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Nonprofits & Digital Transformation: Why the Time to Start Is Now

Meet the Presenters

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Managing Director

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Corinna is a managing director in **FORVIS**' New York City office, where she leads its Advisory Services & Emerging Accounting Outsourced Services practices. Corinna brings more than 25 years of experience as a finance executive, where she has provided interim- & outsourced-CFO services to a wide range of organizations.

Andrew Horrow, CPA
Director

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Andrew has 12 years of experience serving nonprofit organizations. He is versed in all aspects of internal and external reporting, grants management and procurement, system implementations, and accounting system automation design. He also has expertise in dealing with tax matters for exempt organizations, payroll tax considerations, and other filings.

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Table of Contents

Objectives

- Identify whether challenges are process-driven, people-driven, or technology-driven.

- Recognize areas where process improvements might be needed before a technological change.

- Discuss planning strategies for a change in technology.

- Describe how to go about selecting a new technology platform or vendor.

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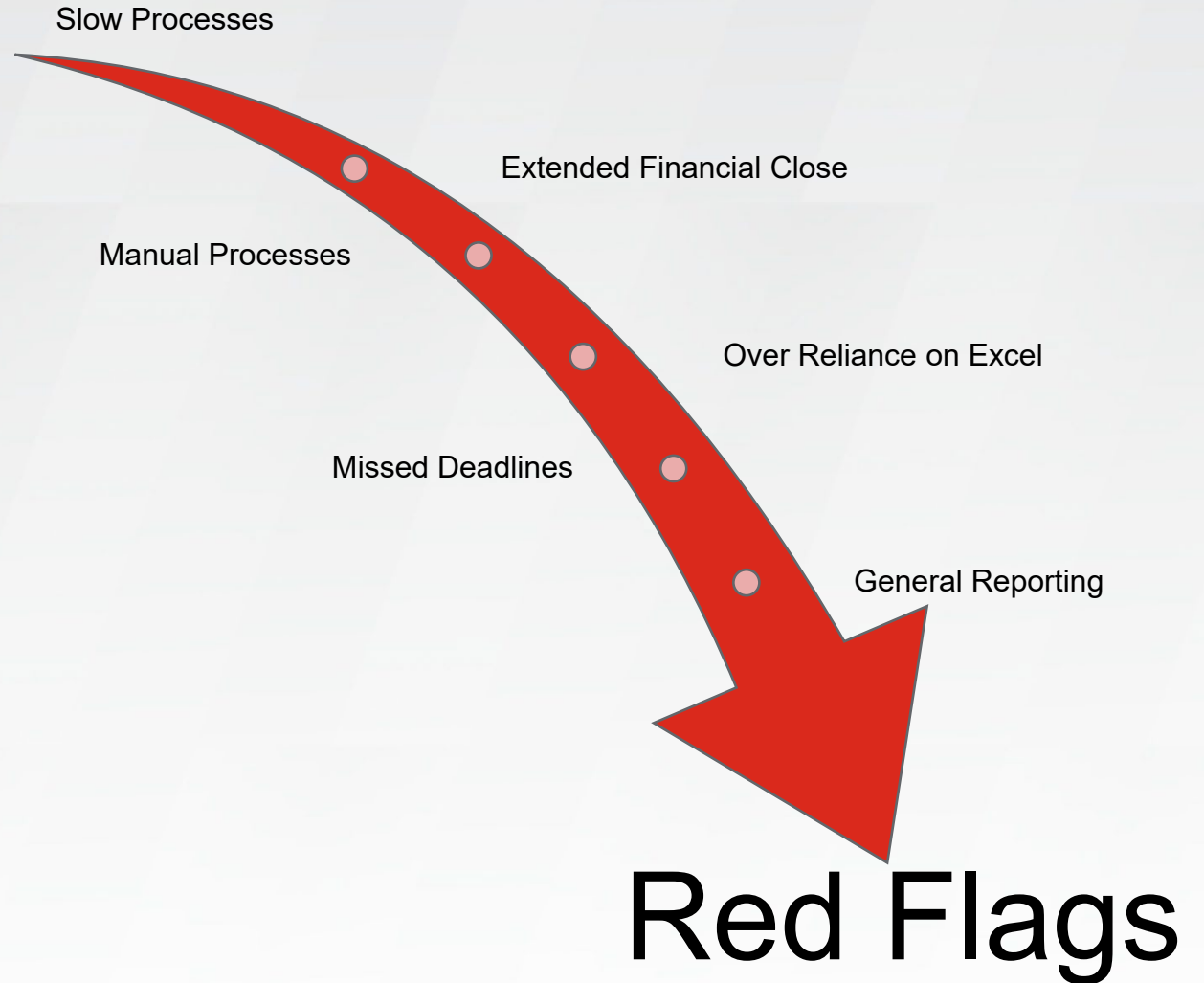# Hardest Part? – Where to Start?

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Digital Transformation – Where to Start?

- Digital transformation can be scary

  - They challenge the idea of "this is how we've always done it"

- Figuring out the Why, How, Who, & When can be even worse

  - Considering all the factors that need to change is intimidating

- The best systems, processes, & intentions can fall flat if not planned properly

  - A holistic view must drive the change

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Organizational Review

Based on a survey of 80 nonprofits, only 11% view their organization's approaches to digital as highly effective.*

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Slow Processes

Extended Financial Close

Manual Processes

Over Reliance on Excel

Missed Deadlines

General Reporting

Red Flags

The Nonprofit Difference

Over 75% of organizations believe digital transformation is very important to enhance processes, improve reporting, & protect their data.*

While it is evident Digital Transformation is important to nonprofits, the path to digital transformation is not easy or linear, for reasons including:

- Legacy Processes: Personnel at nonprofits are big at finding ways to get the job done to fulfill their mission, & for the majority of organizations, these legacy ways work

- Unique Culture: Changing the way business is done without losing the secret sauce that makes the nonprofit successful

- Fostering Mission-Driven People: Working with institutional knowledge & not losing it

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*FORVIS State of Nonprofit Report

Areas Where Digital Transformation Can Assist

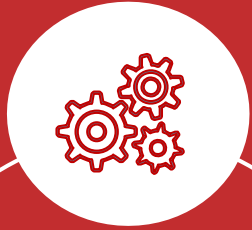|			
Financial Reporting & Monitoring	Budgeting & Financial Planning	Grants Management	Asset Management
Cash Receipts	Human Resources	Restricted Funding/Loan Reporting	Accounts Payable
Procurement	Donor Management	Payroll	Project Management

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The WHY – Process Review

Changes required by companies routinely fall into one of three buckets

Processes

Outdated Technology

People

Figuring Out the How

Changes Pre-Implementation

The How – Potential Changes

Once the areas for change are identified, then what?

Process

- Eliminating manual processes
- Identifying necessary data & cutting out unnecessary steps
- Reviewing of necessary external & internal reporting

People

- Allocating personnel for "highest & best use"
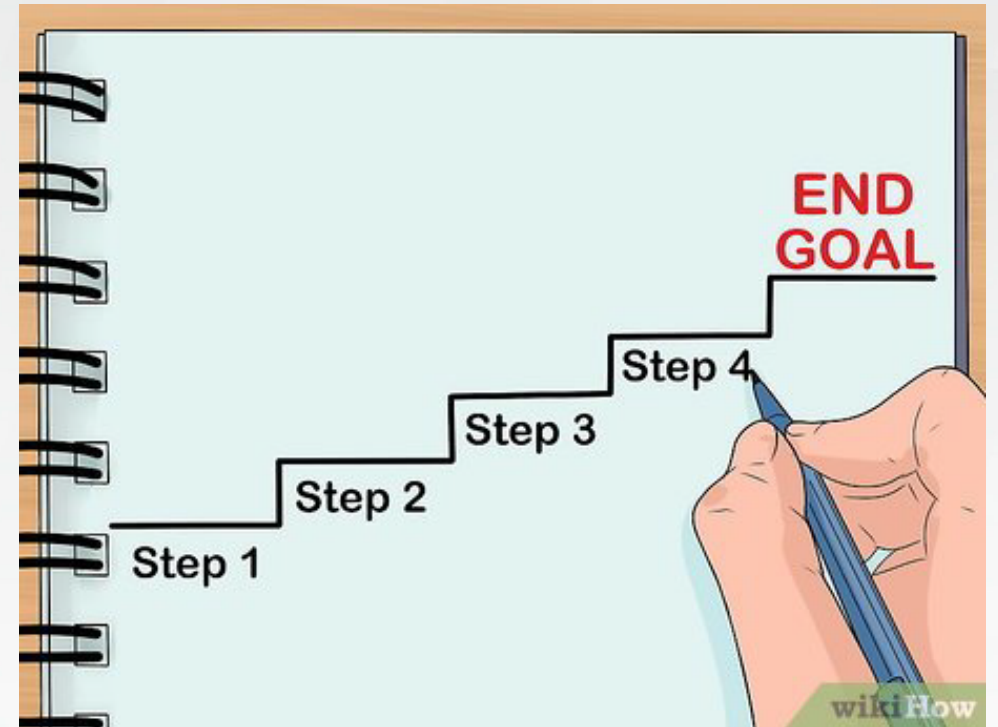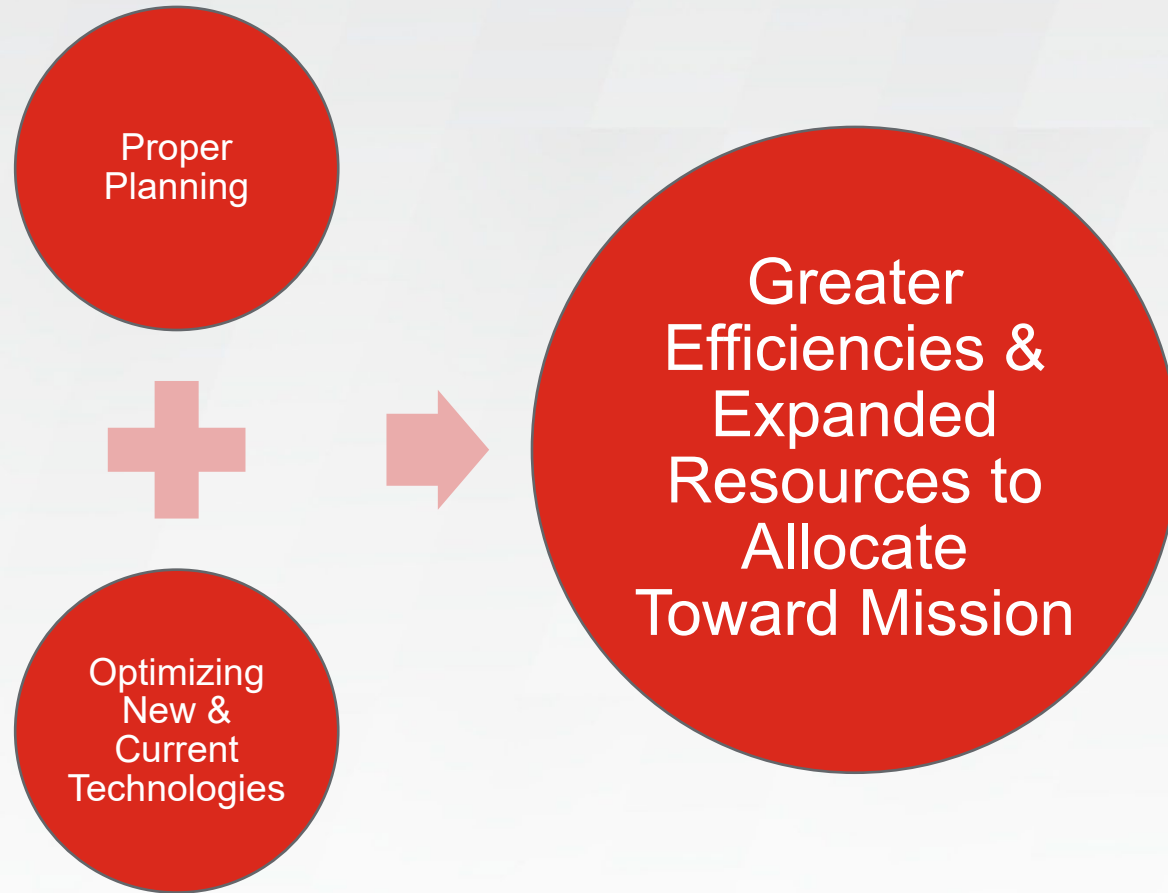- Upskilling current personnel for more advanced tasks

Systems

- Identifying the intersection of changes & technology
- Created an integrated systems environment

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Challenges to Beginning Your Digital Transformation Process …

Time Commitment

Resistance to Change

Institutional Processes

Impediments to Change

Lack of Expertise

Limited Budgets

Integration issues

Data Concerns

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Plan Plan Plan

Proper Planning

➕

Optimizing New & Current Technologies

➡

Greater Efficiencies & Expanded Resources to Allocate Toward Mission

https://www.wikihow.com/images/thumb/5/59/Create-an-Effective-Action-Plan-Step-2-Version-3.jpg/v4-460px-Create-an-Effective-Action-Plan-Step-2-Version-3.jpg

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Setting Sail Toward Digital Transformation

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Questions to Ask Internally

How will the technology

- Improve our organization?
  - Either by decreasing costs or increasing revenue (funding)

- Improve our customer/client/donor experience?

- Improve our employee experience?
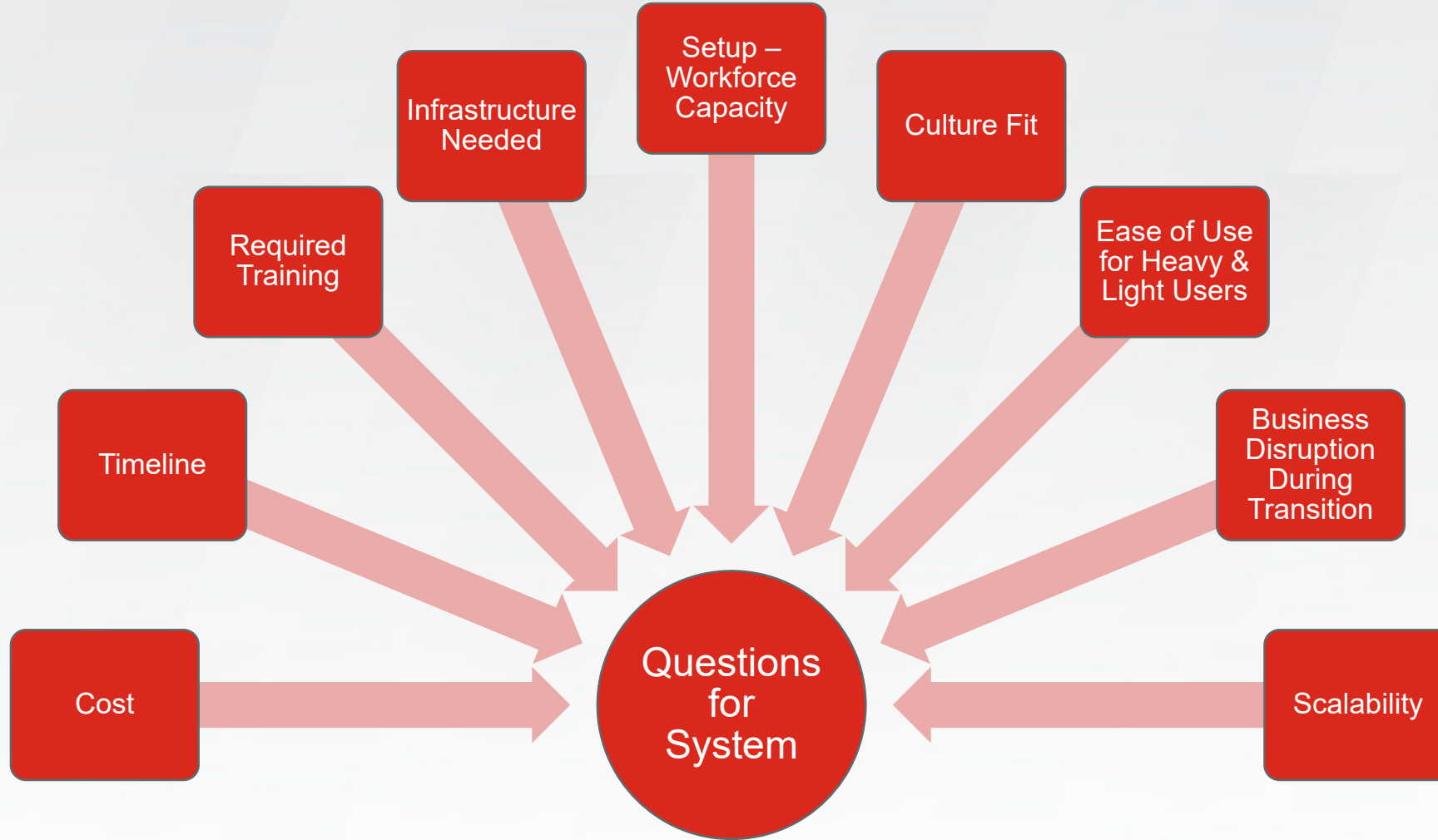
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Available Resources
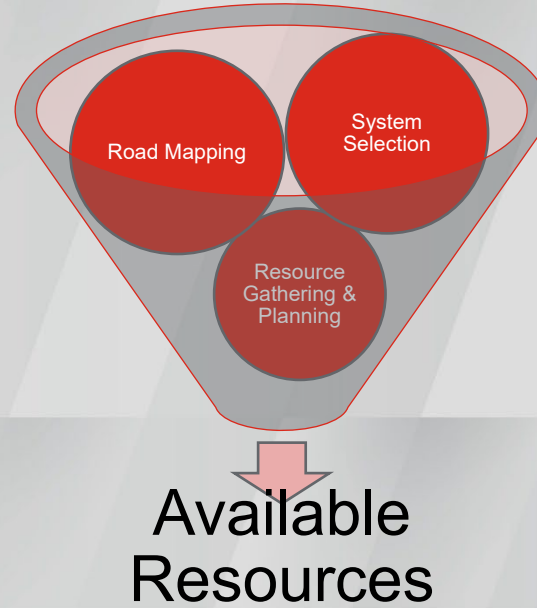
Determine Resources for a Digital Transformation

Day-to-day work doesn't stop with a new project

Developing realistic time frames & job duties is key in the planning phase

Will the organization need external resources to ensure that both the organizational & implementation calendar are adhered to?

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Finding the Right Technology Is Key

Infrastructure Needed

Setup – Workforce Capacity

Culture Fit

Required Training

Ease of Use for Heavy & Light Users

Timeline

Business Disruption During Transition

Cost

Questions for System

Scalability

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Thank you!

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