Technology and the Australian not-for-profit sector

Australians are more connected than ever

An estimated 83 per cent of Australians use the internet, with increasing use by older Australians. More than 70 per cent of adults own a smart phone and 15 million Australians have a Facebook account. Online shopping and banking are now common place.

The non-profit sector faces new challenges in maintaining and building human and financial support in a highly competitive funding environment. The effective use of digital technologies by non-profit organisations (NPOs) will be critical to their success going forward.

NPOs that trial and use a variety of digital strategies will operate more efficiently, improve engagement with their supporters and be rewarded with new ones.

How do non-profit organisations use technology?

Technology provides clear opportunities for NPOs across the sector including for:

- accepting donations
- fundraising
- communication through raising awareness, engaging donors and volunteers, and building relationships
- measuring campaign performance outcomes
- managing donor information, and
- displaying transparency and accountability

FIGURE 1: HOW DO AUSTRALIAN NPOs USE THEIR WEBSITE?
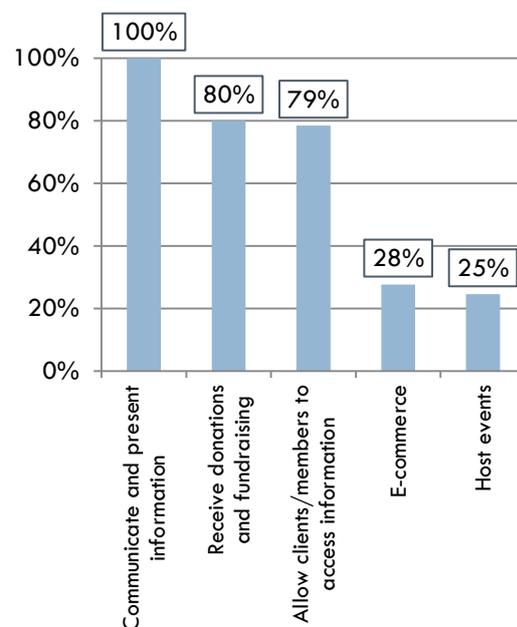
The internet has transformed the way volunteers are mobilised for community service activities. Virtual volunteering appeals to people because it is more adaptable to their work and lifestyles, home-based obligations, physical limitations and other constraints.

Potential solutions to the challenges facing NPOs

The demand for online communication and engagement is increasing. A challenge for NPOs is to assess their options to ensure they choose the correct programs, equipment, platforms and security from the large array of new technology.

Challenges	Potential Solutions
• exploitation by opportunistic suppliers	• implement IT plan including a regular review
• board members or staff not sufficiently skilled in identifying quality technology and conducting due diligence necessary to keep informed of emerging technologies	• investigate and research current and emerging technologies • NPO boards include members with IT knowledge
• lack of time to keep up with changes in technology and produce quality content • concerns over data security	• where expertise is lacking, consider engaging a trusted third party capacity building specialist
• inability to measure effectiveness of social media and demonstrate return on investment	• have clear measurable outcomes prior to the start of a campaign • ensure data can be mapped against these outcomes
• disintermediation: donors and volunteers by-passing traditional charities and tackling issues or fundraising themselves, increasing pressure on NFPs to prove their relevance and their value-add	• ensure websites are clear, current, informative and provide a detailed description of where donations are used
• affordability	• utilise Cloud technology and make better use of other exiting technology and platforms

Have a plan

Research has shown that nearly half of NPOs do not have an IT plan. NPOs that do not have an IT plan are much more likely to struggle with IT issues. An IT plan should address:

- IT investment costs
  (including financial and staff resourcing)
- staff IT training, identifying
  existing skills including digital leaders
- website improvement
- privacy
- Cloud utilisation
- logistics such as client view
- data flow and management and analysis, and
- Social media

Current and emerging technologies

Websites: fundamental for providing information, accepting donations and working with volunteers. Websites offer education, transparency and help to address multiple stakeholder expectations.

Seventy five per cent of NPOs have a website for communication and presenting information. Of this group, around 80 per cent also use their website to receive donations and fundraise.

Mobile technology: mobile phones are the most commonly used personal communication medium. They are used by NPOs as a fundraising, volunteering and awareness tool. Donations through mobile phones allow donors to give more easily and 'in the moment'.

However, a third of Australian organisations using mobile technologies reported they cannot receive donations through this channel, suggesting a missed opportunity.

Mobile enabled website: most people who visit NPO websites do so from a mobile device. Mobile friendly websites yield 34 per cent more donations than non-mobile friendly ones.

However, websites optimised for mobile devices and specific giving apps are being used by a relatively small number of NPOs.

Social media: important for supporter communication and has largely untapped potential for NPOs fundraising. While it is used to promote an NPOs work, tell the story of what happens to donations and communicating impact, there is a low conversion rate to donations. Donors may be keeping their online presence separate from their giving. There is a strong sense of being on the brink of change, particularly through Facebook.

"One in every three minutes of time on a smart phone is spent on the Facebook App in Australia... they are really open for collaboration"

Third party platforms: third party concepts such as crowdsourcing, crowdfunding and peer-to-peer fundraising are increasingly disrupting traditional philanthropy, funding and volunteer recruitment models. While the technology is widely used, it is generally not a significant source of revenue for NPOs.

Cloud: a type of internet-based computing that provides shared computer processing resources and data to computers and other devices on demand. It is a model for enabling on-demand access to a shared pool of configurable computing resources which can be rapidly provisioned and released with minimal effort.