

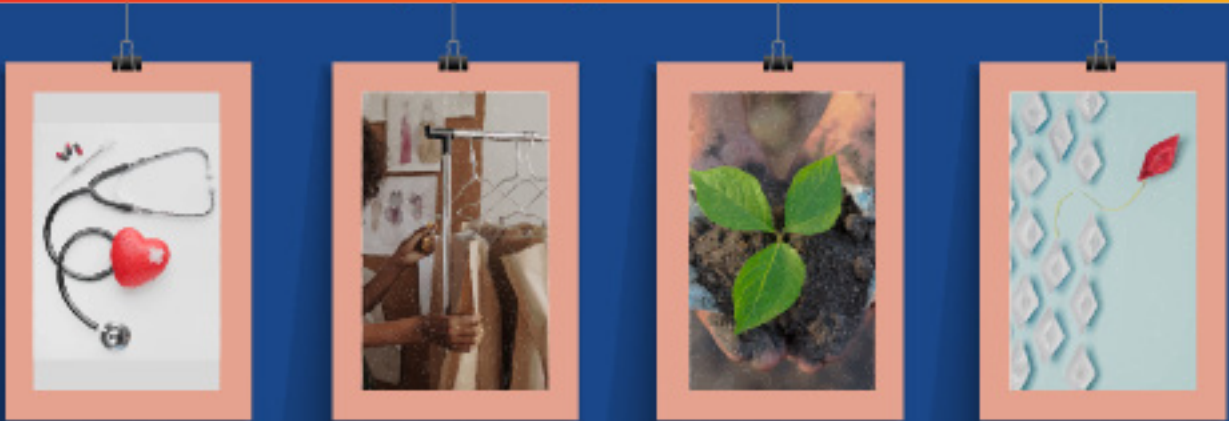


DIGITAL TRANSFORMATION AND AFRICAN NON-PROFITS

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ABOUT ACT FOUNDATION



Aspire Coronation Trust (ACT) Foundation is a grant-making non-profit organization established in 2016 to support local, national, and regional non-profit organizations working to address challenges and associated vulnerabilities across the African Continent. We promote broad-based participation/partnership with other institutions and donor organizations aimed at building sustainable communities and providing innovative solutions to social, economic, and environmental challenges.

Our support spans four (4) focus areas: **Health, Entrepreneurship, Leadership, and Environment.** Since inception, we have supported over 70 organizations in piloting significant change across our focus areas.

We are committed to ensuring the sustainability of NGOs, NPOs, and CBOs through strategic capacity-building training around organizational development, impact measurement, monitoring and evaluation, board governance, financial management, fundraising, communication, and much more.



EXECUTIVE SUMMARY



Gone are the days where non-profits view technology only as a means to gain visibility in the digital world. The pandemic has underscored the need for technology capabilities in the sector and today's non-profits are reimagining their use of digital tools to deliver vital services to humanity. Data from an earlier study by ACT Foundation to capture the impact of COVID-19 on Social Change Organizations in Africa, revealed how more than half of the respondents turned to technology to continue on their missions irrespective of the continents' significant digital divide.

We are hopeful that non-profits will not relent on this digital transformation path and encourage wider technology adoption in the sector. Non-profit organizations have a crucial role to play in addressing the existing vulnerabilities for millions of Africans amplified by the pandemic and it is in the interest of everyone that they have the tools to succeed. Armed with the power of digital technologies, we believe that non-profit organizations can respond to new challenges and serve more communities.

However, we recognize that technology by itself is not the answer. Digital transformation goes well beyond the acquisition and implementation of new technology.

To unlock greater levels of innovation, mission impact, and organizational effectiveness, non-profits must take a strategic approach to the adoption of technology.

One that unifies people, process, culture, and technology for valuable change. Whilst not a small challenge, this is essential to increasing the productivity and resiliency of roles within organizations and to enable non-profits to become future-fit and maximize their impact for the longer term.

Over the past four years, ACT Foundation has been working to increase tech know-how, adoption, and use in the social sector through tech-focused capacity-building training by our network of industry experts and training partners. Additionally, our 1st virtual Breakfast Dialogue in 2020, themed, 'Tech for Good: Fostering Social Innovation and Digital Investments for Transformative Change', brought together seasoned thought leaders across diverse fields to lead critical conversations needed to spark deeper technology adoption and drive strategic digital infrastructure investments in our collective bid to resolve Africa's most pressing challenges.

In 2021, ACT Foundation Research Team set out to capture the landscape of technology adoption for African non-profits. We surveyed over 400 social impact professionals to understand the current state of technology adoption within their organizations and to assess their digital readiness. In this report, we explored the digital investment landscape and investigated the barriers to greater technology adoption. We also attempted to identify areas of support needs across the sector.

We hope that the findings of this survey will help non-profits get the essential training, services, and support needed to develop greater resiliency, and increase overall mission impact.



RESEARCH HIGHLIGHTS



THE STATE OF TECHNOLOGY ADOPTION IN NON-PROFITS

The top goal of tech adoption for the majority of responding organizations (41.09%) is operational efficiency.

Over half of the respondents (54.39%) agreed to having data management policies (collection, storage, use, and sharing) in place, out of which 16% strongly corroborated the claim.

Nearly half of the respondents (43.71%) cited they do not have the tools and technical know-how to strategically deploy tech-enabled solutions in Program Delivery, Monitoring, and Evaluation.



DIGITAL READINESS WITHIN THE ORGANIZATION

51.07% of the respondents confirmed the availability of an overarching digital strategy, out of which just 1 in 4 (26.37%) are currently implementing it.

The majority of responding organizations (52.97%) reported having a strong technology experience at the top level of management.



DIGITAL INVESTMENT LANDSCAPE

Most of the responding organizations (68.65%) cited they do not have a defined yearly budget for technology.

Only a few of the respondents (12.59%) have donors providing specific funding to support their organization's technology needs.



THE DIGITAL TRANSFORMATION JOURNEY: CHALLENGES AND NEEDS OF NON-PROFITS

Unreliable internet access (44.18%) was reportedly the biggest tech-related challenge that hampered remote work operations and virtual program delivery.

Budget constraints, lack of IT staff/expertise, and lack of training to upskill employees accounted for the major obstacles to the comprehensive use of technology.

The top two reported present technology needs for responding organizations include staff training (31.49%) and software licensing fees (23.90%).



ADOPTION AND ASPIRATIONS FOR DIGITAL ENABLERS

Adoption of technology products with exclusive non-profits offerings is generally low.

59.14% of the respondents cited planned usage for project management software in their work operations.



WHO WE SURVEYED

ACT Foundation conducted a research survey to understand how non-profit organizations are adopting technology, the barriers to overcome, and to identify the areas of need. Data in this report is based on an online survey of 421 professionals, fielded between May and July 2021.

GEOGRAPHIC SCOPE

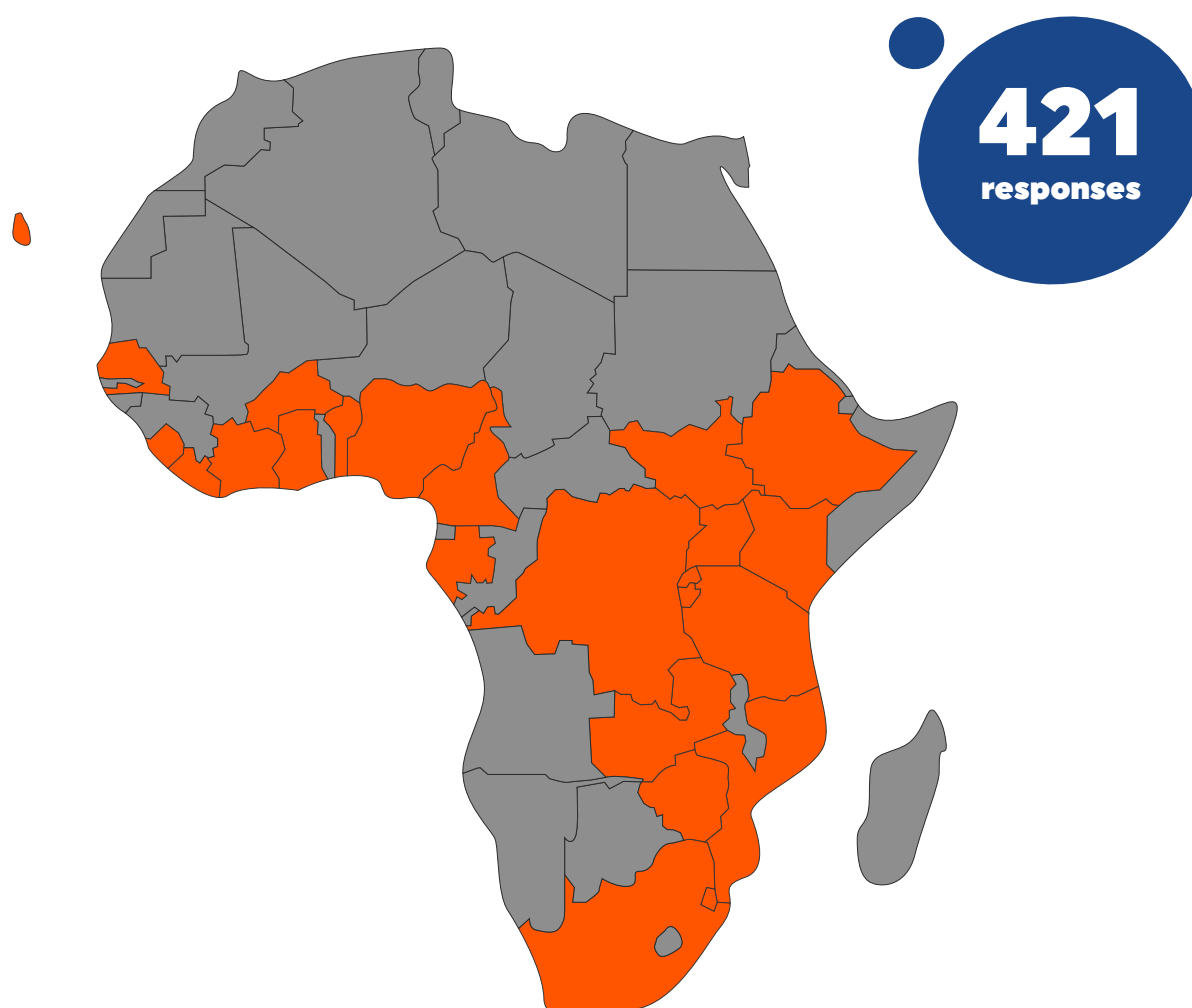


Figure 1: In what country is your organization based?

TYPE OF RESPONDING ORGANIZATIONS

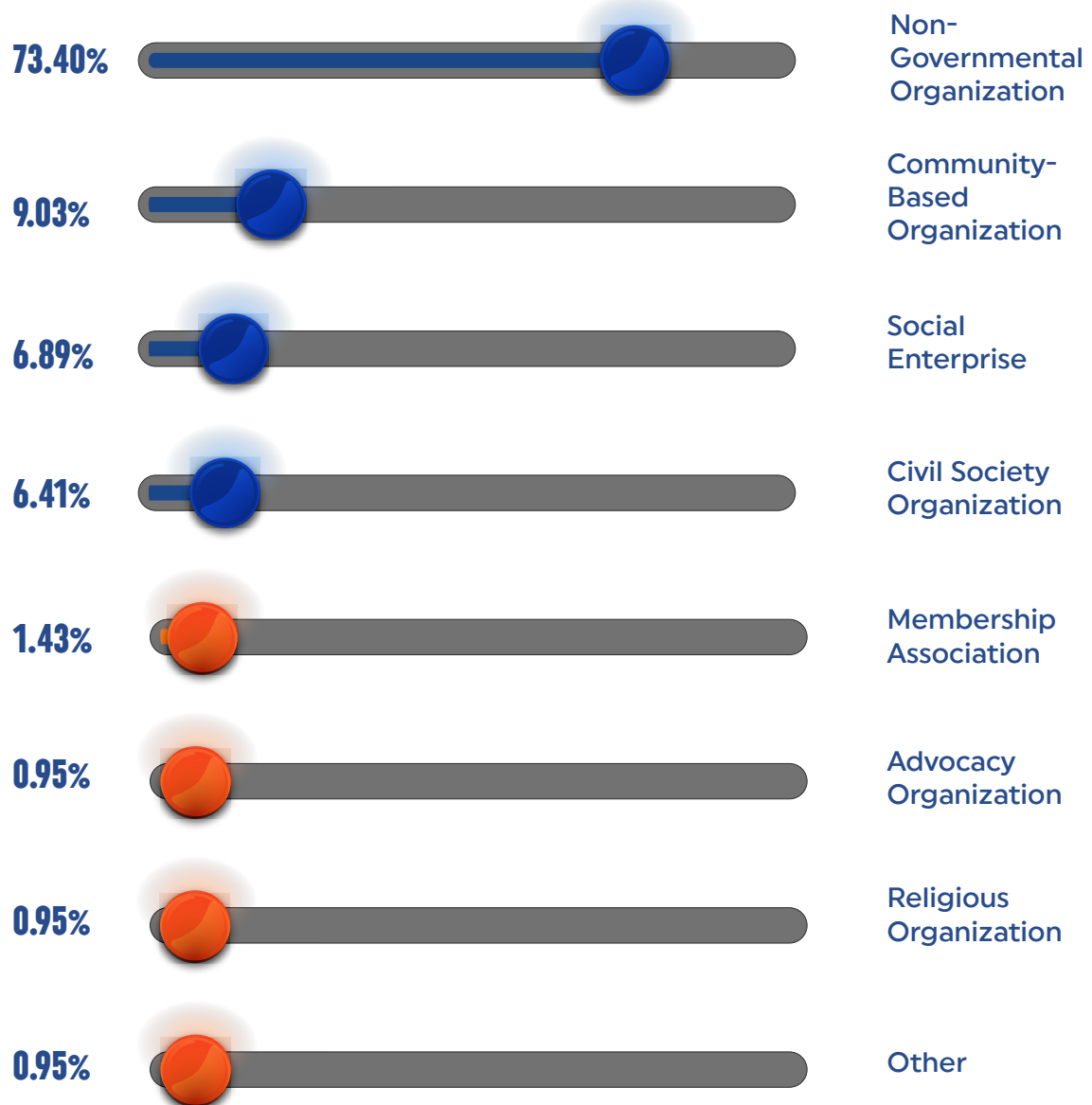


Figure 2: Which of the following best describes your organization's structure?



RESPONDENTS BY ROLES

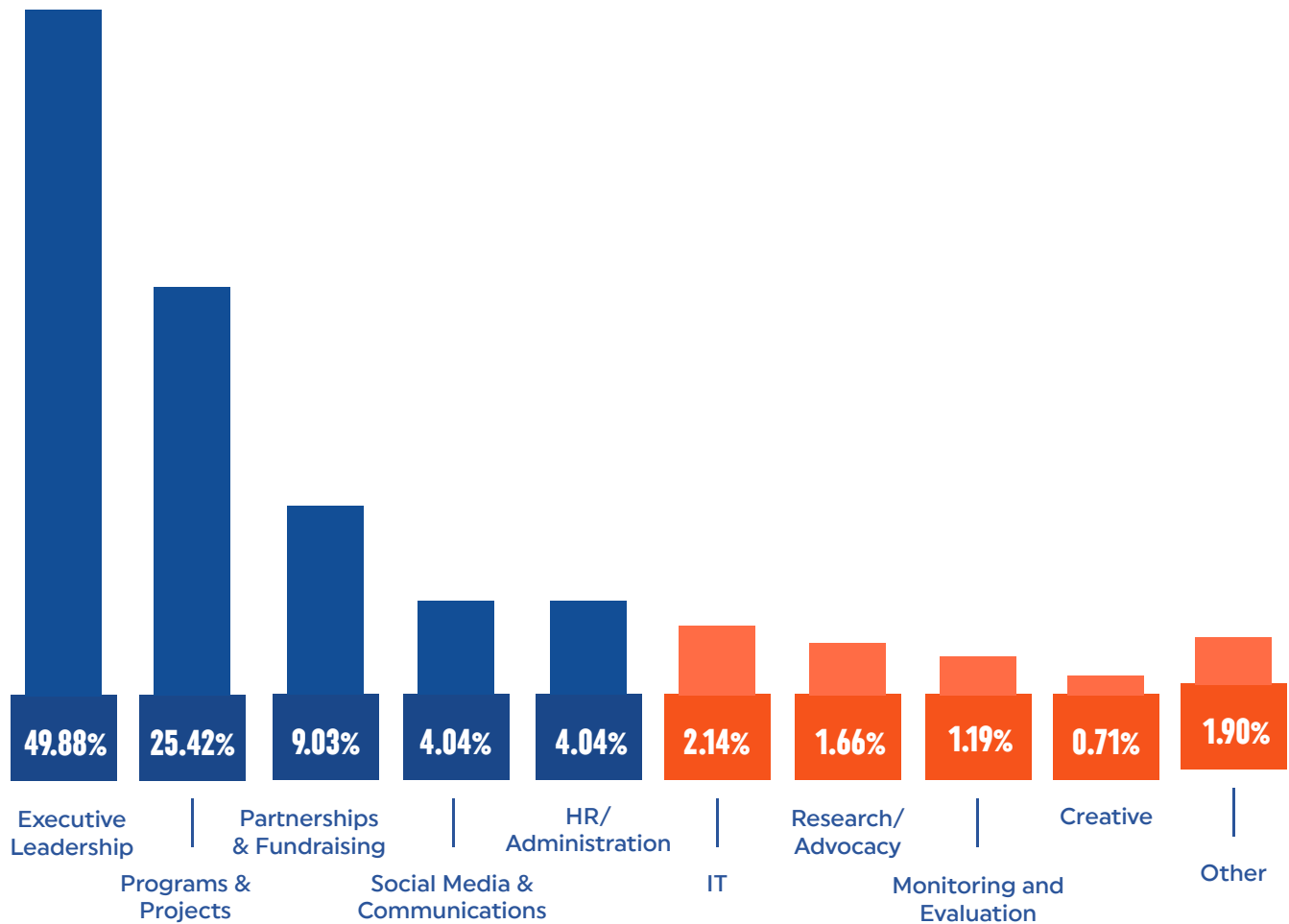


Figure 3: How would you describe your role in your organization?

EMPLOYEE SIZE

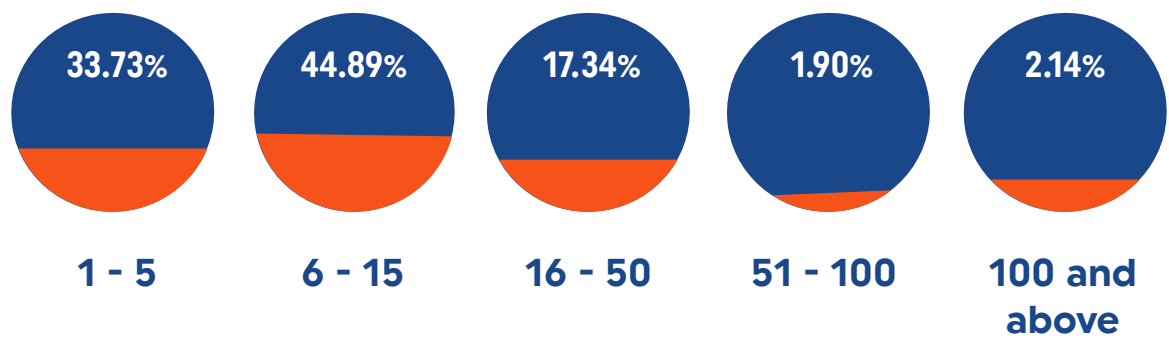


Figure 4: How many employees does your organization have?

AREAS OF FOCUS

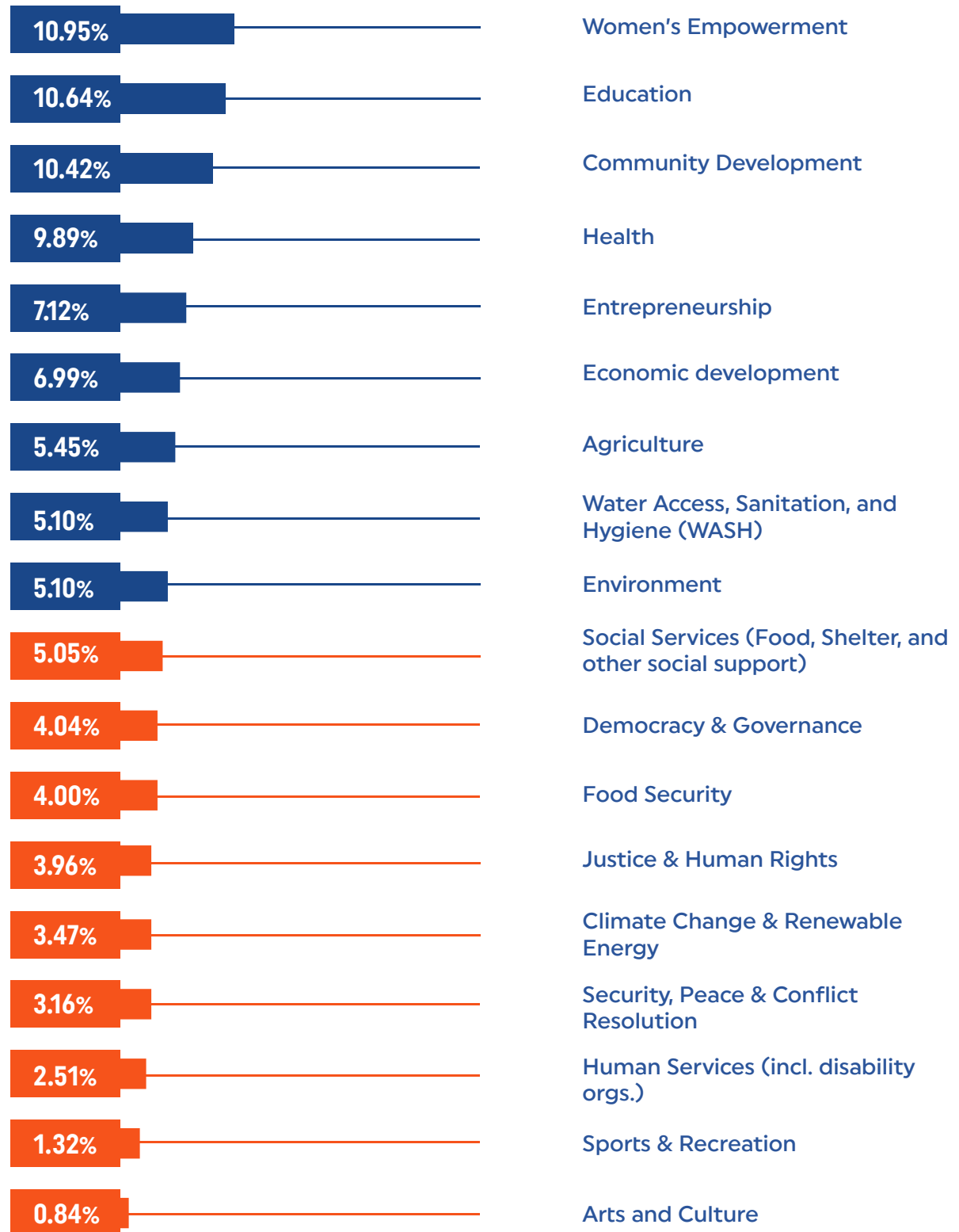


Figure 5: What best describes your organization's primary issue area? Select all that apply.



THE STATE OF TECHNOLOGY ADOPTION IN NON-PROFITS

TECHNOLOGY VALUE DRIVERS

From healthcare to poverty reduction and education, every non-profit is on a mission to address the socio-economic challenges of an increasingly changing world and deliver progress toward the Sustainable Development Goals. The critical role of technology in advancing the vital cause of non-profits, reinforced by the pandemic, has rekindled the relationship between organizations and digital enablers.

Our first question to survey participants was to find out the top value driver behind their adoption of technology. Not surprisingly, operational efficiency emerged as the top technology goal for the majority of respondents (41.09%). Whilst the COVID-19 crisis exposed the operational vulnerabilities of many organizations, it has also pinpointed the importance of optimizing processes and driving efficiencies with digital capabilities. Seamless service delivery to beneficiaries and clients emerged second place with 26.84% of the respondents indicating it as a top technology value driver for their organizations.



Figure 6: What is the top technology value driver for your organization?

TECHNOLOGY IN PROGRAM DELIVERY AND MONITORING & EVALUATION

The programs nonprofit organizations conduct to deliver relevant social impact serve as the basis for their existence. The resulting outcomes of those programs, facilitated by a Monitoring and Evaluation (M&E) system, fuel donor motivation and program sustainability. Deploying technology in nonprofit operations can unlock program innovation, reach, and access. Likewise, a technology-driven M&E system will help overcome common pain points such as poor data quality and ultimately improve outcomes. Despite these incredible offerings powered by technology, only 34.20% of the respondents are strategically deploying technology-enabled solutions in program delivery, and M&E. Nearly half of the respondents (43.71%) cited they do not have the tools and technical know-how to strategically deploy tech-enabled solutions in program delivery and M&E. 22.09% of responding organizations who may have the tools and are aware of tech enablers, cited they are not strategically deploying technology-enabled solutions in program delivery and M&E.



Figure 7: Which of the following best describes your organization's adoption of technology-enabled solutions in delivering programs/services and conducting M&E?

DATA MANAGEMENT

The data imperative for non-profits calls for greater standardization and consistency in the sector, where organizations must manage data in a way that demonstrates impact, transparency and improve organizational efficiency. Such effective use of data is directly linked to an organization's digital maturity. In this research, we sought to understand the state of data management policies (collection, storage, use, and sharing) within organizations. Over half of the respondents (54.39%) agreed to having data management policies in place, with 15.91% strongly confirming this. On the other hand, nearly a quarter of the respondents (23.75%) cited the unavailability of data management policies within their organizations, with 3.80% strongly attesting to this claim. About 22% of the respondents neither agree nor disagree about having data management policies in place and keeping staff updated with the latest compliance procedures.

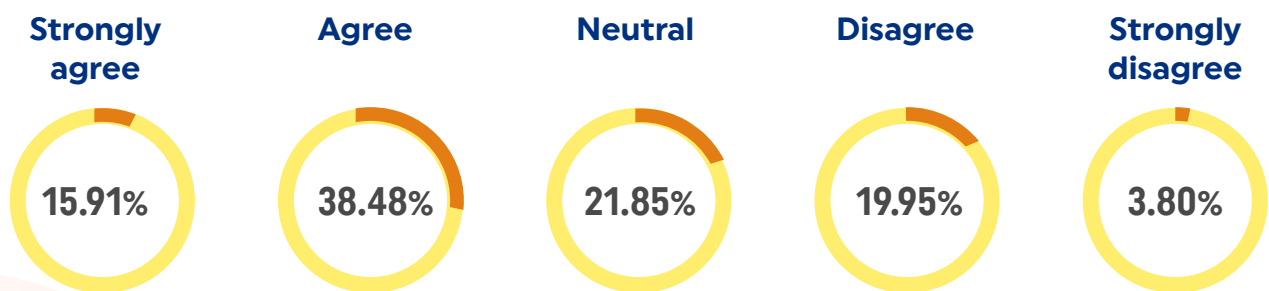


Figure 8: My organization has in place data management (collection, storage, use, and sharing) policies and keeps staff updated with the latest compliance procedures.

BUILDING TECHNOLOGY CAPACITY

As the pace of technological change continues to accelerate across all sectors of society, digital has become central to how non-profits function. The big question for non-profit management leaders is whether they are actively working to develop and optimize their internal technology capacities. Research reveals that human capacity is the single biggest barrier to non-profit digital transformation¹. This view is also mirrored in this report (see figure 18).

¹The Digital Nonprofit skills Assessment. Nethope. November 2018.

Here, we attempted to understand the level of support rendered by organizations to improve the technology skills of their staff. Nearly 43% of the respondents confirmed they receive regular training to improve their technology skills, out of which 13.54% strongly corroborated this claim.

About 30% of the respondents denied the availability of regular staff training focused on improving technology skills and helping employees become more digitally aware. 28.03% of the respondents were found to be in-between.

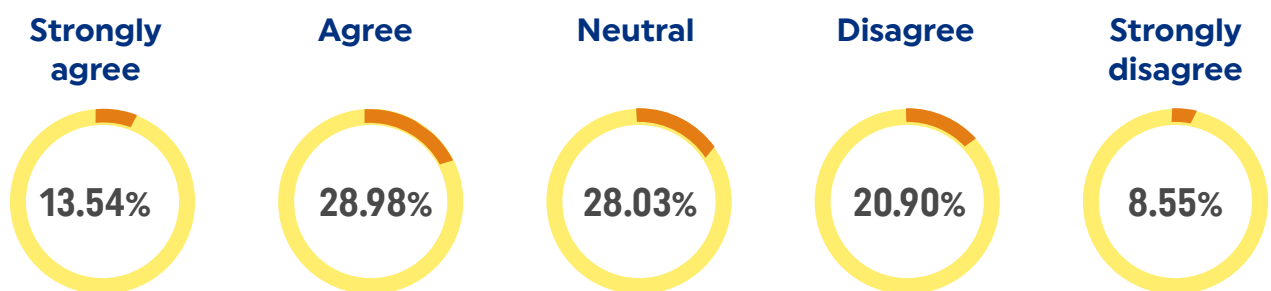


Figure 9: My organization provides regular staff training focused on improving technology skills and helping employees become more digitally aware.



DIGITAL READINESS WITHIN THE ORGANIZATION

DIGITAL STRATEGY

The values that technology brings to the table for any organization are powerful and cannot be overstated. However, it is important for non-profits to take cognizance that digital transformation is beyond the implementation of new technology. To achieve true transformation, organizations must unify people, process, culture, and technology.

A digital strategy is a good place to start the digital transformation journey. It is the organizational vision of how technology can extend its current work and create new opportunities for the greater good. Here, we sought to discover the status of the responding organization's digital strategy. Just over half of the respondents (51.07%) confirmed the availability of an overarching digital strategy, out of which only 26.37% are currently implementing it. 40.38% of the respondents do not have a digital strategy within the organization but hope to develop one. Surprisingly, 8.55% of the responding organizations do not have plans for a digital strategy.

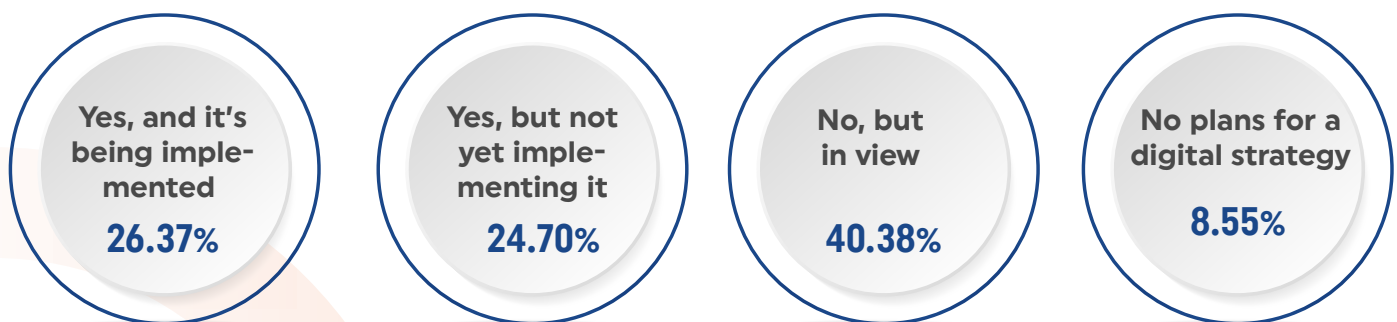


Figure 10: Does your organization currently have an overarching digital strategy?

TECHNOLOGY STRUCTURE

Technology in non-profits is often seen as a support function. 30% of the respondents cited the availability of a full-time technology staff, while 29.69% have volunteer staff dedicated to the technology needs of the organization.

22.33% of the survey participants reported the absence of a staff dedicated to the technology needs of the organization.

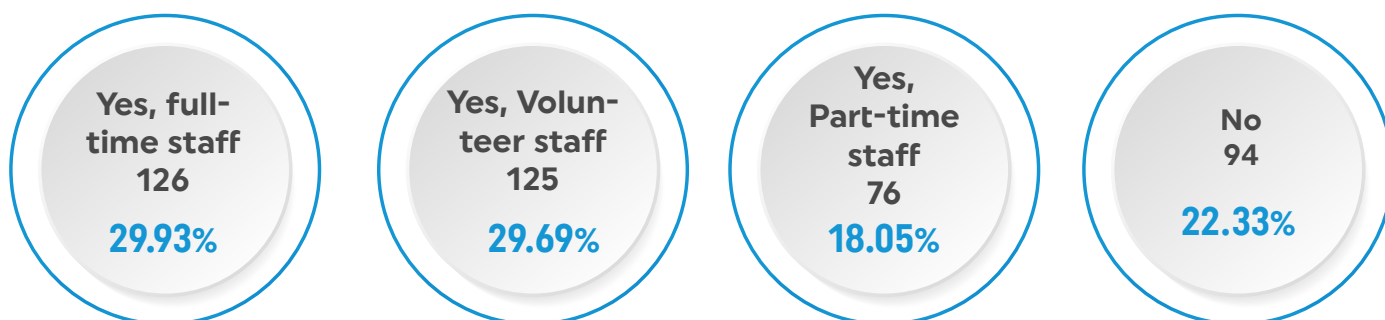


Figure 11: Does your organization have a staff dedicated to the technology needs

Insight

To leverage digital opportunities for increased mission impact, organizations must put away any notion of technology as a support function. But more importantly, organizations should endeavour to have a good distribution of digital expertise across departments.

TECHNOLOGY LEADERSHIP

Just over half of the responding organizations (52.97%) reported having a strong technology experience at the top-level of management. The success of an organizational digital strategy will require technology expertise at the executive level to take advantage of digital possibilities and drive digital initiatives. The short-term technology band-aids to survive the pace of disruption brought on by the pandemic is insufficient to lead any digital transformation agenda.

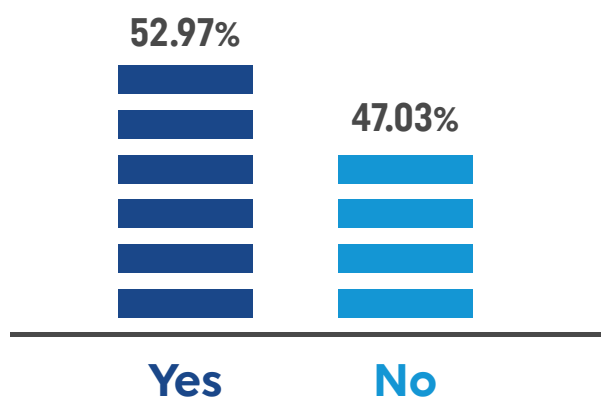


Figure 12: Does your organization have a strong technology experience represented at the top management level?

Digital Readiness within the Organization

On further investigation, 41.26% of responding organizations have strong technology experience represented at the CEO/ED level. 39.46% of the respondents indicated that digital expertise is available at the senior level of management. For 19.28% of the respondents, technology experience is represented at the board level.

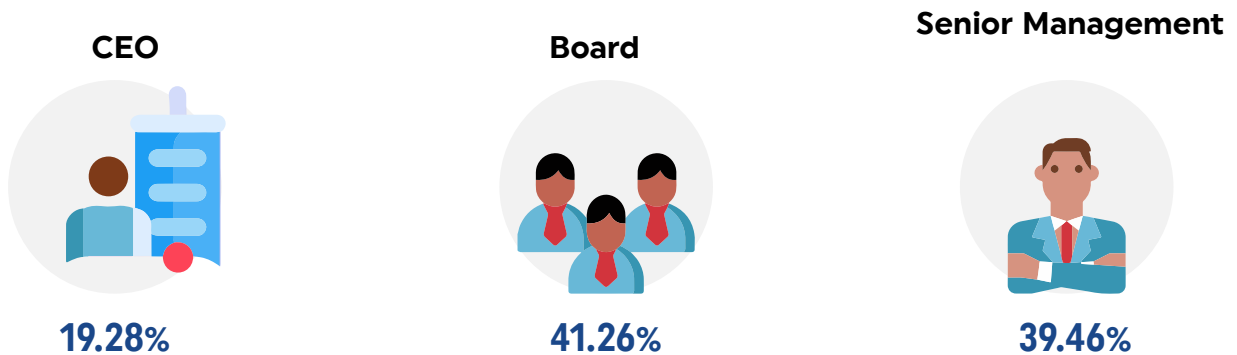


Figure 13: If yes, at what level?

Insight

To effectively adopt technology and develop greater resiliency, forward-thinking non-profits must endeavour to have digital expertise at the top management level.



DIGITAL INVESTMENT LANDSCAPE

BUDGETING FOR TECHNOLOGY

While it is universal knowledge that non-profits operate under a resource-constrained environment and run on tight budgets, their view on technology pre-pandemic hindered crucial investments for transformational change. Long before the pandemic, non-profits considered technology as an overhead cost (defined here as the combination of administrative, general, and fund-raising expenses necessary to support an organization's function, but not directly related to program delivery).

They viewed spending on technology as 'taking money away from program services' and this led to underfunding in digital infrastructure sector-wide. This view is also mirrored in our findings as nearly 69% of respondents do not have a defined yearly budget for technology.



Figure 14: Does your organization have a defined yearly technology budget?

The pandemic has underscored the need for digital capabilities. What was labelled as overhead is now mission-critical. COVID-19 increased the widespread use of digital tools in non-profits and shaped how sector leaders think about reaching their target constituents. Through technology, non-profits are expanding the reach and scope of their programs to meet the urgent needs expressed by their global beneficiaries.

For organizations that reported having a defined yearly technology budget, the majority (72.73%) have gone ahead to increase their spending on technology when compared to 2020. Yet, albeit surprisingly, 10.61% of the respondents reported a decrease in technology spending and 16.67% made no changes to their level of spending on technology when compared to 2020, the year the COVID-19 outbreak was declared a pandemic..

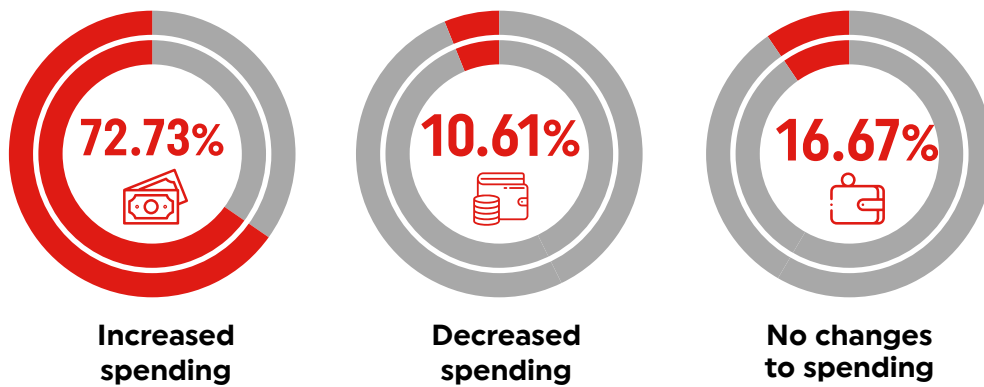


Figure 15: If yes, what is the present level of spending on technology compared to the previous year?

TECHNOLOGY FUNDING LANDSCAPE

To gain a deeper understanding of the landscape of technology funding for non-profits, we asked our survey participants about the support that currently exists to meet their technology needs. 65.80% of respondents reported not having specific funding from donors to support their organization's digital strategy or technology needs. Interestingly, 21.62% of respondents have never explored technology funding support and only 12.59% have donors who provide specific funding to meet their technology needs.

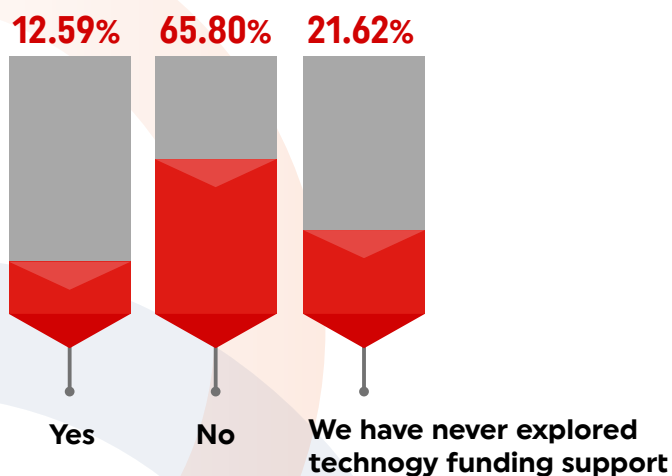


Figure 16: Do you have specific funding from donors/supporters for your organization's digital strategy or technology needs?

Insight

Non-profits are now on board with the digital revolution. This should be met with increased technology investments to sustain the digital transformation journey in the long term.

TECHNOLOGY SUPPORT

Digital investments for non-profits can take several forms. We asked responding organizations to share the specific form of tech support they have accessed in the past year. Digital training (18.24%) emerged as the most form of support accessed by the respondents. Funding for hardware (15.04%) and free software licenses (10.24%) were also the common forms of tech support received by our survey participants. Sadly, the majority of respondents (30.88%) have not accessed any tech support in the past year. We are hopeful that these findings will spur new and increased technology investments for non-profits by funders and technology partners.

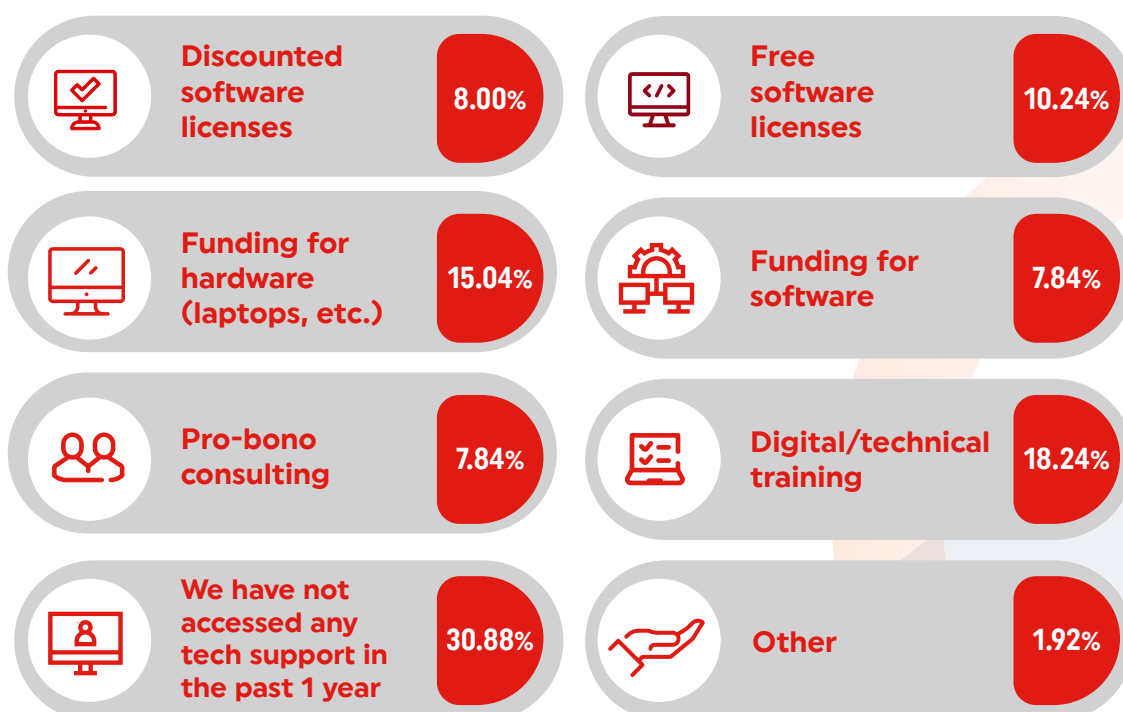


Figure 17: Please select the specific form of tech support your organization has accessed in the past 1 year. Select all that apply.



THE DIGITAL TRANSFORMATION JOURNEY: CHALLENGES AND NEEDS OF NON-PROFITS

BARRIERS TO TECHNOLOGY ADOPTION

The road to digital transformation can be overwhelming especially for organizations with little or no investments in technology infrastructure prior to the pandemic. One of our research goals was to understand the obstacles impeding the adoption of digital technologies in the sector. We asked our respondents to select four factors that pose the biggest challenge to the adoption of technology within their organizations.

Unsurprisingly, budget constraint (24.37%) was reported as a major obstacle to the comprehensive use of technology. Lack of IT staff/expertise (18.19%), lack of training to upskill employees (15.54%), and lack of digital skills (10.16%) were also identified as the obstacles preventing non-profits from becoming more digitally enabled organizations.

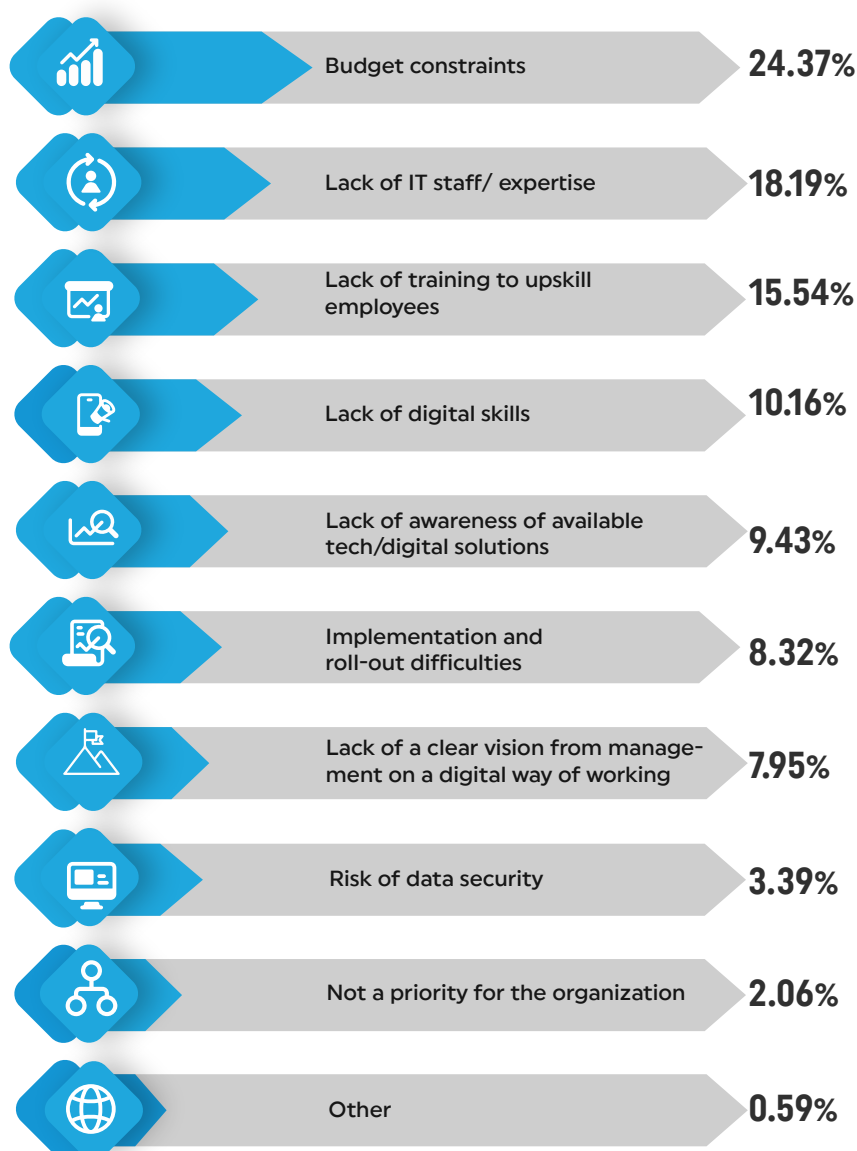


Figure 18: What are the factors that pose the biggest challenges to the adoption of technology? Please select up to FOUR.

CHALLENGES FOR REMOTE WORK & ONLINE PROGRAM DELIVERY

The impact of technology on non-profits in the past year has been tremendous. Technology was the centrepiece of non-profits' ability to pivot and adapt in 2020. Fundraising events moved online and videoconferencing became the de-facto norm. However, new challenges surfaced as a result of the transition. It is worthwhile to note that the need to integrate technology will not disappear as the pandemic subsides. Digital is the future direction of non-profits as sector leaders have now realized the transformative potential of digital technologies on their mission.

Our research sought to find out the technology-related challenges that hampered remote work operations and virtual program delivery. It did not come as a surprise that unreliable internet access (44.18%) was cited as the biggest challenge experienced by the majority of responding organizations.

The pandemic unmasked Africa's substantial digital divide-- the gap in usage and access to Information and Communication Technologies (ICT) in societies. The digital divide not only created operational difficulties for organizations but also hindered the inclusive participation of disadvantaged communities where most non-profit work occurs. Respondents also reported the cost associated with internet access (37.77%) as a limiting factor for remote work operations and online program delivery.

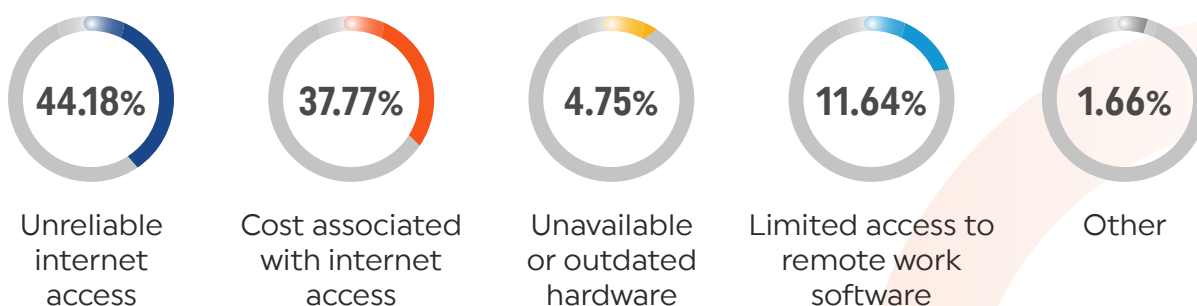


Figure 19: What is the biggest technology-related challenge faced by your organization that hampered remote work operations and virtual program delivery?

Insight

To reap the full dividends of the rise of the technological revolution in the sector, key investments in digital infrastructure, digital literacy, and skills are critical to sustaining the digital transformation trajectory of non-profit organizations.

SUPPORT NEEDS

The technological acceleration experienced by the non-profit sector has birthed new and increased digital expectations from donors, employees, and beneficiaries alike. Non-profit organizations compete for the same pool of resources and are constantly under pressure to do more with less. As such, now more than ever, they require targeted tech support that can yield higher levels of innovation and productivity for improved impact on their mission.

As part of our research objective to identify tech support areas that will improve sector resiliency, we asked survey respondents to pick their organization's top two present technology needs. Staff training (31.41%) and software licensing fees (23.90%) were reported as the most pressing technology need.

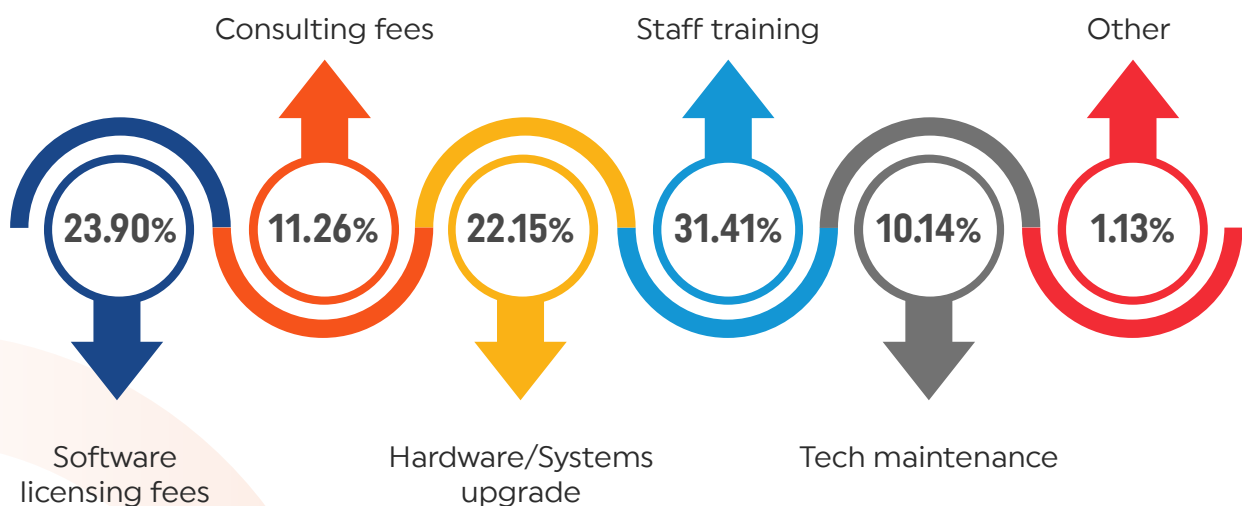


Figure 20: What are your present technology needs for your organization? Please select your top TWO.

We also presented our survey participants with an array of tech-support initiatives that might be most valuable to them if the opportunity arises. Technology training for staff (21.65%), dedicated funding for data management and analysis (20.62%), hardware and software upgrades (15%), and website revamp/optimization (13.96%) were the most significant.

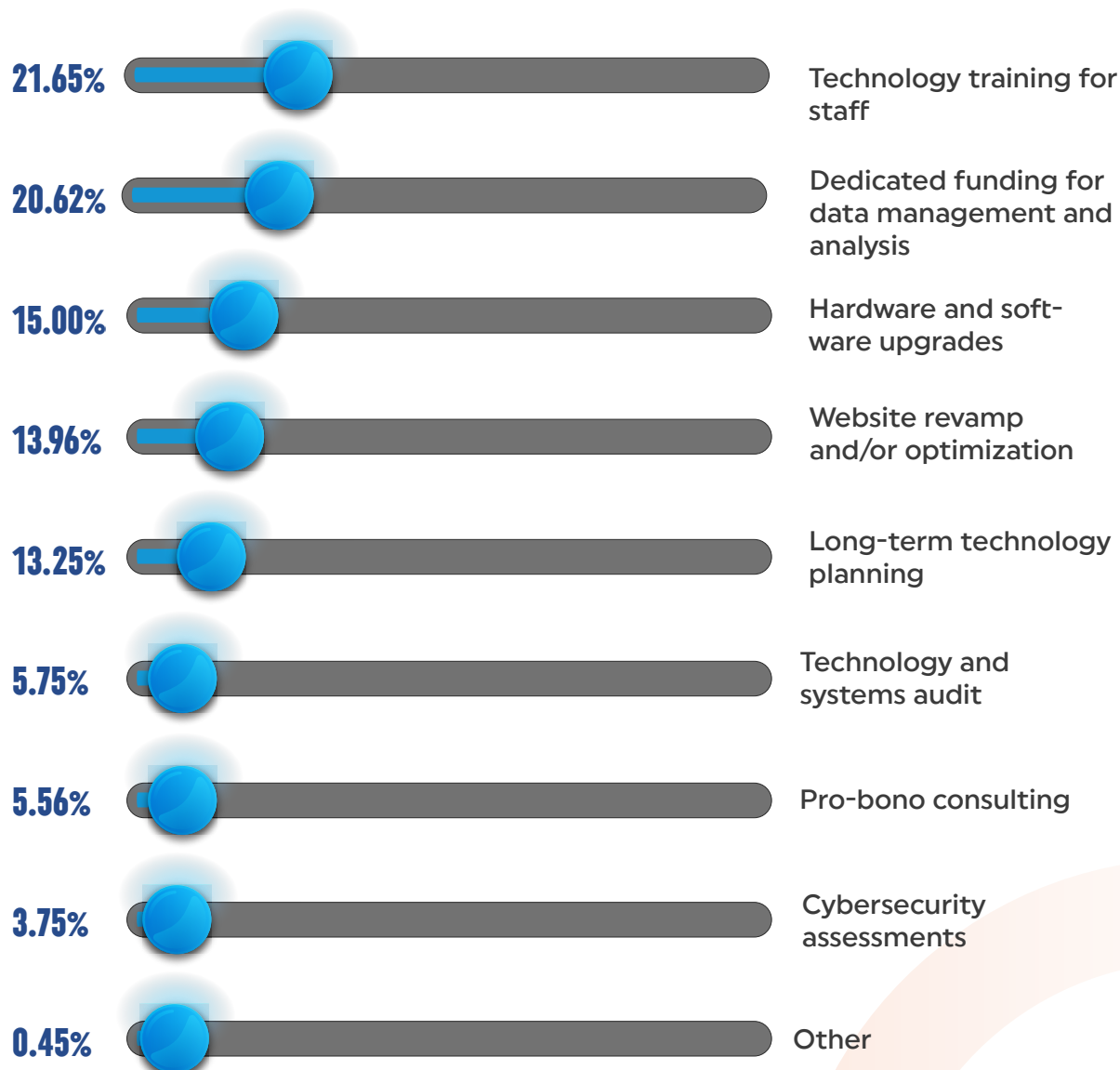


Figure 21: Which of the following would be most valuable to your organization if the opportunity arises? Please select up to FOUR.

BUILDING DIGITAL SKILLS

Greater mission impact will be experienced by the sector as non-profits leverage digital capabilities. New digital skills and capacities are essential to effectively adapt to how technology is changing the nature of work and life. The digital possibilities for non-profit organizations are exciting and will require a strengthened workforce that is backed with consistent digital upskilling.

The Digital Transformation Journey: Challenges and Needs of Non-profits

Digital fundraising (20.48%), social media management (16.65%), data analytics and visualization (14.26%), and digital advocacy (11.49%) were the top four digital skills training areas respondents expressed the most interest in.

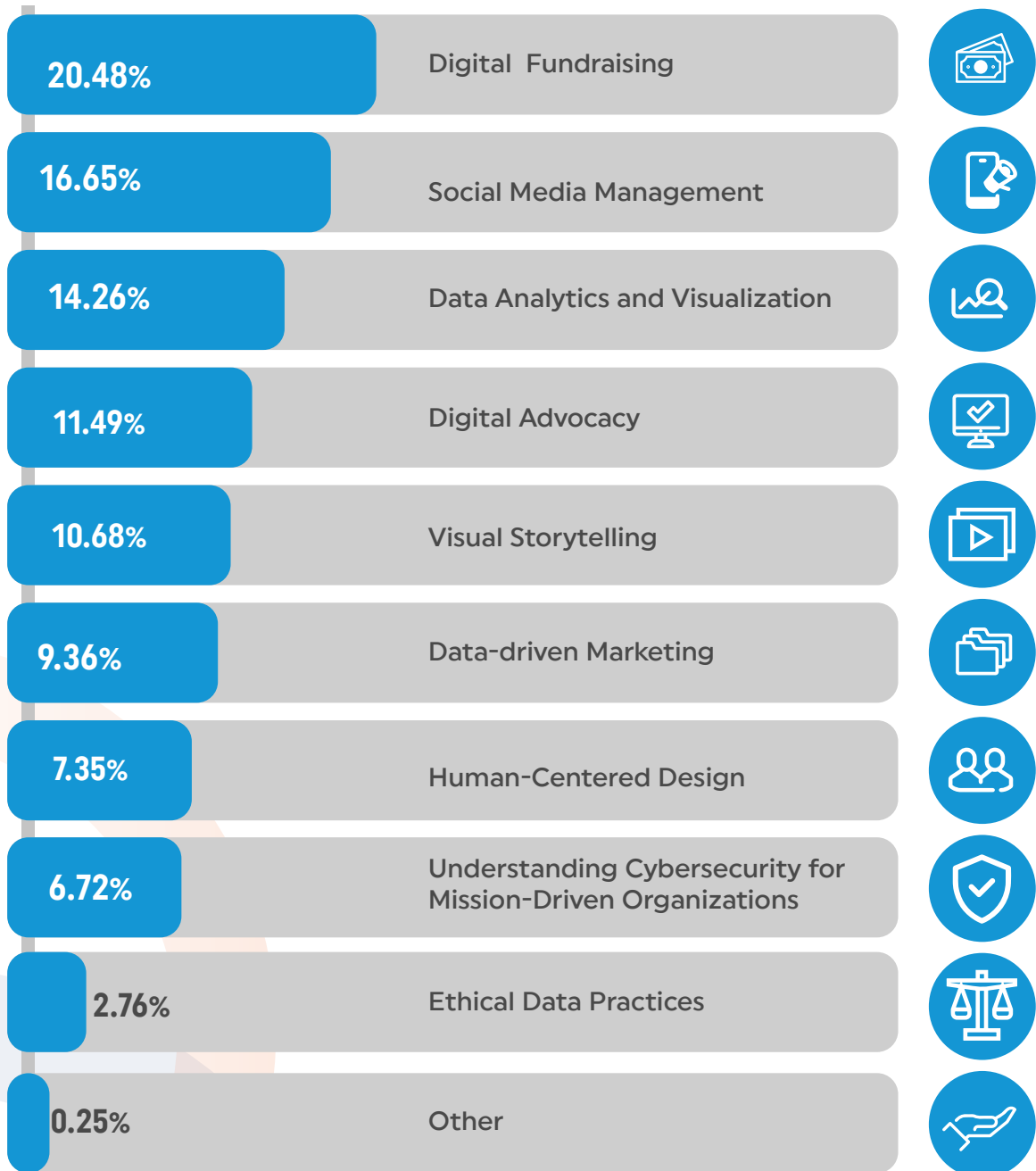


Figure 22: Which of the following digital skills training topics are you most interested in for capacity development opportunities? Please select up to FOUR.



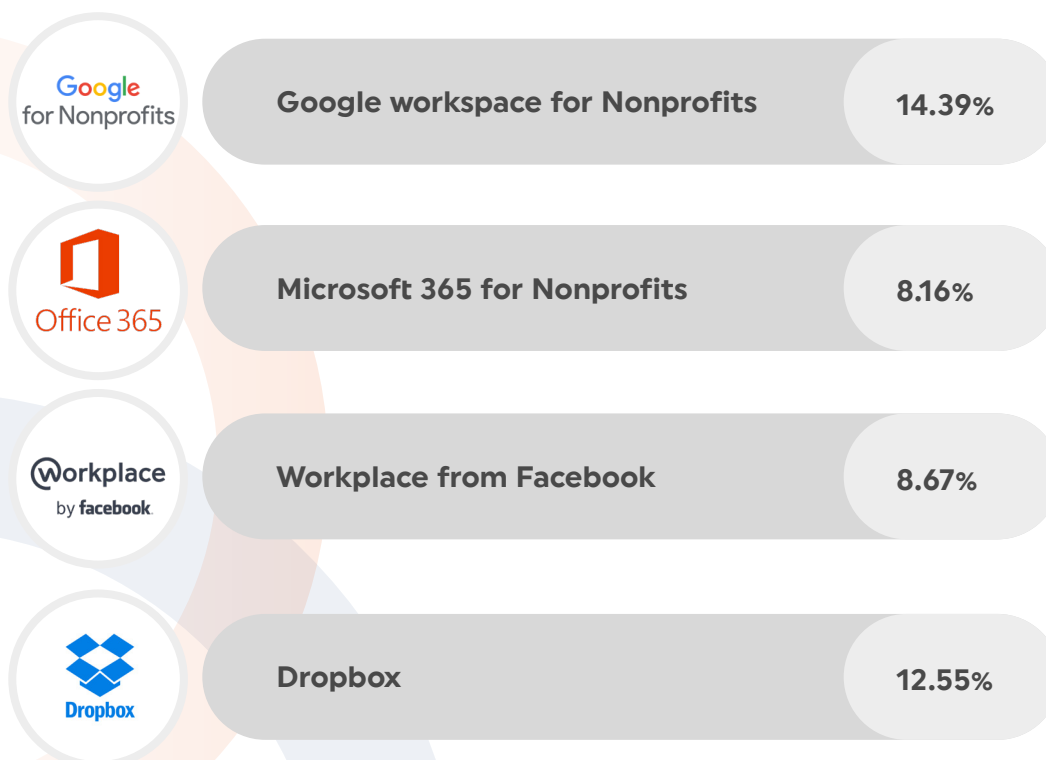
ADOPTION AND ASPIRATIONS FOR DIGITAL ENABLERS

TECHNOLOGY PRODUCTS FOR NON-PROFITS

Quite a number of digital tools with offerings exclusive to non-profits are available for organizations to leverage on and build digital resiliency. From a pool of digital solutions (Productivity, collaboration, video conferencing tools, etc.) with such offerings, we sought to determine the technology products non-profits are adopting. Not surprisingly, the majority of respondents (34.08%) are utilizing Zoom for their video conferencing needs. However, it is not clear if this data reflects the number of users on Zooms' non-profit package.

Just over 1 in 5 (22.55%) of the respondents are leveraging productivity suites available for non-profits. This includes Google Workspace for Non-profits (14.39%) and Microsoft 365 for Non-profits (8.16%).

Overall, the responses depict low usage of digital solutions with special non-profit offers. This could be attributed to a lack of awareness of the range of discounted and free software products available for non-profit organizations. More information sharing on available digital tools and resources for non-profits is needed to boost greater technology adoption within the sector.



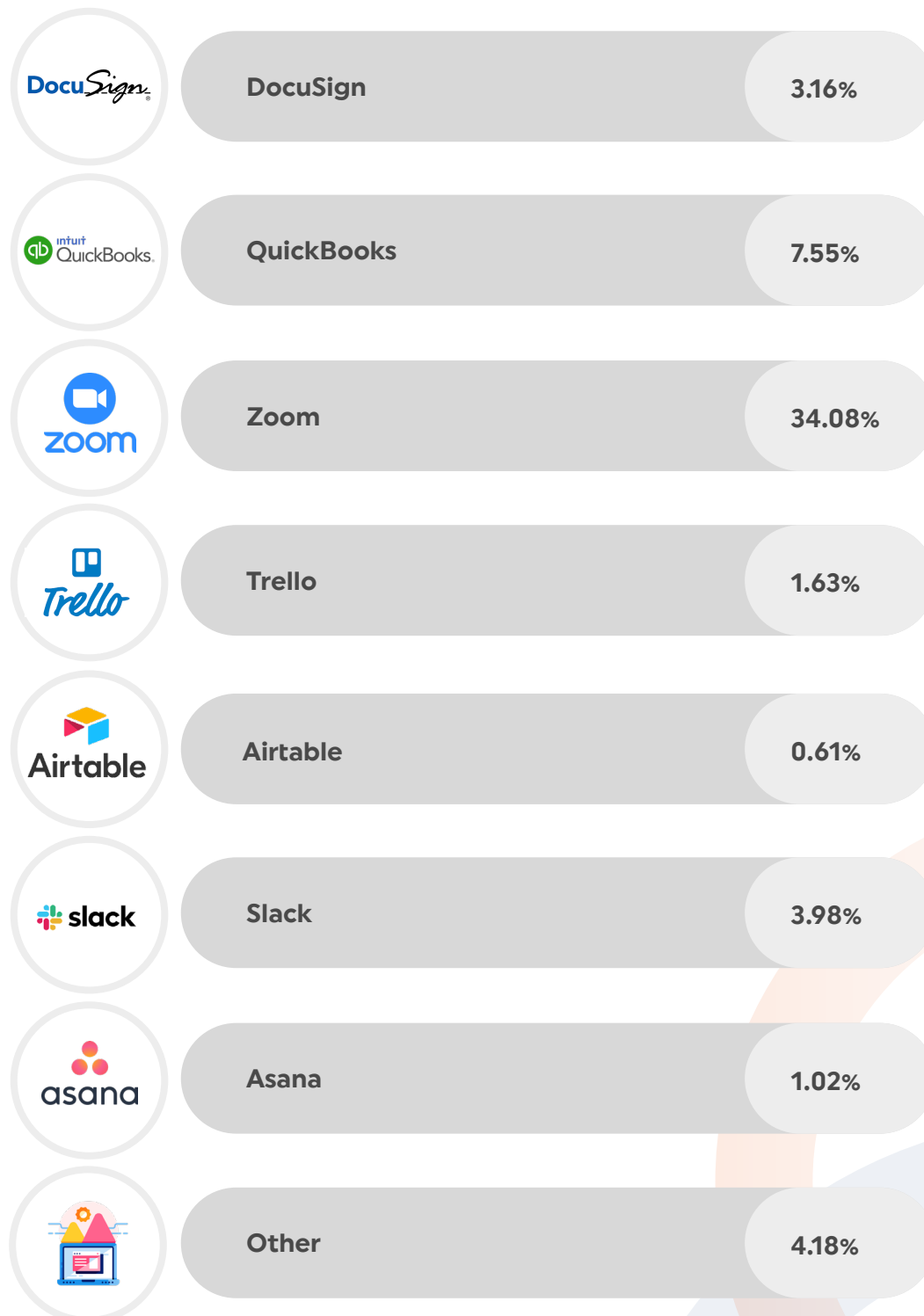


Figure 23: Which of the following remote work tools with Non-profit offerings does your organization currently utilize? Please select all that apply.

TECHNOLOGY ADOPTION TRENDS

In this research, we also sought to explore current and planned usage for existing and emerging technologies. Organizations are currently adopting video conferencing software the most as indicated by 72.92% of the respondents. 59.14% of the respondents are looking to deploy project management software in their work operations, whilst 59.38% have no plans to adopt blockchain technology.

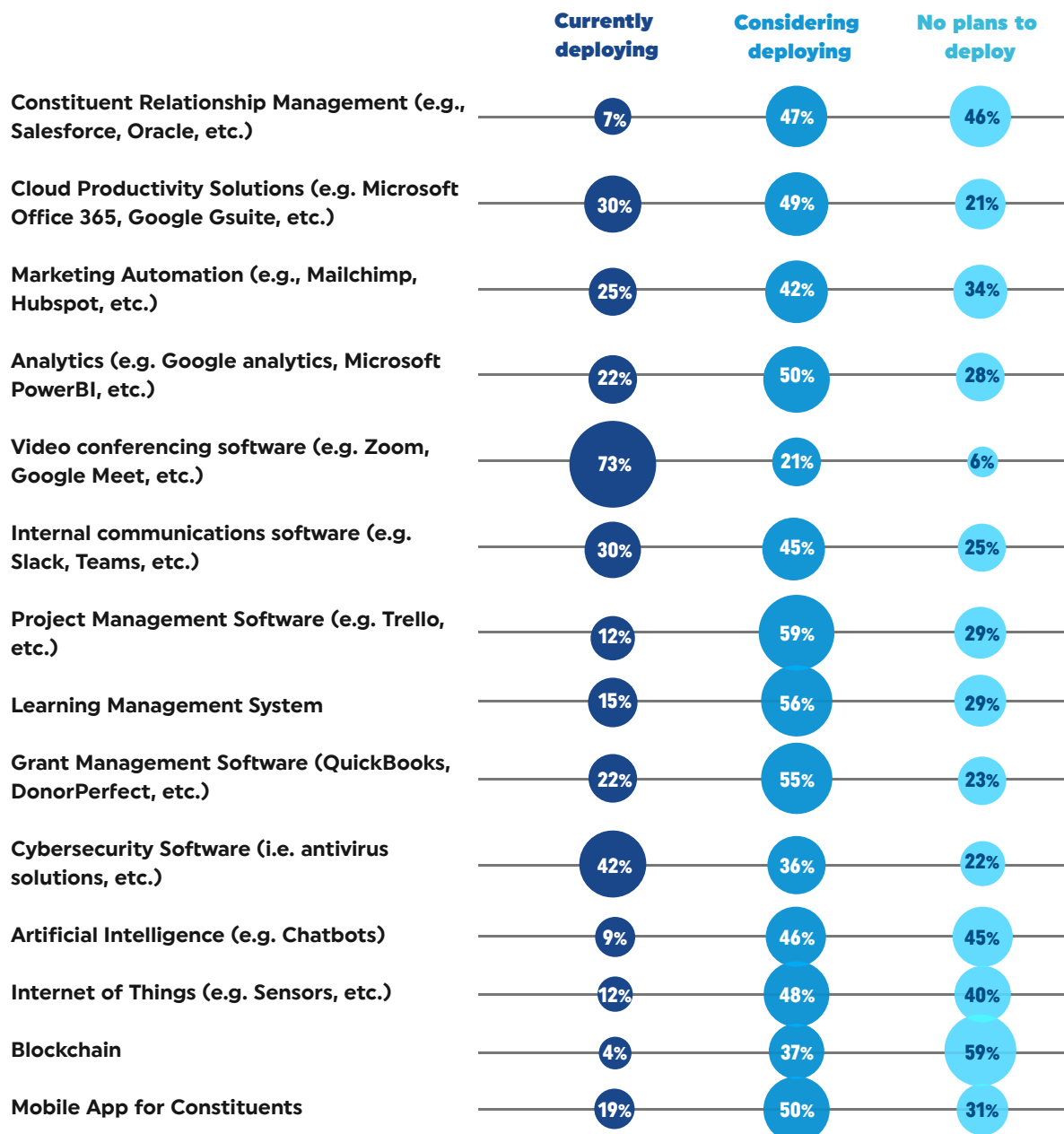


Figure 24: Which digital enablers are you currently deploying?

CONCLUSION

Digital transformation is not a passing trend. It is the new imperative. To survive and thrive in an increasingly changing environment, organizations must seek to develop a solid digital foundation. Thus, it is crucial for non-profits to continuously adapt and evolve to digital capabilities or risk being left behind.

Every journey begins with a single step. As a broad subject area, it is important to remember that a blanket approach for digital transformation is unlikely to meet the desired goals of any organization. Do not be tempted to do it all at once. Non-profits vary in terms of their digital maturity and no two organizations will have the same course of action for their plans. We recommend starting from the area where a digital initiative can have the greatest impact on your organization.





RESOURCES

NetHope

Take the Digital Non-profit Ability (DNA) Assessment from NetHope to assess your organization's current digital maturity and overall readiness for digital transformation.

Tech Soup

TechSoup provides nonprofit organizations with discounted software and services, as well as connections, expertise, and resources to unlock the power of tech for social good.

TechImpact

TechImpact's Nonprofit Technology learning Centre provides original research, insights, and assessment tools to help organizations make smart technology decisions for greater social impact.

NTEN

NTEN is working toward a world where nonprofits fulfill their missions through the skillful and racially equitable use of technology

ACKNOWLEDGEMENTS

ACT Foundation would like to thank all the organizations that participated in the 2021 African Non-profit Technology Survey. Your contribution is greatly appreciated.

We would also like to acknowledge everyone who supported the distribution of the survey within their network.

Research Team

We acknowledge the following ACT Foundation staff for their substantive contributions in the conception, design, and review of this study: Victoria Oletu, Oluchi Okoroafor, Ahmed Umar, & Ndifreke Okwuegbunam.

If you have any questions or enquiries about the survey and report, please contact: research@actrustfoundation.org

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