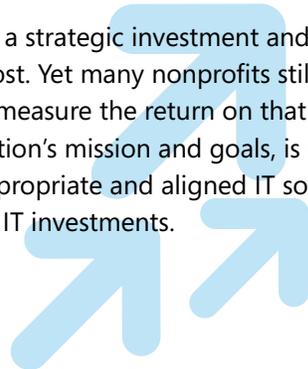




Demystifying IT Adoption and Innovation in the Nonprofit Sector

Technology can be an amazing tool to advance social change. It can help nonprofits improve productivity, increase effectiveness through better collaboration, and extend services to new communities in need. Technology can also transform how a nonprofit, or an entire sector of nonprofits, achieves its mission and creates lasting impact in its communities. At Microsoft, we are committed to helping nonprofits unleash technology to accelerate social change.

Critical to this commitment is the belief that IT is a strategic investment and key business enabler, not just an infrastructure or operating cost. Yet many nonprofits still struggle to view technology as a strategic investment, or to measure the return on that investment. Purposeful IT planning, grounded in an organization's mission and goals, is crucial to ensuring that a nonprofit can adopt the most appropriate and aligned IT solutions and realize the greatest value and social return on its IT investments.



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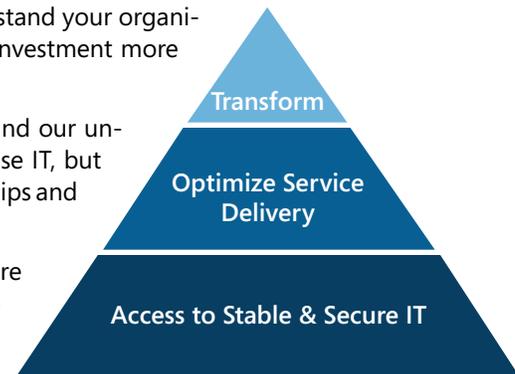


The Nonprofit IT Pyramid: A Framework for IT Adoption and Innovation

The Nonprofit IT Pyramid offers a simple framework to help understand your organization's current use of IT and how you might approach future IT investment more strategically.

At Microsoft, we use the three-level pyramid at right to help ground our understanding of how nonprofit organizations typically adopt and use IT, but also to develop nonprofit technology grant programs and partnerships and promote greater IT adoption and innovation.

In the following pages, each level of the pyramid is discussed in more detail, including examples of what nonprofit IT use can look like at each level. As you read, consider what themes in the pyramid resonate most with your organization's current use of IT.



Access to Stable & Secure Technologies

When it comes to technology, all organizations need access to stable and secure IT tools and systems to accomplish their day-to-day tasks. Technologies at this level are about operational efficiency and include things like hardware, networking, regular maintenance, and the basic productivity tools like email, Internet access, and software such as spreadsheets and word processing applications. In some countries, even the availability of consistent electricity is an important factor in becoming stable and secure. Beyond technology, this level also includes the establishment of policies and procedures to promote proper use of IT and ensure that sensitive data and systems are safe and secure. These foundational technologies are often referred to as "infrastructure."

It is no coincidence that "Access to Stable and Secure Technologies" is the foundation of our pyramid; it plays a very important role as a platform for additional technology adoption. In most cases, it's critical to have this stable foundation in place in order to successfully tackle more complex technology initiatives. For example, trying to implement a new database while you are battling viruses, spam, and crashing computers makes an already challenging undertaking much more difficult. If you do not have a stable and secure IT foundation, this should be a priority in your IT planning and spending. Even those organizations that already are stable and secure can never ignore this part of the pyramid; like a garden, it requires consistent attention to flourish.

This first level defines IT as an infrastructure cost; spending in this level is often budgeted as operational. However, infrastructure costs can sometimes be distributed across programmatic budgets since many IT tools (such as PCs) are considered a required personnel cost in delivering programs.

When you consider taking on a new IT project, you should first ask, "Do we have a stable and secure technology foundation that we can build on?" If not, it may be worth exploring whether investing in the stable and secure base should come first.

A Note about the Base of the Pyramid:

Some new technology advancements can accelerate a nonprofit's journey in the Nonprofit IT Pyramid. The increased availability of managed or outsourced services for example, particularly with the growth of cloud computing options, are giving nonprofits new ways to attain a stable and secure IT base for predictable costs. This frees you up to focus on how you use IT to optimize service delivery or transform your work. Consider how these new technologies could allow your organization to get out of the business of maintaining your IT infrastructure and instead focus on how IT serves your clients or community.

Learn more:
www.microsoft.com/cloud/



Example: Access to Stable & Secure Technologies**Freestore Foodbank stabilizes its IT platform to boost productivity**

The Freestore Foodbank is the third largest food bank in Ohio and the largest emergency social services outlet for the greater Cincinnati area. Freestore's vision is to be the leader of a community mobilized to end hunger and address its causes. Its technology was in such disarray, however, that the food bank staff was having a hard time accomplishing basic day-to-day tasks, much less realizing the larger vision. Freestore's leadership knew they had to get the base of the organization's IT pyramid in

order so they could empower the staff with the tools they needed to do their jobs. They standardized software across the agency, upgraded servers and hardware, started central file back-up, and created a disaster recovery plan. With a stable base in place, the staff was more productive and it was possible to start planning IT projects at the next level of the pyramid.

Read more: www.showyourimpact.org/raising-bar

Optimize Service Delivery

Access to stable and secure technology is essential and can be a great achievement for many nonprofits, but it is just the foundation upon which you can begin to use technology to support your organization's service delivery, expand your reach, improve service quality, and increase your community impact.

At the "Optimize" level of the pyramid, nonprofits often use databases and relationship management software, collaboration tools, Web 2.0 tools, social media and fundraising solutions to help them better manage their services, enhance the quality of programs, increase fundraising, and better engage clients and their community. At this level, not only does your organization have access to the IT tools you need, but you are becoming savvy in how you deploy those tools to reach new levels of service delivery.

IT at this level is a business enabler and is increasingly an investment in mission, not just an infrastructure or operational cost. IT solutions may be more complex than solutions at the base and may require a different IT skill set for implementation and ongoing management. A key to success at this level is greater access to IT expertise and support for the development, implementation and ongoing maintenance of IT solutions. When considering technology solutions to extend services, you need to assess your organization's internal IT capacity as well as your access to external IT experts and support to help bring projects to completion.

Example: Optimize Service Delivery**ABZ Austria uses CRM software to match more women with jobs**

ABZ serves more than 3,000 women each year with career coaching and job skills training, with the goal of achieving gender equality in the labor market in Austria. As its client base grew, ABZ realized its paper-based process of matching its trainees with job opportunities was ineffective and cumbersome. ABZ implemented Client Relationship Management (CRM) software so it would have one central database of current and past trainees, companies and jobs, and

volunteer trainers. Now, ABZ can get important information and job opportunities out to its trainees much more efficiently, and can better identify matches between candidates and available jobs. The use of CRM allowed the organization to optimize its existing method of service delivery and to expand the reach of its services to help more women in Austria.

Watch the video: <http://bit.ly/bJDrSI>



Transform through Innovative Technology

Innovative technology and the innovative application of technology has the potential to transform a single organization or entire categories of nonprofits by dramatically altering the way they do business, resulting in highly effective and scalable organizations. The “Transform” level of IT aims to maximize community impact by creating IT solutions or developing IT business models to help deliver a service or program in a new or different way not possible without that technology. At this level of the pyramid, IT is a strategic investment that can add significant value and truly help address real-world problems.

Innovations found at this level include handheld devices for data collection, Geographic Information Systems (“GIS”) or mapping systems that help visualize data, mobile phone-enabled solutions, or new and custom web technologies or software applications. Collaboration between nonprofits or across the nonprofit, private and public sectors is common at this level of the pyramid, as that is often what is required to successfully deliver on transformative IT solutions.

This is historically the most difficult level for organizations to achieve due to the significant IT expertise and up-front investment usually required to implement or create transformative technology solutions. As a result, there are only a few highly replicable examples to date. This may simply reflect that not all nonprofits need to strive for this level of IT adoption and innovation; many organizations would see great benefit simply by becoming stable and secure and by optimizing their service delivery with technology.

For those organizations that do seek transformative solutions, the collaborative and open nature of working in the nonprofit sector may allow you the opportunity to learn from or even borrow the innovations of peers in the sector. Also, technology innovations are sometimes simpler than expected and thus overlooked. Nonprofits can benefit from tracking technology trends and considering how they may be able to tailor new solutions to their needs. Often, what starts as an innovative and cutting-edge technology in a different sector becomes more accessible with time, creating new opportunities for the nonprofit sector.

Example: Transform Through Innovative Technology

Using mobile technology to combat TB in India

Inventor and social entrepreneur Hilmi Qirashi is creating innovative mobile technology solutions to prevent the spread of tuberculosis, one of the leading causes of death in India. Qirashi’s solutions include educational games and training delivered through a standard mobile phone, as well as new management

and tracking systems connecting mobile end points with centralized systems. Since launching, Qirashi has seen more than 1.4 million downloads of his tuberculosis mobile phone games. Qirashi is an Ashoka-Lemelson Fellow.

Watch the video: www.youtube.com/watch?v=LotQFahHWUw

Applying the Pyramid

Recognizing that nonprofits have varying levels of technology need and capacity, the pyramid provides a common framework in which to explore their IT vision. While there are many detailed technology planning tools available, the pyramid is intended to provide a simple starting point for more in-depth analysis and planning. You can use the pyramid and the questions below as a quick, self-guided discovery process to clarify your organization’s IT vision, map its current use of technology to a pyramid level, explore the opportunities to advance IT use, and identify the best path to effective IT adoption and innovation. By understanding where your use of technology falls in the pyramid today, you can prioritize IT investments and set appropriate expectations about IT adoption with key stakeholders.



Here are some questions for you to think about when viewing the pyramid:

1. If technology was working well for your organization, what would that look like at each level of the pyramid? In other words, what is your technology vision at each level?

Not every nonprofit organization can or should take on technology at the top of the pyramid, but imagining what's possible at each level is still useful. It can get you and your staff thinking about how to elevate your use of IT from cost to investment.

2. Where is your organization's use of IT in the pyramid today?

Understanding where you are today is critical to charting your path forward. Are you still trying to get your technology stable and secure? If so, it may not be the best time to start developing a new IT application. Do you feel you are effectively using IT in your service delivery? Then maybe it's time to consider how technology could help you transform the way you work or the sector you serve. Use the assessment tools in the Resources section below to get a handle on the current state of IT in your organization.

3. What small steps can you take to help move your organization closer to its ideal use of IT?

With all projects, being able to break things down into manageable tasks is pivotal to success; this is perhaps even truer when it comes to technology. Try to think of small IT projects or tasks you can take on to generate wins for your organization. Sometimes, the small projects can still have a big impact on the efficiency and effectiveness of your staff, and they build confidence as you progress to larger projects.

Case Study

NetHope: Moving up the Pyramid

NetHope, formed in 2001, is a new-generation information and communications technology (ICT) collaboration of 30+ leading international nongovernmental organizations (NGOs) representing over \$33 billion of humanitarian development, emergency response and conservation programs serving millions of beneficiaries in more than 180 countries. NetHope has become a catalyst for thought leadership, collaborative results, information sharing and innovative ICT solutions that enables repeatable, scalable and sustainable solutions for all of its member NGOs. NetHope's journey up the pyramid exemplifies the need to start at the base to ensure a strong foundation of IT to build upon, then focusing on efforts to support greater field-level service delivery through collaboration tools, and, finally, to devising innovative IT solutions to solve the crippling communication problems that arise after a disaster.

NetHope's journey up the pyramid began with early focus on the stability of its members, enabled by software donations from Microsoft and increased efforts to build IT capacity through IT skills training for its 25,000 member field staff.

Next, NetHope members, in partnership with Accenture, the Rockefeller Foundation, and others, launched a shared-services model to provide greater collaboration across members using IT to address an array of services that they have in common (such as help desk, procurement, and training). The shared-services collaboration realized 15-40 percent savings gains and, more importantly, built capacity in the field to enable greater service delivery.

NetHope then focused at the top of the pyramid, looking to transform connectivity, communication, and collaboration during disaster response by developing the Network Relief Kit (NRK) in partnership with Cisco, Microsoft, Intel, the Michael and Susan Dell Foundation, Accenture, and others. Utilizing solar power and low-powered satellite communications hardware, the NRK is a communications hub in a backpack. Requiring only 15 minutes of setup time, this innovative IT solution enables communications and networking in the field during the first critical days after a disaster. NetHope is applying this innovation to create additional kits, including the Field Worker Kit and Rural Broadband Kit.

Learn more: www.nethope.org



Adopt & Innovate!

The Nonprofit IT Pyramid can be a simple but effective way to start exploring how IT can help you effect social change. It's just the beginning, however. These resources will help you dive deeper and keep learning about the role IT can play in helping nonprofits accelerate their impact:

Microsoft Resources

- Learn more about our nonprofit technology resources to help you get started, get stuff, and get connected: www.microsoft.com/nonprofit
- Stay current with our blog on IT issues in the community: www.microsoftupblog.com
- Follow us on Twitter: www.twitter.com/msftcitizenship

Learn More about IT or Tech Planning:

- Get tech planning resources from TechSoup (intended for libraries, but also applicable to nonprofit organizations): <http://www.techsoupforlibraries.org/cookbooks/planning-for-success>
- See how you align with NPower's Stable & Secure Benchmarks for IT: <http://npower.org/services/ss-12-benchmarks>
- Learn from other nonprofits, sign up for a newsletter, or take a webinar from www.techsoup.org or www.nten.org

