Beyond the Box

Time Guide: 1/1 (first number is length of this page, second number is where you'll be after this intro). Welcome to this presentation of Beyond the Box: Technology Grantmaking: A Business Case for Strategic Thinking. Thank you for coming.

This presentation was prepared for the Changing Technology Funding Practices Project, which is funded by Industry Canada's IM/IT Secretariat through the Voluntary Sector Initiative.

For those of you who don't know, the goal of the Voluntary Sector Initiative is to strengthen the sector's capacity to serve Canadians and their communities. The VSI is a joint undertaking between the Government of Canada and Canada's voluntary sector.

Technology Grantmaking

A Business Case
for strategic thinking

Beyond the Box

Time: 1/2.

And the goal of the next 45 minutes is to share some new ideas with you, and engage you in a process that I am very excited about: that of helping to strengthen the voluntary sector by providing grantmakers with new ideas and new tools to support the capacity and infrastructure of Canadian charities and not-for-profit organizations.

This project is coordinated by:

IMPACS — **Institute for Media, Policy and Civil Society**

commons group — In partnership with: **The Commons Group**

Canada — Funded by the **Government of Canada** through the **Voluntary Sector Initiative**

Time: 3/5. <Brief background about the experience and credibility of presenter>

The authors of this presentation and the accompanying report of which you have a copy in front of you, are Catherine Ludgate and Mark Surman. Catherine is the director of the Communications Centre at the Institute for Media, Policy and Civil Society. She is part of an emerging network of national capacity builders for the sector, and brings a focus on strategic communications and building collaborations across issues, geographies and interests. Mark is a partner with The Commons Group. He is one of Canada's leading voices on the strategic potential of networked technologies for the voluntary sector, and has experience working on both the funder and voluntary sector sides of the table.

And finally, I must acknowledge the members of the Information Management/Information Technology Joint Table of the Voluntary Sector Initiative and the IM/IT Secretariat staff at Industry Canada. The vision for and support of this project came from the Table and the Secretariat.

> *"We want to match funders' visions up with the reality of needed tech support. Funding for technology is part of a funder's responsibility and we want to have that conversation."*
>
> Don McCreesh, Chair, VSI IM/IT Advisory Group

Time: 2/7. The relationship between technology and grantmaking is a relatively new area of study, with just a handful of detailed research projects having been undertaken in the past two years. We have learned a great deal from these studies and from conversations with grantmakers who are active in the technology field. In Canada, broader conversations about technology and grantmaking are yet to be had. It is convening these broader conversations that is the work of the Changing Technology Funding Practices Project.

These conversations will focus on the **rapidly changing role that networked technologies play in voluntary sector work** and the **challenges that grantmakers face in responding to these changes.** These conversations are not designed to encourage technology grantmaking for its own sake. Rather, through dialogue with grantmakers who are trying to address new challenges, we plan to develop responsive and practical tools to help grantmakers strategically evaluate the technology needs and requests of the Canadian voluntary sector.

< presenter to insert real life local example here> As a grantmaker, we encourage you to get involved, to add your voice to this dialogue, both today and over the coming months.

Technology and the sector

- Most voluntary organizations use basic technology in their day-to-day operations

- Used effectively, this technology can become the building block for more strategic activities

- However, few organizations have begun to use technology in a strategic, mission-focused way

Time: 1/8. Internet technology is quickly becoming as common and as important a communications tool as the telephone in Canadian businesses and voluntary sector organizations.

However, research also shows that a majority of voluntary sector organizations are still using new technologies at their most basic level, not having yet realized the vast potential for applying these tools directly to mission-based goals. And grantmakers have an opportunity to help grantees, particularly the smaller groups, make this shift in thinking.
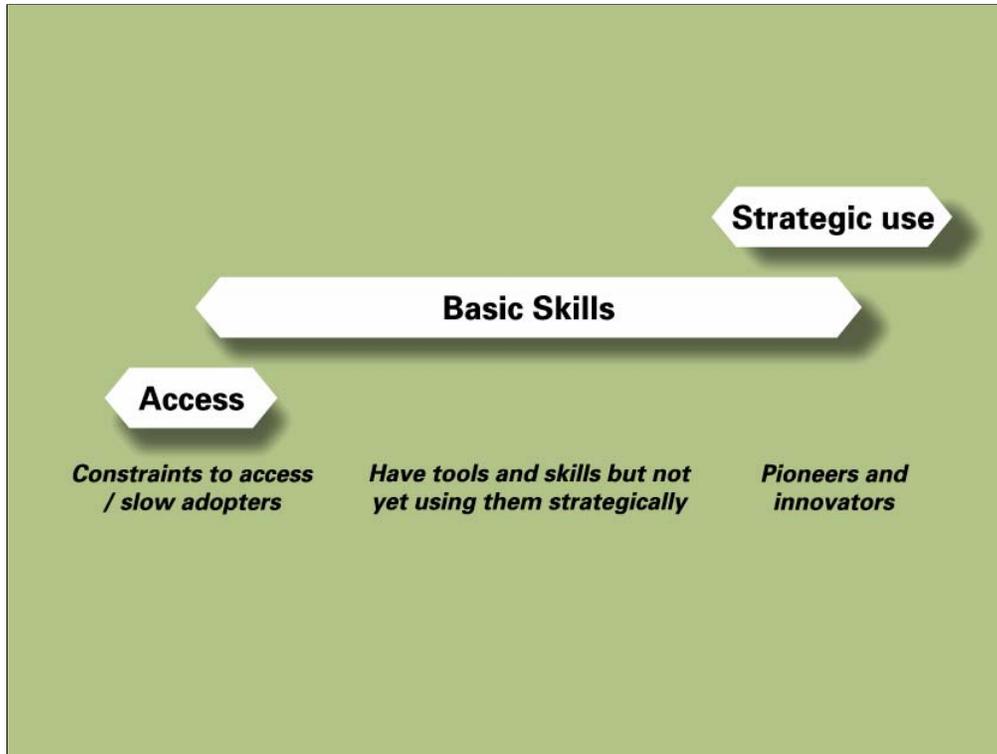
Time: 2/10. ACCESS: In Canada, we still find thousands of voluntary sector organizations struggling with just accessing new technology. They either don't have a computer, which makes writing funding proposals and outreach materials a real challenge, or they have a computer but no, or very limited, Internet access.

BASIC SKILLS: The vast majority of voluntary sector organizations in Canada, however, do have some form of new technology supporting their operations. Sometimes the systems are old, outdated. In many organizations, the systems are in place but the staff have not been adequately trained to use technology to its fullest potential. This is the area where the greatest positive impact can be made for the smallest investment.

STRATEGIC USE: Finally, there are organizations across Canada that are innovators, using technology directly to impact their mission. Delivering services to clients whom they otherwise could not reach…building alliances with like-minded organizations…sharing information with new public audiences.

Here are some statistics from Volnet research done in January, 2001 about how well-connected Canadian voluntary sector organizations are, by income. (notes continue on next page)
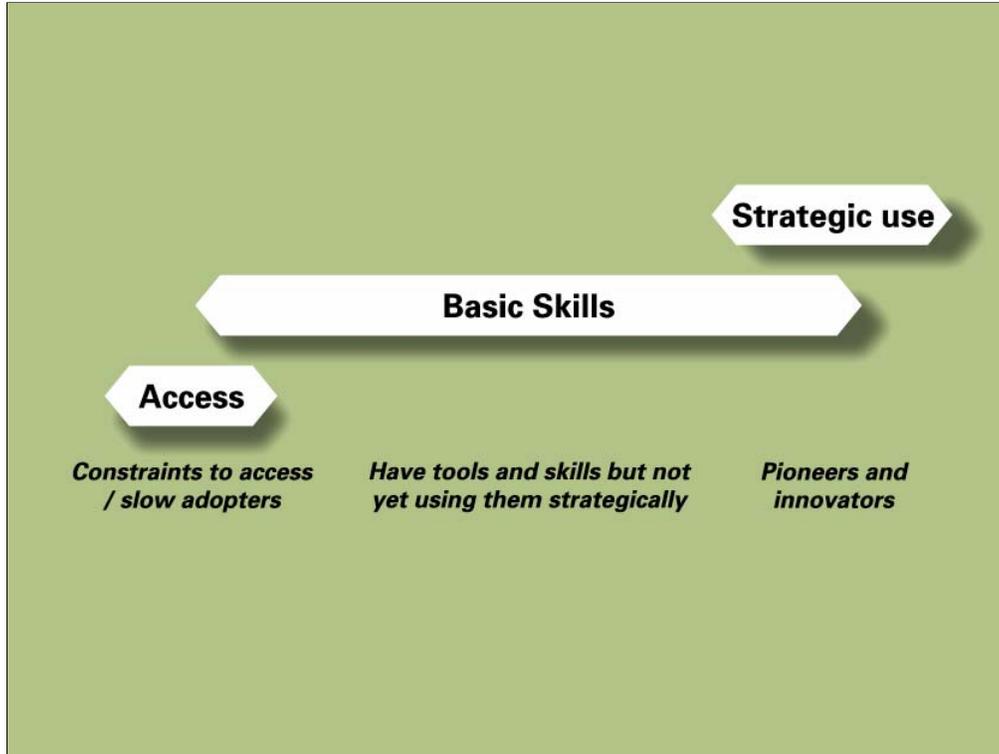
Time: 2/12 **(continued from previous).** Overall, 76% of Canadian voluntary sector organizations have Internet access, but only 60% of organizations with incomes under $100,000 are connected, while 96% of organizations with incomes of $500,000 or more are connected. So, 40% of small organizations in Canada still face *access* issues with respect to new technology.

In terms of basic skills, if we look specifically at having a website presence, we find that 40% of Canadian voluntary sector organizations are publishing online. Of course, we see the split between large and small organizations with just 27% of the under $100,000 organizations with a website and 60% of organizations with $500,000 budgets having a website. **We suspect this number has grown exponentially for large groups in the past 3 years and also suspect the number has remained static for smaller organizations.

One example of strategic use of technology is generating online donations. The Volnet research found that overall, just 4% of Canadian voluntary sector organizations are now appealing to donors online.

Overall (approx), Low income (>100k), Medium income (100 – 500k), High income (500k+)

Internet Access	**76%,** 60%, 91%, 96%
Basic publishing / web site	**40%,** 27%, 47%, 60%
Online donations (strategic)	**4%,** 3%, 4%, 8%

For Canada's voluntary sector to achieve its myriad of goals, grantmakers and sector groups must:
- **See computers, Internet access and support as voluntary sector "must haves"**
- **Think about technology in terms of strategic, mission-driven uses**
- **Understand that the real power of technology lies in networking people**

Time: 1/13

The situation for the Canadian voluntary sector is mixed, with many organizations up-to-speed, as it were, with their basic technology needs being met, yet too many organizations still struggling to get those basics in place, and very few using technology strategically, in support of their mission.

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Think about technology in terms of strategic, mission-driven uses

Understand that the real power of technology lies in networking people

1. Technology as a 'must have'

The business case for basic technology support is clear:

- **Technology increases efficiency and lowers costs**
- **This means fewer resources are spent on administration saving more resources for high touch**
- **Technology is essential for communicating with funders and partner organizations**

Time: 2/15 Computer access is assumed by grantmakers, by donors and by other voluntary sector organizations who want to partner with like-minded organizations. Imagine the difficulty of writing a grant proposal without a computer… the challenges of having no way to track the contact information of donors or members … or not being able to send and receive information electronically to partners working together on an education campaign.

Everyone – grantmakers, donors, partners – we all expect to be able to contact VSOs not only by phone or fax but electronically as well. Yet 60% of small Canadian voluntary sector organizations face great obstacles to meeting these demands because they simply don't have the hardware, the software, the connectedness or the training to use what is today considered basic technology.

IMPACS – the Institute for Media, Policy and Civil Society – surveyed Canadian grantmakers in April and May this year, to determine trends in technology grantmaking. 13 of 37 respondents do not provide grants for technology of any kind, which means that 2/3 of grantmakers who responded DO support the technology needs of Canadian voluntary sector organizations. *(notes continue on next page)*

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Time: 3/18. (continued from previous) Of those grantmakers who support technology requests, here are the top reasons why they believe the investment is important: 76% believe technology can help grantees deliver their services – this is strategic use of technology; and, 62% believe technology can help an organization meet its mission – this, too, is strategic use. Yet, only 38% of these same grantmakers believe that basic technology – that is computers, networks and email – are **must-haves** for their grantees. So, among grantmakers who actually make technology grants, there is both a strong belief that technology can help organizations achieve mission and deliver services, yet a low belief that basic technology is a must-have.

2 minute Discussion Question: Why do you think these two, apparently oppositional beliefs, co-exist?

Introduce the toolkit that accompanies this presentation and how it can help grantmakers assess: total cost of ownership (TCO), the soundness of technology plans, whether grantees are using standard protocols or open source software, etc.
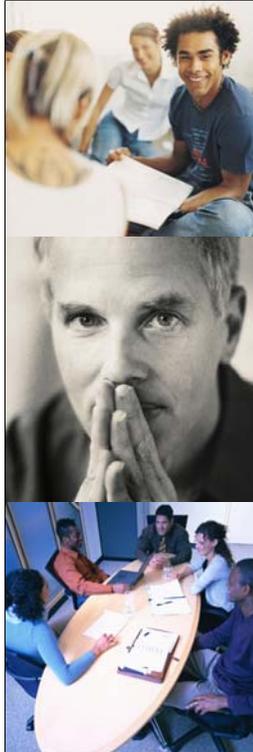
2. Strategic technology

Strategic use of technology is the natural next step, offering VSOs:

- Ways to increase their impact and pursue their mission more effectively
- Opportunities to directly benefit the communities they serve
- Potential for e-service delivery – and linking into e-government

Time: 4/24 To summarize more data from IMPACS' survey of Canadian grantmakers, the top six technology areas funded by respondents are:

* 29% fund internet access - ACCESS

* 64% support computer hardware and software purchases - BASIC

* 43% fund staff training and support to use technology effectively - BASIC

* 36% support new administrative systems that improve organizational efficiency - BASIC

* 36% support website development – BASIC and sometimes STRATEGIC

* 29% fund strategic technology planning - STRATEGIC

3 minute Discussion Question: Given that 62% of grantmakers who make technology grants believe that technology can help a VSO meet its mission, why is so little money being granted to support the strategic use of technology? What does 'strategic technology' mean to you?

3. Collaboration and people

Using technology for collaboration means:

- Technology becomes a support system for partnerships and networking
- Organizations find ways to create synergies and reduce duplication
- Resources and knowledge can be effectively shared within the sector

Time: 4/28

Just 14% of grantmakers that support technology requests from VSOs provide money for online community building.

4 Minute Discussion question:

If we are in agreement that facilitating collaboration and connecting people is a key role for technology in the VSO, is there a role for grantmakers to play in helping move your grantees to think about this outcome, of building communities, more actively? What would this look like?

"How can we encourage grantees to think through their strategic technology needs before they show up on our doorstep?"

Patricia Else, Ontario Trillium Foundation

Time: 1/29

Pat Else's question, "***How can we encourage grantees to think through their strategic technology needs before they show up on our doorstep?"*** points to an important role that grantmakers have in educating voluntary sector organizations about the value and role technology can play in helping them achieve their missions.

There are many things grantmakers can do to improve the outcomes for the organizations they support.

What can funders do?

1. Make sure the **basics** are in place

2. Invest in high tech that leads to **high touch**

3. Encourage **strategic use** of technology

4. Support **collaborative** use of Internet

5. **Help peers** understand potential of technology

6. Be a **champion** for the strategic use and funding of technology

Time: 1/30 We'll go into each of these in more detail.

Funders can:

Make sure the <u>basics</u> are in place.

Invest in high tech that leads to <u>high touch</u>.

Encourage <u>strategic use</u> of technology.

Support <u>collaborative</u> use of Internet.

<u>Help peers</u> understand potential of technology.

Be a <u>champion</u> for the strategic use and funding of technology.

1. Basics

Ensure grantees have core technology capacity in place ... offer help if they do not:

– **Basic computer and Internet access are not frills — they are essential**

– **Hardware purchases are only a small part of the cost of technology**

– **Effective technology infrastructure requires an ongoing investment in support, training & network access**

– **According to calculations prepared for agencies in the settlement sector, these basics cost approximately $250/month per workstation**

Time: 3/33. Perhaps the most important skill that VSOs need to develop is understanding how to calculate the total cost of ownership before they invest in new technology. Grantmakers, as well, must think beyond the cost of the original purchase price for hard and software when making grants in support of technology.

Training and maintenance must be considered in the actual costs. For example, the typical calculation used these days for operating one computer in a VSO office is $250/month. What this means when VSOs plan projects and when grantmakers fund them is that the following costs must be included.

Funding one staff person for a two year project also means funding two years worth of computer access: $250 x 24 months = $6000. This is based on extensive research done, and recently updated, by RealWorld Systems for Citizenship and Immigration Canada to determine the per person technology costs for settlement agencies.

2. High touch

Support grantees to automate repetitive tasks:

– **Lowers administrative costs by making systems more efficient**

– **Frees resources for 'high touch' front-line services and mission-based work**

– **Increases efficiency in transaction processing, accounting, routine information requests and case tracking**

Time: 2/35. In addition to the basics – a functioning computer, network if required, printers, internet connection – grantmakers could greatly support the work of VSOs by ensuring they have the resources and training to use software effectively. The time saved by automating repetitive tasks can be used by staff to do more creative and productive work. For example, automating monthly credit card donations can free fundraising staff to put more effort into new campaigns and prospecting.

Providing PDF versions of brochures and publications online saves staff time in mailing information to interested parties. Ensuring staff are properly trained to use Excel spreadsheets could save dozens of hours when budgeting, writing proposals, tracking monthly cash flow… introducing technology effectively into everyday operations can help organizations scale up their operations, by providing stable frameworks for many daily activities.
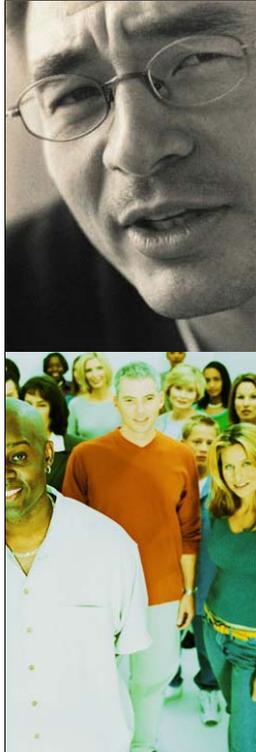
3. Strategic uses

Help grantees obtain the tools and skills to use information technology more strategically. This includes:

- **Electronic service delivery (e.g. online counselling)**
- **Online fundraising and campaigning**
- **Resource and information sharing**

Time: 2/37. There are many wonderful examples of Canadian VSOs undertaking innovative uses of technology to fulfil their mission. The VolNet website provides a dozen case studies from across the country, and from a wide variety of organizations. For example, one project uses virtual volunteers to provide career mentoring to youth in remote, Northern communities. As a result, participating youth have career paths opened up which they otherwise would not have had access to. Another great example of the strategic use of technology to accomplish mission-based goals is the envision.ca portal. This "vortal" run by the Community Services Council of Newfoundland and Labrador provides a one-stop resource of volunteer opportunities, research tools, fundraising ideas, advice on managing voluntary sector organizations, and a community calendar for organizations across the region.

Another example of strategic use of technology is seen at the website www.pwn-wave.ca. This site, run by the Positive Women's Network, provides a safe and private way for women newly diagnosed with AIDS to get information on treatment options and health issues – online counselling. It also gives women the tools they need to erase their internet footprint, so that their use of the site cannot be tracked. This builds huge confidence in the site itself and makes it a very trusted resource. <speaker to insert local example here, and also point to case studies in toolkit that accompanies this document>

4. Collaboration

Promote innovative ways of working by investing in collaborative online projects

– **Help grantees increase their impact**
– **Create new ways of working together, using technology as a platform to support partnership**
– **Improve old approaches to decision-making**
– **Share knowledge**
– **Support research and development**

Time: 2/39 Use technology to support collaboration. An example is the Canadian Partners for Children's Health and the Environment; this is a project to create an information-sharing network that interconnects the web sites of ten organizations working on an environmental health issue. The project is used to provide databases that enable content sharing and build collaboration skills of participating organizations.

In the corporate sector, research and development support is a given. But in our sector, we don't always invest in research. You can help support collaborations by providing support to grantees that will give them time and resources to figure out new ways to work together and use technology. <presenter to add own good examples>

5. Grantmaker capacity

Build the capacity of your organization and other grantmakers to address grantee technology needs:

- **Help peers and leaders in the foundation sector understand the potential of technology**
- **Develop simple guidelines that make it easier to deal with technology requests**
- **Work with organizations and individuals that specialize in addressing not-for-profit tech needs**

Time: 2/41. There are several tools that have been developed by grantmakers in the United States and Canada to help them more effectively address proposals with heavy technology requests. Part of the Changing Technology Funding Practices Project is to develop a toolkit for grantmakers and grantseekers, to help streamline and normalize the process. This toolkit will be available in January 2005 and will be posted at http://www.onenw.org/communications/technology_and_communications, and will also be available on the VSI website. There are also related projects of the Voluntary Sector Initiative IM/IT Table

•**Fostering access to IT planning, hardware and software, training and technical support** to help voluntary sector organizations have ongoing access to IT planning and expert advice, current hardware and software appropriate to their needs, training to keep up with technology, and technical support at the lowest possible rates;

•**Building a voluntary sector portal**, a Web site containing voluntary sector-related information and providing a meeting place for the exchange of ideas and the sharing of best practices;

•**Creating a funding exchange**, a web-based interactive funding service to connect funding agencies with organizations requiring funding. This will decrease the amount of resources used to provide and acquire funding;

•**Launching a technology awareness campaign**, to raise awareness among voluntary sector boards and managers about the benefits of technology and to provide information on how organizations can use IT effectively.

The Changing IM/IT Funding Practices project team is also available to provide individual support to grantmakers who desire it. If you would like to be kept appraised of new tools for grantmakers, please contact Catherine Ludgate, by email at catherinel@impacs.org or toll free at 1-877-232-0122, extension 103.

6. Be a champion

You can help be a champion for improved funding practices and support for technology funding:

- – **Lead a roundtable discussion in your community about this project and the toolkit**
- – **Talk with your foundation colleagues and trustees about the importance of strategic technology funding**
- – **Examine your own funding practices and, where possible, update policies to include support for technology**
- – **Support technology intermediaries and capacity builders who are helping strengthen the sector's ability to use technology**

Time: 3/44. Change starts with you, and with your leadership in modelling good funding practices. And in talking about your funding practices to your peers and colleagues. One way you can be a champion is to organize a roundtable discussion with your colleagues to discuss this project. We can provide background materials, speaking notes, case studies and other tools to support you.

Another way to be a champion is to make the discussion of the strategic use of technology a priority within your organization. Invite a guest speaker in, from a tech support organization, to talk to you about technology trends. Join discussion groups like the TechFunders Collaborative. Also, ask your funder colleagues about their practices and what you can learn from them. Ask your program officers what they are seeing in funding applications. Think about how you can update your own policies to reflect "beyond the box" thinking. Finally, look for and support capacity building intermediaries who are providing services and training to the sector. There is lots to be learned about the strategic use of technology and intermediaries can help both grantees and grantmakers alike.

NOTE to facilitator: Ask participants what action they can take to help spread the word on this project.

Parting thought ...

There is a pressing need for Canada's voluntary sector to move beyond boxes, cables and software and on to the strategic, mission driven use of the Internet. And grantmakers have a key role to play in helping the sector make this step.

We also invite you to visit the VSI website at
__http://www.vsi-isbc.ca__
for more information.

Time: 4/48.

Closing discussion:

What is the most important thing that you can do as grantmakers to ensure the voluntary sector is working in the most effective way, with respect to their technology use?

What specific actions can you commit to in your work or at your organization?

NOTE to facilitator:

Make sure that **technology plan** is mentioned.