Closing the Gap: Information Technology and the Nonprofit Sector

Unless your organization is large, it's likely that you're an information "have not."
But you can turn your size to advantage if you follow these steps.

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A recent paper identifies a grim problem faced by small nonprofit organizations.1 The paper's authors note a growing "technology gap"—a disparity in assimilating new technologies—between small and large nonprofit organizations. This gap does not stem from a disparity of resources, they discovered. Rather, it comes from small nonprofits' lack of knowledge about how to use new technologies to meet their needs.

Are You an Information "Have Not"?

Nonprofits that incorporate technology into their planning will prevail, the authors of the paper assert. Unfortunately, however, smaller nonprofits often don't understand the fundraising process and the use of new technology in fundraising. Thus, they compete for shrinking resources with increasingly outmoded tools and methods. The result is a society of information "haves" and "have nots."

There are also economies of scale favoring large nonprofits. Marketing efforts are becoming more sophisticated. Greater visibility means greater fundraising success. Because of the rapid rate at which technology is changing, large nonprofits have typically had the advantage. Competition has led these nonprofits to seek better qualified fundraisers—those who are certified or who have professional degrees. Larger nonprofits also have staff dedicated to prospect research. They already have mechanisms in place to speed assimilation of new technology.

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But the news isn't all bad for small nonprofit organizations. Smaller nonprofits have the potential to become powerful fundraising organizations if properly equipped. By behaving like successful entrepreneurs, leaders of smaller nonprofits can strategically plan for their organizations. They can use their small size to advantage by acting creatively, remaining flexible, and responding quickly to change. First, however, they have to surmount their "information anxiety."

What's Your Information Anxiety IQ?

"Information anxiety" is produced by "the ever-widening gap between what we understand and what we think we should understand. It is a black hole between data and

knowledge, and it happens when information doesn't tell us what we want to know or need to know."2 Perhaps no other industry in recent years has experienced this phenomenon so acutely as the nonprofit sector. Increased competition among nonprofits for funds, volunteers, and community awareness, coupled with a proliferation of information dealing with these issues, all contribute to our growing anxiety.

When was the last time you experienced information anxiety? Last month? Yesterday? A few minutes ago? What is causing that tight feeling in your chest, the moisture on your brow? Is it the stack of unread journals on your desk? Yesterday's unopened mail? Or perhaps it's the ringing phone or the fact that the computers are down again.

Let's take a reading on your level of information anxiety. Is it moving into the danger zone? It's likely that your anxiety
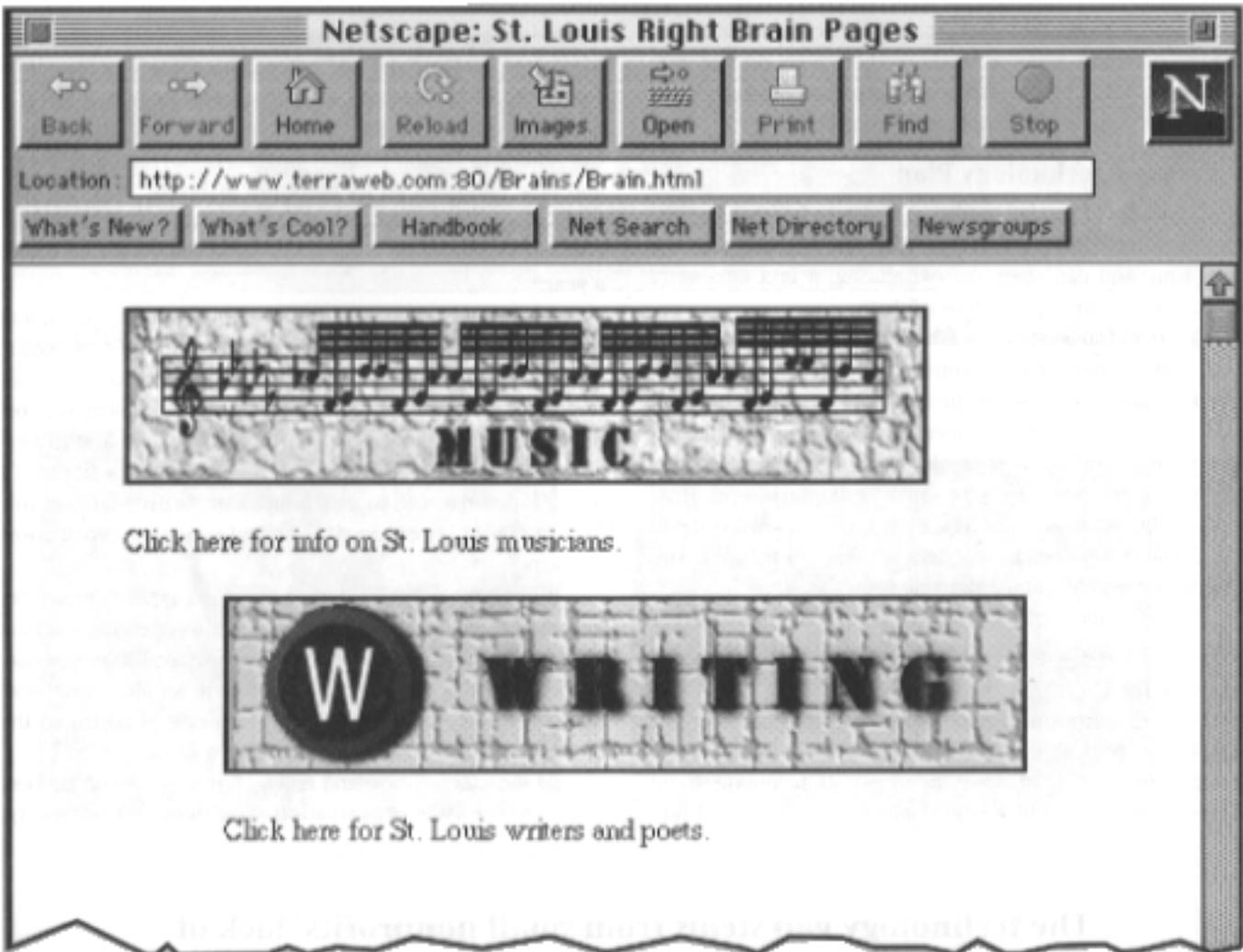
Like the cover, this home page was created by a St. Louis interactive media consulting company, K Gordon & Associates. To see this and other home pages live, access: http://www.terraweb.com/Brains on the World Wide Web.

Choices for touring the information superhighway range from the Hyundai to the Rolls Royce approach.

level is inversely proportional to your organization's electronic capability.

There are two techniques that will help you overcome information anxiety:

1. Form Collaborations

Collaborations include the sharing of resources such as computers, skills, data, and training costs. Possibilities are limited only by imagination and willingness of others to participate. An example: The Chronicle of Philanthropy recently reported the pooling of resources among Denver's cultural organizations to create a computerized database of shared information about donors, ticket buyers, and others who might be interested in supporting the arts in the Denver area.

Collaborations are both cost-effective and anxiety-reducing. Research shows that the best way to become comfortable with new technologies is to share them with people who already understand them. When it comes to technology, learning together is more effective than learning alone.

2. Create a Technology Plan

The adage "if you fail to plan, you plan to fail" is especially true for nonprofits in this competitive age. Though planning takes time and can seem overwhelming, it is a necessary investment in your organizations's future.

One plan you must create is a technology plan. You need a clear, concise road map to your projected destination. Will your new goals require you to automate your development database, access on-line services, implement a new accounting system, or replace your clunky typewriter with automated word processing? Do you have adequate technical support—fax machines, printers, networked personal computers? These technological wonders are easy to install if you have proper direction and a strategic plan.

It's important to tailor your technology plan to meet your organization's unique needs. Here are the steps to take:

1. Locate the Right Tools.
First of all, everyone needs a good computer system. Computers "play an especially vital developmental role in permitting relatively inexperienced people to comprehend and perform very sophisticated tasks quickly," James Brian

Quinn explains. "This kind of automated knowledge capture is especially important in leveraging knowledge into those service operations which must rely heavily on entry-level, part-time, or relatively inexperienced workers to meet personnel needs at lower costs."3

At a minimum, the system should include a computer, printer, and modem (or a network of computers, printers, and modems, based on size and needs of the organization). The computer should have enough horsepower to handle multi-tasking (doing more than one thing at a time). Specific brand names, models, memory size, and so on, are important—so important that the nonprofit leader should have a working knowledge of this technology.

You're well advised to invest in a good printer. Letter quality printers reduce overhead costs and provide professional looking output. Stationery, business cards, name tags, brochures, newsletters, and informational packets can all be formatted in-house with a letter quality printer, powerful word processor, and simple graphics software. For instance, the American Legion recently upgraded its computer system and now publishes all its literature in-house. With the new technology, the Legion cut its information systems staff by two and decreased its computer maintenance costs by $330K a year.4

You will also need one or more modems for calling and interacting with other computers over phone lines. Again, specific brand names, baud rates, and placement are all important—important enough to require technical support during purchases. Support can be provided by a staff person, a consultant, or perhaps CompuMentor, a nonprofit organization devoted to matching other nonprofit organizations with technically knowledgeable volunteer mentors.5

If someone offers to donate computer equipment to you, look closely before accepting it. Older, slower computers cannot handle the sophisticated software now available. You may end up investing more time and effort in an older computer than it's worth. There should be a high rate of return on the time invested in both learning and using a system.

Be sure to put care and research into selecting the best software for your organization. You need user-friendly,

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high-performance software. You should be able to fulfill all your organization's needs with three types of software:

(1) a powerful word processing program,

(2) an accounting package that handles general ledger and financial reporting6, and

(3) a communications package for the modem.

With these three types of software, you can accomplish the functions of planning; accounts payable and receivable; budgeting; prospect research and tracking; financial reporting; marketing; communications (brochures, newsletters, correspondence); production of mailings; and tracking of projects, staff, and volunteers.

Two additional tools are "musts" in any competitive environment: the basic tools for voice and electronic mail. Both these technologies come in many variations. Faxing by computer has many advantages, as do fax machines which are also printers, scanners, and copy machines. Phone companies are offering extremely competitive technology in the area of voice mail. Affordable software is available for computer voice mail. Again, technical support is important in choosing the right configuration. With these tools and the skill to use them, you can capture information about critical events as they occur. You can also use these tools to share information among your associates, clients, funders, and community, and keep a record of actions taken for future reference.

2. Find the Right Transportation.

Once you have the tools, you must secure the right transportation. Start with local information sources. Develop contacts at libraries in your area, and learn about their public, academic,

Another "Creative Side of High Technology" home page on the World Wide Web. The Web lets you access the global stage in a way that only huge corporations spending millions of dollars could till recently.

How to Be a "Have" Rather than a "Have Not"

1. Create a technology plan for your organization. Your plan should detail your proposed technology purchases and training for the next year, the next five years, and the next 10 years.

2. Get advice from knowledgeable consultants or other technical support people before creating your technology plan and before buying any new technology.

3. Share technological expertise, training, and equipment with other nonprofits. Look for ways to pool resources.

4. Be sure all staff members, including the organization's leaders, have a working knowledge of technology. Remember that money for training is always money well spent.

5. Invest in a good, up-to-date computer system, printer, modem, and software. Do research to find the best items to fit your needs.

6. Before buying (or accepting a donation), ask lots of questions. Find out whether your purchases include warranties, upgrades, and technical assistance.

7. Become familiar with the technological services available through your local library.

8. Sign up for a service that connects you to the information highway, and subscribe to a nonprofit forum or list. Join a computer users' group.

9. Start your own electronic bulletin board to hook up with others who share your interests and concerns.

10. Use the advantages your organization's small size gives you by reacting quickly and imaginatively to technological change. Stay up to date.

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governmental, corporate, and societal collections. Learn to use the indices—for example, Readers Guide (paper) and Infotrac (electronic)—to lead you to specific pieces of information. Learn to search your library's databases, such your local newspaper, business directory, and corporate annual reports. Continue to increase personal networks: associates, colleagues, experts, consultants. Join a computer users' group.7 Identify and subscribe to the free resources available on- line. Learn to access them through your computer modem. Use electronic bulletin boards to access valuable information, such as the latest software releases.

3. Add Power.
Now that you're comfortable with the basics, it's time to add a powerful database management system (DMS) to your computer. DMBs can be generic or purpose specific, to organize time,

people, projects, etc. This software should provide information far beyond the capabilities of the word processor. It should possess:

- strong searching capability, including
  (1) boolean searching (combining or distinguishing word relationships by using "and," "or," and "not");
  (2) proximity searching (distinguishing word relationships based on nearness to other words); and
  (3) the ability to select a specific segment of data for searching.
- dynamic data exchange (DDE). This function will let you link data between applications. For example, it lets you transfer information from a spreadsheet to your word processor. As numbers are updated in the spreadsheet, the

With new technology, the American Legion cut its staff and decreased costs by $330K a year.

You can search the holdings of libraries throughout the world and have copies faxed to you within the hour.

numbers are also updated in the report created by the word processor.

- easy, quick, flexible reporting capabilities. "Point-and-click" is probably the simplest.

There are several DBMs for fundraising and other nonprofit functions. Designed to meet needs of various sized nonprofits, these tools can maintain current and historical information on fundraising sources; analyze giving by individuals and corporations; track pledges; and produce mass mailings.

When choosing any software, ask questions. Listen carefully to the answers. If you don't understand, ask again. Talk with associates who use the software, and spend time watching them use it. Always test drive. Some DBMs cost thousands of dollars, some less than $100. Be sure you are getting full value for your investment. As with hardware purchases, investigate the availability of technical assistance, warranties, and the cost and frequency of upgrades.

4. Get on the Superhighway.
What is the information superhighway, I-Way, or Infobahn, as it is sometimes called? There are many visions, all in the making. The information superhighway is the dynamic computer infrastructure that people all over the world are accessing through various technologies that transmit voice and data. Presently it is not a true network; it is not totally linked. The Internet, the prototype of the superhighway or I-Way, is a bit like the weather: Lots of people talk about it, but only a few people understand it, and no one can control it.

Based on complexity and costs, choices for touring the information superhighway range from the Hyundai to the Rolls Royce approach. The Hyundai method is free, folksy, and forgiving. The Rolls Royce option is fast, fierce, and forbiddingly expensive.

If you choose to travel via Hyundai, you simply connect to a local electronic bulletin board or a local library's indices. If you decide on the Rolls Royce, you need to hook up to an on-line service, such as the Dialog Information Retrieval Service. Dialog is a collection of millions of documents drawn from scientific and technical literature, full-text trade journals, newspapers, and newswires. Through Dialog, you can search such publications as the *Foundation Directories.*

In between the Hyundai and Rolls Royce extremes is the Internet. It is exciting, disappointing, fruitful, and often addictive.[7] Depending on your organization's or staff's associations with academic institutions, you may have a free connection to the Internet.

There are many services (with various levels of pricing) through which you can connect to the information highway. Examples include CompuServe, America Online, GEnie, NetCruiser, and Pipeline. On-line governmental information includes SEC filings, index to the Federal Register, NIH grants, Census stats, and Library of Congress data. You can search the holdings of libraries throughout the world and, in some instances, have copies faxed to you within the hour (for a fee).

Another tool for retrieving information from the Internet is the World Wide Web (also known as WWW or "the Web"). It lets you access the global stage in a way that only huge corporations spending millions of dollars could till recently. A Web page (or home page or web site) is an electronic document posted on the Web, letting you retrieve information by clicking highlighted words with a pointing device. The cover of this issue and photos with this article are examples of home pages on the Web.[7]

To expand your networks electronically, you will also want to subscribe to a nonprofit forum. Forums, or lists, are conferencing systems you can use to brainstorm ideas with like-minded associates. Nonprofit forums include FUNDLIST for fundraising professionals; USNONPROFIT-L for issues facing nonprofit organizations; GIFT-PL for planned giving; and CFRNET-L for corporate and foundation relations. Some of the lists support digests, which compile all messages for a particular list and send compilation highlights once a week—a wonderful service.[8]

Finally, you may want to start your own electronic bulletin board (EBB). With your own EBB you can:

- Create a public forum for the discussion of ideas and issues.

- Interact with people and organizations that have similar concerns.

Older, slower computers cannot handle the sophisticated software now available.

- Explore a collaborative event or fundraising activity.

- Involve new people in your organization, and find new members and volunteers.

- Publicize meetings and results.

- Shorten meetings by using e-mail to educate participants and develop consensus.

- Provide the capability for your clients, friends, volunteers, and board to receive and share electronic messages.

Become an Information "Have"

Position yourself and your organization to be among the information "haves." Develop a plan that meets your needs. Learn about and use the tools that are available. Enroll associates, experts, mentors, and collaborators in the development and execution of your plan. Happy traveling! ■

Footnotes

1Paper published for the American Prospect Research Association, 1993, by Rika Beckley and Margaret Elliott, partners with NonProfit Network.

2*Information Anxiety*, by Richard Saul Wurman, New York: Doubleday, 1988.

3*Intelligent Enterprise: A Knowledge and Service Based Paradigm for Industry*, by James Brian Quinn, New York: Free Press, 1992.

4"Buck Bangers: Meet Five IS Departments That Squeeze Every Cent from Technology Dollars," by Sally Cusack, *Computerworld*, December 1991.

5"Civic Networking: If You Had an Information Highway, Where Would You Want to Go?", by Howard Rheingold, *Whole Earth Review*, Spring 1994.

6See "Ten Tips for Better Fund Accounting," *Nonprofit World*, March- April 1995, and "How to Choose the Right Fund Accounting Software," *Nonprofit World*, November-December 1995.

7These home pages were created by an interactive media consulting company, K Gordon & Associates. You may reach Kim Gordon at: K Gordon & Associates, 103 West Lockwood, Suite 6, St. Louis, Missouri 63119; phone 314-968-9140; e-mail 71022.307@compuserve.com. To see these and other home pages live, access: http://www.terraweb.com/Brains.

8See "Nonprofit Networking (Or, How to Stop Worrying and Love the Internet," *Nonprofit World*, September-October 1995.

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Ben-Horin, Daniel, "CompuMENTORS," *Whole Earth Review*, Spring 1994.

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*Fernsler, Terrence, "Technological Efficiency: Utopia or Anarchy?", *Nonprofit World*, November-December 1995.

*Muehrcke, Jill, ed., *Computers and Information Systems*, *Leadership Series*.

*"Save Money With Postal Barcodes," *Nonprofit World* July-August 1994.

*"Ten Secrets to Computer Wizardry," *Nonprofit World*, May-June 1994.

*"What's New in Nonprofit Software?", *Nonprofit World*, November-December 1993.

Selected Software for Nonprofits

A-Plus-Tax 990 nonprofit tax software, Arthur Anderson Tax Technology Group, 2805 Fruitville Road, Sarasota, Florida 34237 (phone 813-365-9469; fax 813-957-4164).

ArcList mail management software, Group 1 Software, 4200 Parliament Place, Suite 600, Lanham, Maryland 20706-1844 (phone 301-731-2300; fax 301-731-0360).

Axcent for Not-for-Profit Organizations software, Axcent Accounting Software, 4635 South Lakeshore, Tempe, Arizona 85282 (phone 800-292-3681 or 602-838-3030; fax 602-345-4109).

Blackbaud fund accounting software, Blackbaud Inc., 4401 Belle Oaks Drive, Charleston, South Carolina 29405 (phone 800-443-9441).

BoardLink board information software, Taft Group, 835 Penobscot Building, 645 Griswold Street, Detroit, Michigan 48226-4094 (phone 800-877-TAFT).

Cougar Mountain fund accounting software, Cougar Mountain, 2609 Koatenai, Box 6886, Boise, Idaho 83707 (phone 800-388-3038).

DonorPerfect fundraising software, Softerware, 540 Pennsylvania Avenue, Fort Washington, Pennsylvania 19034 (phone 800-220-8111).

Enterprise fundraising software, Access International, 432 Columbia Street, Cambridge, Massachusetts 02141 (phone 617-494-0066; fax 617-494-8404).

*Federal Money Retriever fundraising software.

Fund E-Z fund accounting software, Fund E-Z Corporation, 106 Corporate Park Drive, White Plains, New York 10604 (phone 914-696-0900).

Fundware fundraising software, American Fundware, 1385 South Colorado Boulevard, Building A, Suite 400, Denver, Colorado 80222 (phone 800-551-4458; fax 303-756-3514).

Human Service Information software, Echo Consulting Services, 1620 Main Street, P.O. Box 540, Center Conway, New Hampshire 03813-0540 (phone 603-447-5453 or 800-635-8209; fax 603-447-2037).

IPASS Program Evaluation software, Agency Systems, Comprehensive Community Software, P.O. Box 37410, 7645 Production Drive, Cincinnati, Ohio 45237 (phone 800-685-6006 or 513-761-4610).

Master Software fund accounting software, 5975 Castle Creek Parkway N. Dr., Suite 300, Indianapolis, Indiana 46250 (phone 800-950-2999).

MeetingPro meeting planner software, Peopleware, 1621 114th Avenue, S.E., Suite 120, Bellevue, Washington 98004 (phone 800-869-7166).

MIP Fund Accounting software, Micro Information Products, 505 East Huntland Drive, Suite 340, Austin, Texas 78752-3772 (phone 800-647-3863 or 512-454-5004; fax 512-454-1246).

*Nonprofit Organizations' Business Forms, Disk Edition.

Policies Write Now and Personnel Policy Expert, *personnel policy software*, Knowledge Point, 1311 Clegg Street, Petaluma, California 94954 (phone 800-727-1133 or 707-762-0333).

POSTBAR mail management software, Electronic Technologies, 3985 South Rochester Road, Suite H, Rochester, Michigan 48307-5135 (phone 313-656-0630).

Prospector's Choice grantmaker information software, Taft Group, 835 Penobscot Building, 645 Griswold Street, Detroit, Michigan 48226-4094 (phone 800-877-TAFT).

Servus Volunteer Database software, MicroAssist, Inc., 1920 Roosevelt Drive, Suite 43, Northfield, Minnesota 55057 (phone 800-735-3457 or 507-663-1792).

SOFTperfect Presort Mail List Management software, Barcode Addressing Corporation, 7370 Hodgson Memorial Drive, Suite F-3, Savannah, Georgia 31406-2536.

TDS Volunteer File software, Triggs Dunlevey Software (TDS), P.O. Box 40180, Cleveland, Ohio 44140-0180 (phone 216-835-5204 or 800-745-5204).

Uniform Financial Reporting and Analysis software, AA Software, 429 S. Huntington Avenue, Boston, Massachusetts 02130 (phone 617-522-6531).

*Starred resources are available through the Society for Nonprofit Organizations' Resource Center. For ordering information, see the Society's *Resource Center Catalog*, included in this issue, or contact the Society at 6314 Odana Road, Suite 1, Madison, Wisconsin 53719 (800-424-7367).