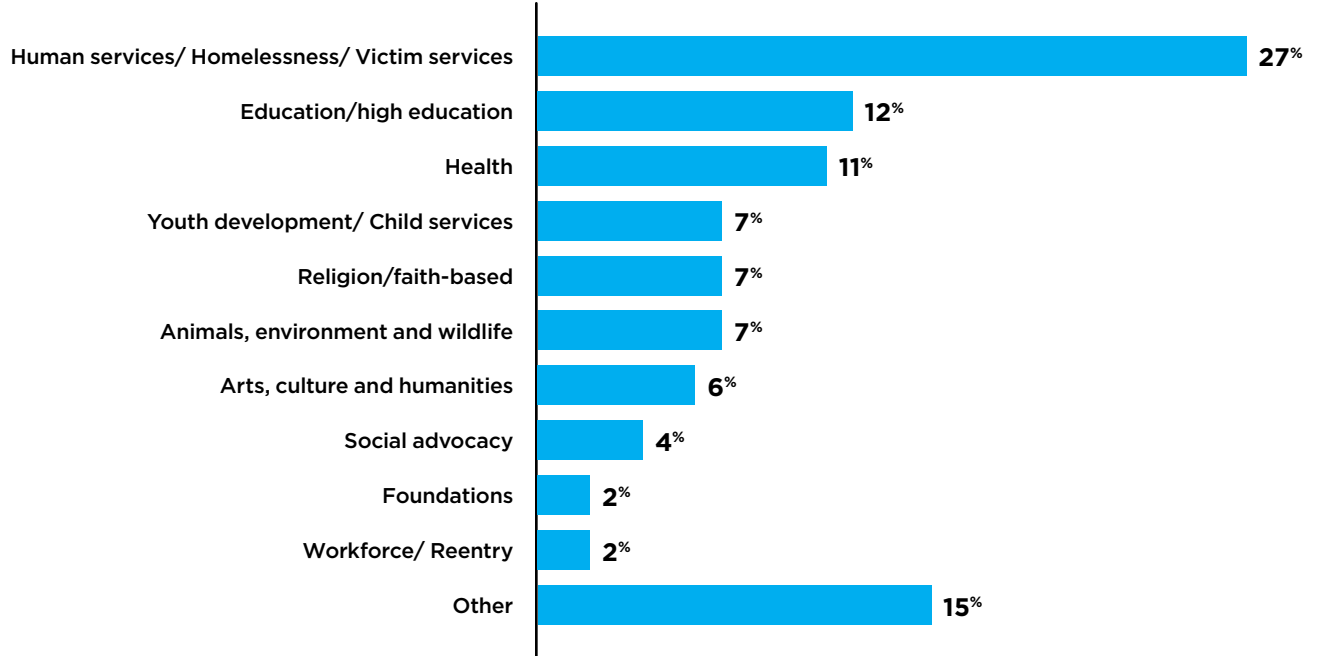
Q. What category does your non-profit fall into? (n=212)

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WHO WE ARE

Social Solutions 🍃

Social Solutions Global, the provider of Apricot® and Efforts to Outcomes (ETO®) Software, specializes in outcomes management software for human services, workforce, and education programs. Across the globe, our software is the leader in equipping thousands of organizations with the tools needed to transform the lives of children, adults, and families by making data useful to staff at all levels, from case managers to executive leadership. Follow us on Twitter: @SocialSolutions

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Led by a former Forrester Research analyst, the NAPCO Research team crafts custom data-centric solutions that leverage our highly engaged audiences across the markets in which we operate, our industry subject matter experts and in-house research expertise. We partner with our clients to identify their unique business problem and create solutions that enable deeply informed decision making.

NAPCO Research can help with:

- Business goal prioritization
- Opportunity discovery
- Market segmentation
- Landscape insight
- User needs and wants
- Product features and functionality

- Content marketing strategy
- Sales strategy and tactics
- Market conditions
- Benchmarking
- Industry trends
- Brand awareness