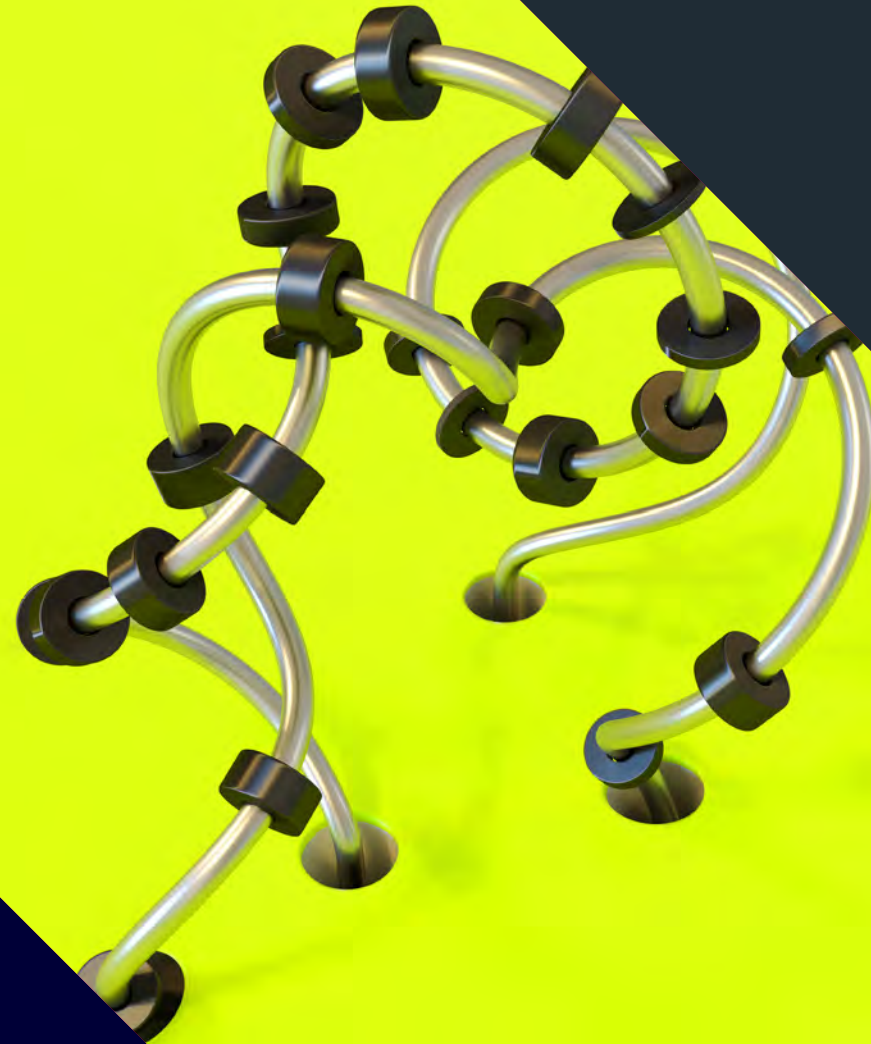# Atech

Creating the
next generation
of your business

**Digital transformation for the charity and
not-for-profit sector**

Microsoft Partner

	Gold Cloud Platform
	Gold Cloud Productivity
	Gold Datacenter
	Gold Windows and Devices
	Gold Small and Midmarket Cloud Solutions

■■ Microsoft

Digital transformation for the charity

and not-for profit sector

The sector is in crisis. According to insights shared in 'The Future of Charity'[1], as government resources are pushed to their very limits, it's the charity and not-for-profit (NFP) sector who is expected to fill the gap left by dwindling local authority support.

But the current operating model isn't fit for the future:

- **Lack of funding :** Government support has accounted for 31 per cent of the sector's income, but with grant funding predicted to hit zero by the end of this year[1], it leaves many with no option but to turn their attention to bidding for contracts.
- **Growing competition:** the private sector is seen by 36 per cent of organisations as their biggest threat[1]. When agile startups use new, innovative ways to meet beneficiary needs, it leads to competition rather than collaboration.
- **Regulatory changes:** the prescriptive frameworks underpinning the industry place a huge administrative burden on organisations - from the rules and regulations set out by the Charity Commission, and privacy obligations under GDPR.
- **The media lens:** in recent years scandals have rocked the headlines, leaving an increasingly sceptical public to question what good their money is doing. But constrained by archaic systems and rigid process, many struggle to provide visibility into their operations.

1. "The Future of Charity", Massive, Kivo and Manifesto

The end result is that charities and NFPs are pulled in every direction but that of the people they serve. Focused internally on how to address their challenges around funding, compliance and reputation, they lose sight of their purpose and the reason they exist in the first place.

It's a challenge that is particularly pertinent to the charity and NFP sector. The UK is home to over 184,000 registered charities, and 82 per cent of these organisations have an income below £100,000 - it means they can't afford to recruit the right skills to ensure they thrive in the digital era and their restrictive structures become a costly, administrative burden that starts to hold them back.
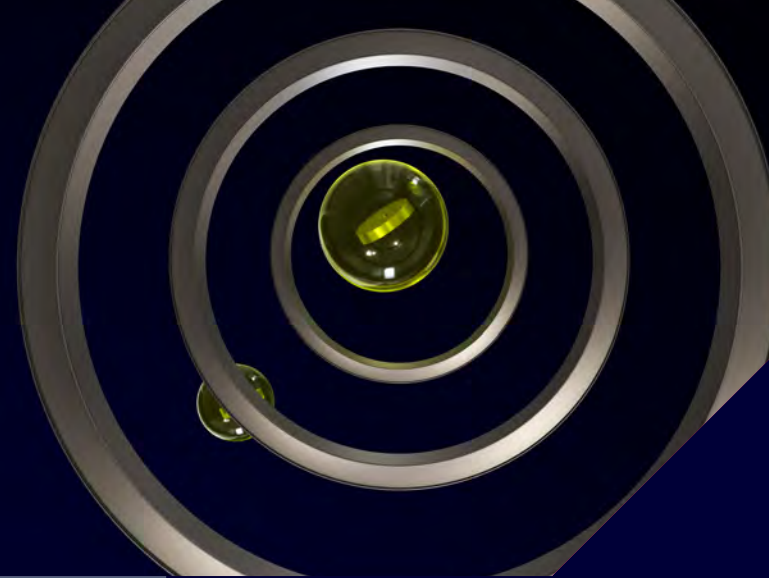
At a time when we're more reliant than ever on the services provided by charities and NFPs, arguably, this is the sector that needs digital transformation most.

And yet less than a third of charities and NFPs agree that their organisation is ready for the next decade of technology[1]. But the sector remains optimistic with 75 per cent of organisations believing that new technologies - like alternative payments, machine learning, and chatbots and voice assistants - would positively impact their future.
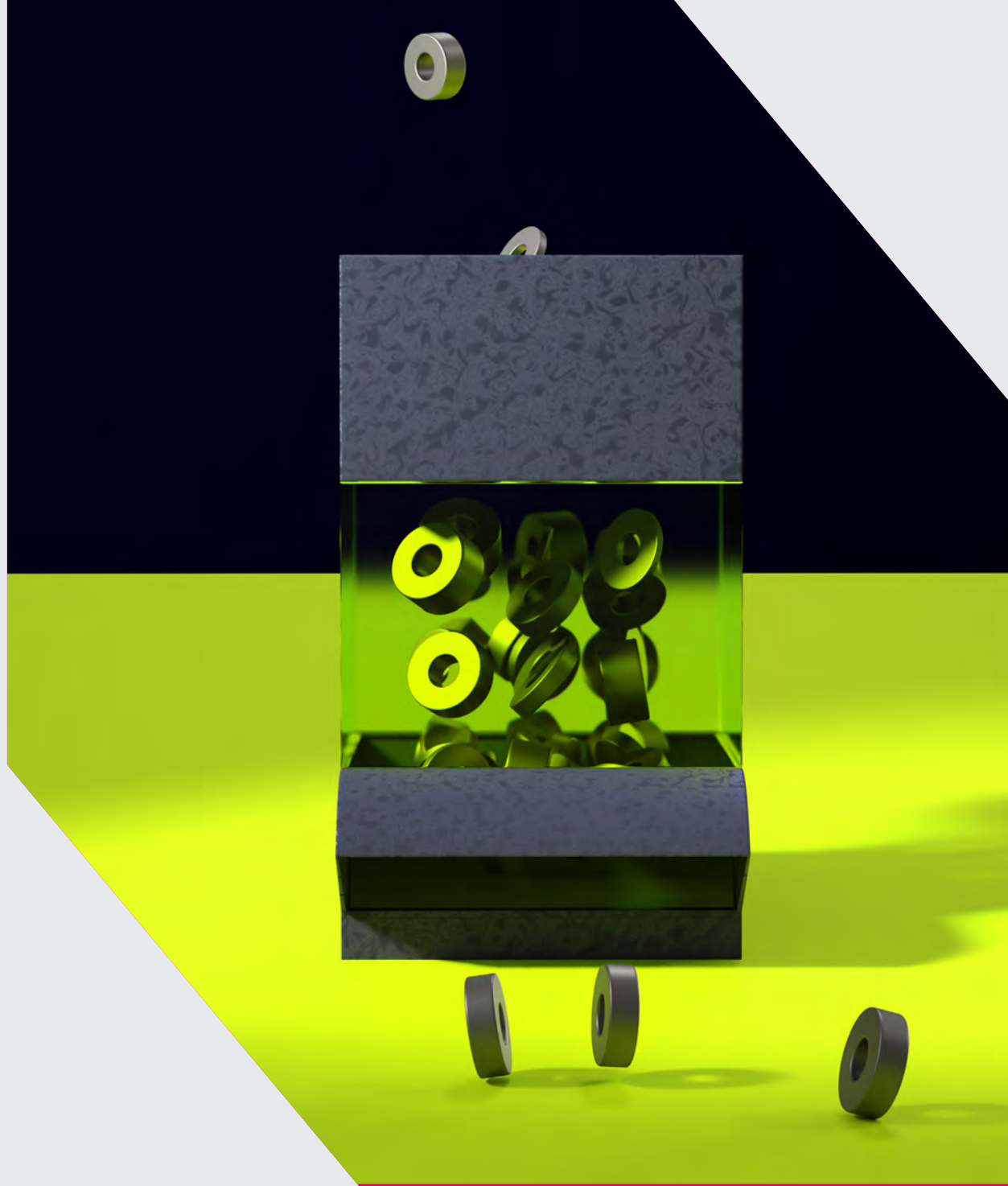
What is digital transformation?

At its heart, digital transformation is the use of new, fast and frequently changing digital technology to solve organisational problems. Invariably the starting point is the replacement of legacy IT infrastructure by more nimble and effective technologies.

It involves strategy discussions, which in turn spark debate about software and hardware. This leads to the implementation of advanced infrastructures, from the research and testing to the final roll-out and ultimately the education of the workforce.

If done properly, digital transformation has many benefits. It can increase productivity by allowing organisations to ditch time-consuming processes. It can hugely increase workforce flexibility, enabling employees and volunteers to work in different ways, with which they feel more comfortable.

Donor/member relationships also benefit. The process delivers new and ever more accessible ways of enabling and improving the conversation. One measure of how successful digital transformation has been is that the donor/member is almost unaware it is happening.

It is happening everywhere, too. According to IDG, 40 per cent of all technology spending in 2019 was earmarked for digital transformation.

What impact has cloud computing had on digital transformation?

Much of the original discussion about digital transformation focused on the role of cloud computing and how organisations accessing services, such as Microsoft Azure or Amazon Web Services (AWS), could be revitalised by the flexibility and reliability on offer.

Microsoft and AWS took a big increase in financial service businesses around 2016 when the Financial Conduct Authority (FCA) released guidelines around compliance in the cloud and supporting adoption to public cloud services, such as AWS.

It was the catalyst for change in the charity and NFP sector too. Here, cloud is seen as an opportunity to modernise their systems simply and cost-effectively – 53 per cent of charities and NFPs want to see cloud services in their daily working lives.

How is digital transformation for charities and NFPs different to other sectors?

Charities and NFPs are similar to financial services, since they are industries that are more heavily regulated than most. And within financial services, taking a cloud-first approach is enabling many smaller organisations to reap impressive benefits, since digital transformation can touch every area of the organisation.

But, despite having the same requirement to move away from legacy infrastructure and take advantage of the cloud, 56 per cent of charities and NFPs say that funding for digital initiatives is their biggest challenge. While 35 per cent of charities and NFPs admit to embarking on a digital programme without taking a strategic approach6, which is likely to impact their ability to do data-driven decision making in their CRM processes, When operating within a tight budget, and accountable for every penny spent, charities and NFPs need to focus on only investing in areas that deliver the biggest impact to justify their actions.

Digital transformation is such a sound investment because it allows these organisations to have a data-driven handle on how they are performing, with the insights to know where to focus their attention, when to automate laborious manual tasks, and making spend more visible. And as a registered charity or NFP, organisations can access credits and special pricing on Microsoft Azure and Office 365 products.

What are the benefits of digital transformation?

Digital transformation can deliver significant competitive advantages on many fronts.
It can simplify office structures, enable organisations to adopt efficient and intuitive software and deliver innovative and effective customer service systems.

A recent report from the MIT Center for Digital Business concluded that organisations that have embraced digital transformation are 26 per cent more profitable than their average industry competitors, enjoying a 12 per cent higher market valuation.

Digital transformation creates new opportunities for organisations. It can propel them into new areas, enabling new funding sources and, in some instances, new structures for their organisation.

Those who don't undertake a digital transformation run the risk of being left behind. So why aren't all organisations embarking on this journey? Reticence may stem from the executive team not believing that their organisation is under threat.

Last year Dayne Turbitt, senior vice president UK and Ireland at Dell EMC UK, declared that UK businesses have their "heads in the sand" when it comes to digital transformation. He backed up his view with statistics from Dell's second annual Digital Transformation Index.

This showed that only 27 per cent of UK respondents believed they would be disrupted and only 22 per cent believed their business would become obsolete within five years. Much of that sentiment has now been turned on its head by the pandemic. It highlights just how important it is for businesses to ensure their infrastructure is scalable and enables agility in a time of uncertainty for some, and explosive growth for others.

Digital transformation is often highly customer-centric, which is why it presents such an important opportunity for charities and NFPs, whose purpose is to serve their communities.
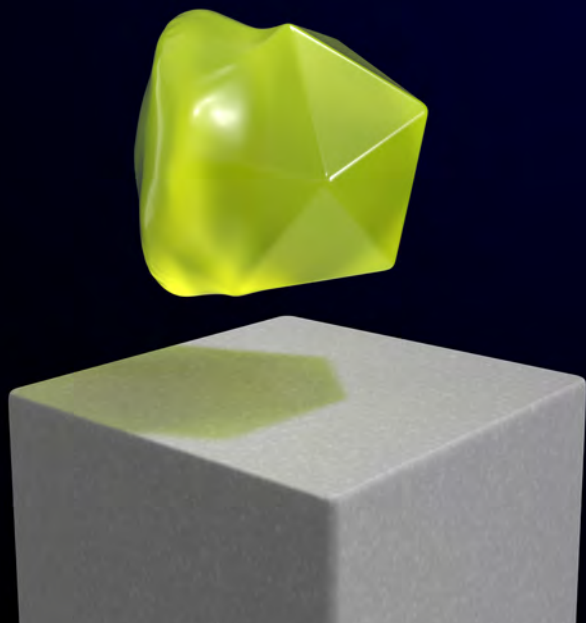
Case study: Lawn Tennis Association

The National Governing Body for tennis in Great Britain, the Lawn Tennis Association (LTA) oversees 5,000 accredited coaches, 1,000 licenced officials, 25,000 volunteers and 280 employees, as well as delivering a calendar of events, including Fed Cup, Davis Cup and the Wimbledon Championships.

During tournament season, the LTA website can see daily online visitors increase to tens of thousands. But reliant on an ageing infrastructure, visitors experienced server performance issues, while its members were unable to access their online services. Then hosted in a co-located data centre meant the infrastructure was becoming increasingly expensive to run and administer.

Needing to change, the first phase of the LTA's digital transformation involved a cloud migration. Upon completion, the LTA now has a highly available platform, delivering SLAs of 99.95%, and specifically designed to maintain the highest performance during tournament season.

To date, it has resulted in a £500,000 reduction in infrastructure costs, as well as 30 per cent saving due to ongoing licence optimisation. And by creating the new cloud-based infrastructure with geo-replication resources, it ensures the organisation is compliant from a governance perspective, while adhering to its business continuity objectives.

Business transformation is not just an IT project, it's about futureproofing your technology with cloud-based platforms, like Microsoft Azure. I couldn't have done it all myself, but with Atech stood by my side throughout the marathon, we've created something that delivers on our vision and better supports our members. - Head of IT, LTA

What staff and skills do you need to

undertake digital transformation?

To implement a successful digital transformation programme, organisations need a highly focused leadership team that can carry the rest of the company with them – from the executive team to the trustees, employees and volunteers.

Some larger charities and NFPs may have the skillsets and expertise to deliver digital transformation without either tweaking management structure or working with partners. They are the minority though.

In particular, digital transformation has tended to significantly expand the brief of the CIO. Traditionally, this role would have been focused on issues such as infrastructure maintenance and compliance. More recently it has become increasingly aligned with business issues. A CIO must now look at the organisation holistically, asking how technology can be used to improve outcomes.

This process may even go so far as to transform the organisation itself into a technology player. CIOs have become a conduit between the technology, management and the frontline workers.

In the private sector, digital transformation has also created new C-suite positions. Because an increased role for technology has security implications, some businesses have created roles for chief security officers (CSO).

There are other new roles, too. In most instances, digital transformation also entails the digitisation of a large volume of data. This has led some companies to create a management role for chief data officers (CDO), with responsibility for managing data warehouses and lakes, as well as working with the CIO on new business opportunities.

What role can virtual executives and workforces play in digital transformation?

Digital transformation doesn't only create opportunities for the executive team. It can also be used to restructure the way technology is managed.

Talented CIOs with a high level of knowledge and experience are highly sought after – and expensive. The result is the emergence of the virtual CIO. This sees either a contractor, or more likely a partner company, effectively taking on the role of the CIO.

A virtual version does the same job as a permanent in-house counterpart, delivering strategic consulting services and cost analyses regarding information technology and cloud infrastructure – but it's more affordable, which is welcomed for charities and NFPs.

Virtual CIOs can also play an important role in organisational restructuring, which is particularly useful for those with limited IT expertise.

The advantages of partner companies are not limited to the role of CIO though. In recent years, working with consultant-based external DevOps teams has become an increasingly popular way to build, test, and release software more quickly and more reliably. Such teams combine software development with management of IT operations and can fill a skills/ expertise gap that is missing in an organisation.

But to maximise the benefits of such arrangements there is groundwork to be done.

Organisations need to adopt flexible working processes, such as enabling specialist staff to work remotely. Here, communication is key, so one important aspect of digitalisation is identifying the most effective, secure and intuitive tools to enable employees, volunteers and contractors to collaborate effectively.

Recent years have seen the growth of messaging tools, such as Slack, which make it simple for groups to keep in contact, as well as task management tools like Trello, Asana and Basecamp, which enable group leaders to monitor and manage large numbers of team members.

What is the impact of start-ups on digital transformation?

In other sectors, like financial services, we've seen new high-tech organisations, like Monzo and Revolut, taking the competitive lead. But they're not necessarily taking the lead because of the technology, they're taking the lead because of what the technology enables them to do – embrace a customer-centric approach.

Charities and NFPs exist to serve their beneficiaries/members - for them it's all about the people. And in an age where funding is increasingly reliant on meeting the high expectations of donors, the more personal and human you can make the experience you deliver the better.

BirdLife International is the world's largest nature conservation partnership. It serves over 120 partners and over 13 million members and supporters worldwide. Like a lot of organisations, it recognised the importance of digital transformation, but rather than push ahead with new 'shiny' technology, it looked at where technology would have the biggest impact - to its members and supporters.

An inefficient and costly service desk provision was damaging the reputation of IT within BirdLife - employees lost an average of 5 hours per week due to IT service issues. But everyone who came into contact with the desk assumed that the service they received was indicative of the service delivered by the wider organisation.

By engaging Atech to take care of its service desk, incidents are quickly resolved – our SLA on responding to Priority 1 (critical) incidents is just 15-minutes. But our focus is on being proactive and monitoring the systems to prevent issues occurring in the first place.

Birdlife took the initiative to engage a specialist partner who could help. But according to research from Gartner, those organisations that do not possess the right cloud skills risk delaying their digital transformation project by 2+ years. Instead, it recommends these organisations,

"work with managed service providers and solution integrators that have a proven track record of successful migrations within the target industry."

How do you build successful partnerships?

For organisations looking to undertake digital transformation by working with technology partners such as Atech, the key lies in building a symbiotic relationship between the two parties.

It doesn't work if the relationship is purely transactional.
For digital transformation to be successful, the supplier needs to become a partner, where they really understand the organisation, its requirements and highlight the right blend of technologies to best support the outcome.

For the partnership to work, the organisation can't hide anything or be afraid to share details of the full picture – however bad they may look. Confidence is key, so the charity or NFP needs to trust that their partner understands what they're trying to achieve and why. The two parties must be aligned in what they're trying to deliver, otherwise the results will always fall short.

You need to really trust your partner and make sure they understand what you're trying to achieve. Make sure they know you're aligned in what you're trying to deliver.

What cultural issues might digital transformation cause?

One key challenge that organisations face in executing digital transformation is that it often requires them to look again at their culture and people. This means that younger staff often play a significant role in the process.

It would be a gross simplification to state that one demographic works in one way and a different demographic in another. Yet it is fair to say that Gen X (those born between the early 1960s and late 1970s) has grown up with technology that was often a challenge. On a basic level, having grappled with tricky-to-use software, not always helped by unreliable plug-ins, those of Gen X are often culturally inclined to find a way of working and want to stick with it.

Conversely millenials, who will soon make up 50 per cent of the workforce, have largely been blessed with technology that has worked consistently and effectively. They expect and reach for tools and applications that enhance their life. They naturally look for the same level of accessibility and ease of use from technology in the workplace. For them reading and understanding data is second nature.

Clearly there can be real tension if digital transformation is not thought through and executed sensitively and correctly. If the plan isn't effectively communicated to both the executive team and the workforce in general, it will fail to have the desired impact.

This is where real commitment from a far-sighted management team can pay dividends. If the executive team and the trustees are all visibly engaged in the process of digital transformation, engaging the wider organisation in initiatives and projects, it is easier for the next tier of management to reinforce that message. This ultimately encourages the rest of the workforce to get on board.

Digital transformation needs to be led from, and visibly supported by the top. But it's a balance, because it's equally important for frontline workers to be empowered to have their say, since that's how you start to change the culture within the organisation and make it receptive to innovation.
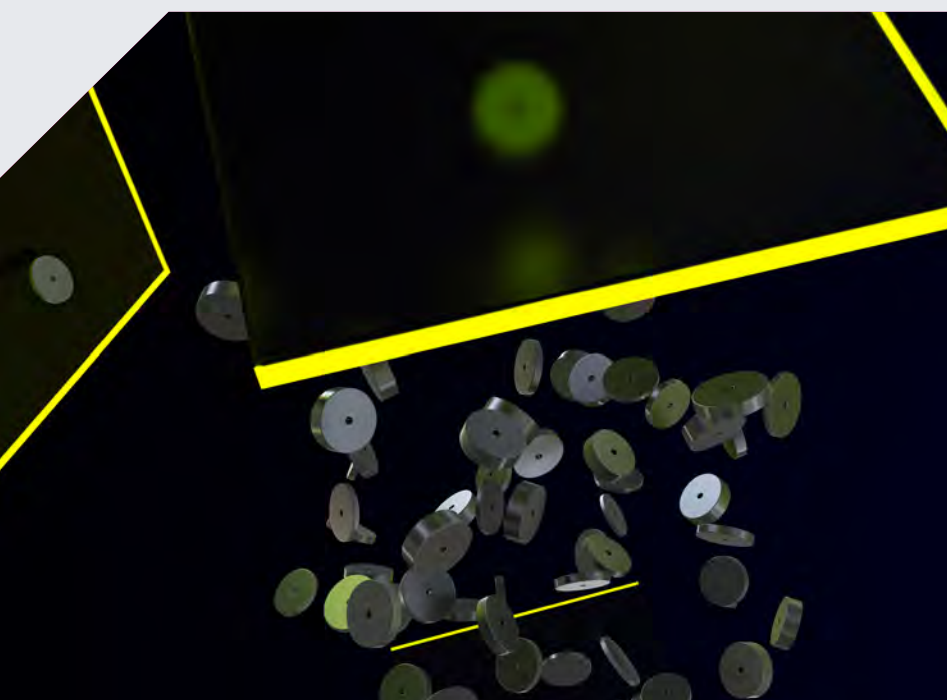
Digital transformation needs to be led from the top and visibly supported from the top, but also frontline workers need to be empowered to have their say because that's how you start to change the culture within the business, to make it more receptive to innovation.

How does digital transformation impact on
questions of compliance and security?

Compliance and security are a key element of the journey to digital transformation. Organisations must ensure that whoever they work with in this process understands the environment in which they operate.

The Department for Digital, Culture, Media and Sport, found that 26 per of charities experienced a cyber security breach or attack in the last 12 months, with a fifth of those affected reporting weekly attempts. With the average successful attack costing organisations £10,000, it's an unnecessary waste of vital funding.

Atech is a Gold Microsoft partner and we take a risk-based approach to digital transformation, which starts by ensuring the organisation has a strong security posture – this might include two factor authentication, advanced threat detection, mail protection and firewall generation.

Security is an ever-changing landscape. It is unpredictable. No one knows with certainty what the next attack will involve or when it will happen – only that it will happen. A recent Microsoft security intelligence report highlighted that phishing detections rose 250 per cent in 2018, noting that attempts to access accounts via password change request emails were increasing in popularity.

Our focus remains ensuring that security is taken seriously by all. Every person within the organisation needs to understand potential security threats and to be trained in how to respond to them. The cloud space has notably had to react – and has done so robustly – to a spate of phishing attacks.

Staff must know the processes so that if they become aware of threats they can report to the appropriate person.

What impact do regulation changes have?

Partners can also help their clients navigate regulation. A good example is privacy an issue that has driven lawmakers in recent years. We are now seeing how GDPR has taken effect in Europe and how its influence is seeing other countries and regions across the world considering similar frameworks.

In the UK the situation has, of course, been further complicated by Brexit. It is not yet clear whether regulations driven by the EU will remain unchanged in the UK, or whether the country will adopt different measures.

These types of regulation have a significant impact on how businesses behave and on the kinds of initiatives they put in place.

The evolving regulatory landscape often plays a key role in the way that Atech works with its clients.

" Employees company-wide need to understand potential security threats and to be trained in how to respond to them. The cloud space has notably had to react and has done so robustly to a spate of phishing attacks."

Case study: Royal Aeronautical Society

As the world's only professional body dedicated to the aerospace community, The Royal Aeronautical Society (RAeS) has been at the forefront of developments in aerospace, seeking to promote the highest professional standards and provide a central forum for sharing knowledge.

Despite striving for excellence and leading with an engineering mindset, the Society suffered from a lack of alignment between its vision and IT. And as a member organisation, RAeS needed to properly govern its members' data, and account for every penny spent.

When its current IT support arrangements became due for renewal, RAeS saw the opportunity to embrace its digital transformation by modernising its infrastructure and migrating workloads to the cloud.

"We were looking for an IT services company that would take the lead in helping us deploy the appropriate technology, especially cyber security, while taking our budget restrictions as a not-for-profit organisation into account… It became clear that Atech met and exceeded our technical requirements," said Emma Bossom, Director of Marketing & Communications at RAeS.

Creating a secure, modern workplace, RAeS embraced a 'cloud-first' strategy that allows the organisation to deliver an enhanced service to its members, while gaining insight of where data is stored, how it's protected, who has access and the level of security that is in place for its protection.

Then through Atech's Customer Support Portal, RAeS has visibility of every penny spent. And with more control of how it manages IT assets, including usage, applications and user issues, the organisation has the intelligence to know how to continuously optimise and improve.

What are the key innovations that will drive digital transformation in the future?

There has sometimes been a rather naive view of digital transformation as a process with a beginning and an end. This patently isn't the case. As new technologies emerge, with the potential to give organisations an edge, they too must be incorporated into systems.

In many organisations discussion around digital transformation was fuelled by the possibilities of harnessing cloud-based systems. This often remains the primary driver of digital transformation, but it isn't the only one.

New tools are constantly being developed by both existing enterprises and by start-ups, which can rationalise processes and save organisations time and money. In some instances, they leverage AI to collect and crunch data, shaping the way organisations track donor and donation data, by reporting in real-time.

For charities and NFPs, this presents a huge opportunity. Member/donor expectations place increasing pressure onto organisations, particularly when they expect their experience to be seamless across all digital channels. Digital transformation that leverages data and AI can provide the insights needed to know how to create these more personal, connected journeys and raise additional resource where/when it matters most.

Also, in a world where remote working is increasingly becoming 'the norm', digital transformation provides people with the tools to stay connected, regardless of where they are. And by automating any laborious manual processes, it gives them back their time to spend it where it matters most.

The stream of AI innovation is likely to turn into a flood in the coming years, given the huge investment in AI. This was expected to total $35.8 billion in 2019, according to IDC, a 44 per cent leap from 2018. Meanwhile, 31 per cent of companies have invested in AI in an effort to get ahead of the competition, reports Accenture.

Yet choosing the tools that are right for the organisation, introducing them to a workforce that may be nervous about new technology, or not have the time to adopt new processes, requires real vision and diligence on the part of the executive team.

For many organisations, ongoing digital transformation is driven by a partner relationship. Partners like Atech can advise, educate and help to move their clients forward, as well as unlock their data. This could have a profound, and sometimes surprising, impact on the organisation by revealing new opportunities, funding streams or better ways to serve beneficiaries/members.

In conclusion:
A continuous journey
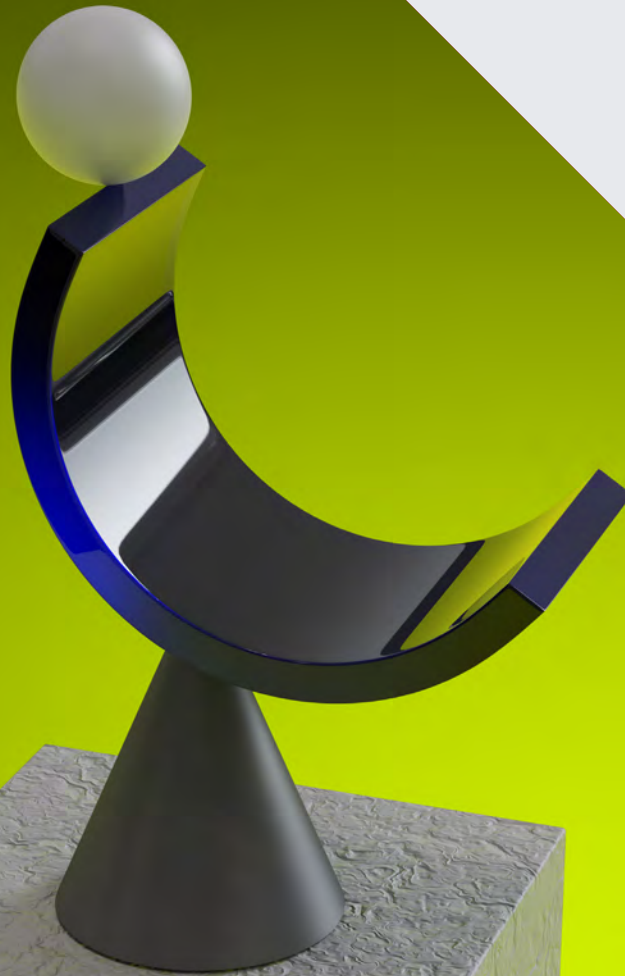
Embracing digital transformation allows charities and NFPs to deliver their services with honesty and transparency over what they're doing and why. At the same time as accounting for every penny spent, with more money going on the people they serve, rather than the infrastructure they're tied to.

Updating the operating model to be fit for the future affords charities and NFPs the same benefits as the private sector. Able to build a data-savvy culture where digital capabilities are ingrained as part of business-as-usual, and the infrastructure allows the organisation to take advantage of the latest technologies - like alternative payments, machine learning, and chatbots and voice assistants.

But digital transformation is a permanent journey. Charities and NFPs cannot stand still. Understanding the challenges of, and the reasons for digital transformation is the key to success. There are clearly risks in embracing digital transformation. But the biggest risk of all is not to do it.

Would you like to create the next version of your business?

Atech is on a mission: to deliver great service throughout your entire IT journey. Our strategists will help you identify the right technology for your needs, while our expert engineers will implement it for you with the minimum of fuss. And our service addicts are there for you every step of the way, taking your calls, addressing your problems, and generally making sure it all runs without a hitch.

Our Approach

At Atech it's all about you. We'll work hard to understand your business goals, then deliver and support the IT systems to get you there. We're not tied to any particular vendor or methodology; we're just here to help you get the technology you need…

A Partner That's Always There

With Atech Support, you'll get a bespoke service throughout your technology journey from the ground up. From the first day we sit down together to understand your goals, to the time and care we put into supporting your systems long-term – Atech is your trusted partner.

We make it our business to enhance your business using five simple steps:

Understanding

We know technology moves fast. The IT solutions that worked for you in the past may not meet your needs today – let alone in the future. It could be time for a digital transformation. We'll take time and care to understand your business, how you operate today and where you need to get to.

Advice

Once we have that insight, we'll put all our effort into devising and proposing a cloud solution that supports your business – and your people – to achieve your goals. There's a lot of choice out there so we'll simplify your technology options and work with you to get the right fit.

Implementation

When we've agreed an approach, our engineers will implement the solution with maximum speed and minimal fuss. If it involves procuring the correct kit, we can take care of that too. Our clients often comment on our efficiency, speed and attention to detail.

Support

Our work doesn't stop once your new systems are up and running. We'll agree a bespoke support Service Level Agreement (SLA) based on your requirements and our Service Addicted support team will always be there for you when you need them.

Repetition

Business never stays still, and nor does technology. We'll continue to support you through periods of growth, change and expansion – becoming your long-term IT and technology partner. Let's partner up.