

Cloud Returns More to the Cause

This case study shows how a cloud-based system can make a monumental difference, saving money, improving efficiency, and avoiding fraud.

By HK Bain

Technology has changed how nonprofits operate. Yet many nonprofits seem stuck, relying on paper documents and manual processes. That was the case for the Massachusetts/New Hampshire Chapter of the Alzheimer's Association. Here is their story.

Making the Case for the Cloud

As an organization dedicated to finding a cure, the Alzheimer's Association understands the importance of using donations responsibly. But at the Massachusetts/New Hampshire Chapter, paper donation checks were slowing the Association's ability to put the money to work for people. In addition, the manual processes required to manage paper donations were challenging the resources of office personnel.

The Chapter receives between 80 and 300 individual donation checks daily. To manage this volume, two staffers photocopied all checks, documented each donation, and stored the information in filing cabinets. Donation totals were calculated manually. Retrieving individual donation information to answer a question or verify amounts was time consuming and difficult.

One of the founding chapters of the Alzheimer's Association, the Massachusetts/New Hampshire organization provides programs and services to more than 143,000 patients and medical professionals in both states. With an annual \$11.7 million in donations and more than 8,000 inquiries from community members each year, the group's 70 employees needed an easier way to manage office duties that could free up time (and money) to work on matters that directly benefit the community.

According to PricewaterhouseCoopers (pwc.com) and the International Data Corporation (idc.com), traditional paper-based processes, like those previously in place at the Massachusetts/New Hampshire Chapter, have significant time and money costs:

The administrative cost of retrieving a paper document can be as much as \$122 per document.

It takes an average of 20 minutes to manually retrieve, copy, and forward needed information in a paper document.

Employees spend an estimated 20% of their time searching for information in paper-based filing systems.

An estimated 7.5% of critical paper documents are lost completely.

The risks associated with paper documents are extremely high. These risks include fraud, embezzlement, counterfeit documentation, and theft of receivables. As noted in previous issues of *Nonprofit World*, the average nonprofit loses \$100,000 a year due to fraud, so reducing such risks can save money, avoid scandal, and preserve an organization's reputation.

Finding a Solution

Recognizing the need to go digital, the Association worked with a technology consultant to find the right solution. They needed an easy-to-use and easy-to-learn system that would allow them to digitize checks so that subsequent processing and storage could occur electronically. They were attracted to cloud options, because they wanted a solution that was easy to manage and wouldn't require IT personnel to install or provide support. Following an extensive review of options, the group selected a cloud-based service called ImageSilo from Digitech Systems.

Seeing Dramatic Results

The conversion to digital checks and automated processes has greatly simplified the handling of information. The group's finance clerk now saves five hours a week by scanning checks instead of copying them.

The Chapter also has better control of information. Paper check information was vulnerable to prying eyes, but the new system requires users to log in before they can view records. The system can specify which records users can see. It can also indicate whether or not documents can be printed or e-mailed. Images can't be changed, and information (such as credit card details) can be hidden as needed. All these controls minimize the possibility of fraud and financial misuse.

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Best of all, the digital system is saving the Chapter money. To comply with regulations, the Chapter stored paper records at their offices for three years, and then moved older records to an offsite storage company where they were kept for an additional four years. Today, the Chapter has eliminated the cost of offsite storage and has been able to put office space to more productive use. They find more savings in improved employee productivity and lower office supply and shipping budgets. Nucleus Research analysts estimate that for every dollar spent on digital document management systems, an organization gains \$7.50 in value.

The efficiencies at the Chapter are benefitting the national offices of the Alzheimer’s Association as well. Previously, the Chapter shipped copies of event records to the national offices, but now headquarters has secure access to the information they need, using the cloud-based service. They simply log in and can locate anything they need in seconds. It’s just one example of how organizations that embrace technology become more productive so they can spend more time fulfilling their goals. 

HK Bain is CEO of Digitech Systems (digitechsystems.com), which helps organizations manage information using either PaperVision Enterprise content management (ECM) software or the cloud-based ECM service ImageSilo.

More Resources (NonprofitWorld.org):

- Cloud Communication: A Go-To Strategy to Keep Connected, Cut Costs, & Achieve Your Goals** (Vol. 32, No. 4)
- Why Clutter Hurts Your Leadership & What You Can Do About It** (Vol. 36, No. 1)
- Ten Reasons to Move to the Cloud** (Vol. 32, No. 3)
- Fraud: How to Prevent It in Your Organization** (Vol. 26, No. 3)
- The Cloud: Software Transformation & Evolution of the Workforce** (Vol. 33, No. 1)
- Can Your Organization Afford to Lose \$100,000? Safeguards Every Nonprofit Needs to Implement** (Vol. 30, No. 3)
- Seven Questions You Must Address to Thrive in the Digital Age** (Vol. 35, No. 1)



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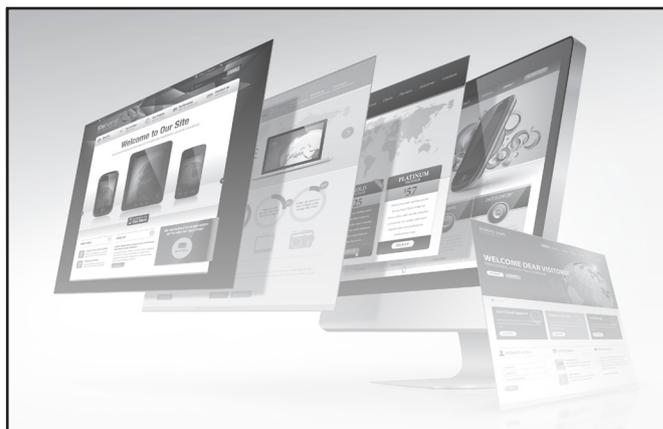
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