

Digital Transformation for Nonprofits



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- Technical questions about the survey can be addressed to Nathan McElveen at nmcelveen@grfcpa.com.

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Additional Information

Learning Objective To provide attendees with a better understanding of how digital technology is changing the way nonprofits operate.	Instructional Delivery Methods Group Internet-based
Recommended CPE 1.0 CPE Credit	Recommended Fields of Study Business Management & Organization (Non-Technical)
Prerequisites None required	Advance Preparation None
Program Level Basic	Course Registration Requirements None
Refund Policy No fee is required to participate in this session.	Cancellation Policy In the event that the presentation is cancelled or rescheduled, participants will be contacted immediately with details.
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Presenters

Meet the instructors



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Agenda

- Innovation vs Disruption
- Transformation Rewards
- Transformation Risk
- Accounting System Assessments
- Harnessing a Culture of Innovation
- Digital Transformation Strategy

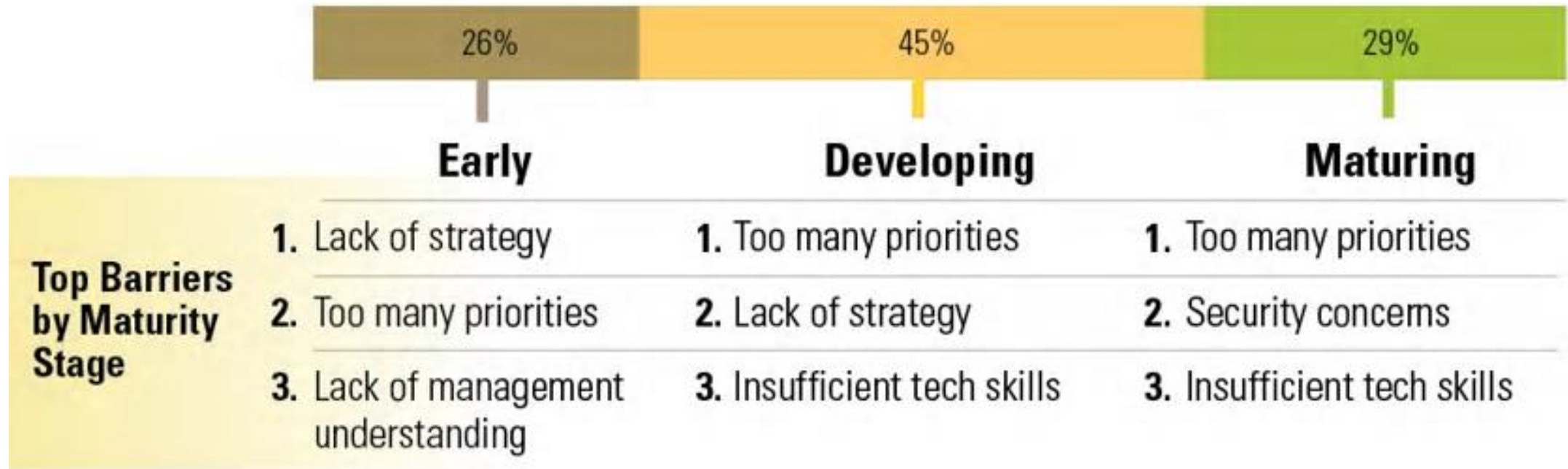
Digital Transformation



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Digital Transformation

Top Barriers by Maturity Stage



Graphic: MIT Sloan Management Review/Deloitte University Press | DUPress.com

Digitally maturing organizations are also much more likely to have collaborative cultures that encourage risk taking.

Polling Question #1

Does your organization have a recent 3-5 year strategic plan developed?

- A. *Yes*
- B. *No*
- C. *Unsure*

Innovation vs. Disruption

Nonprofits must harness the chaos of continuous change

Innovation

Doing the same things, **BETTER**

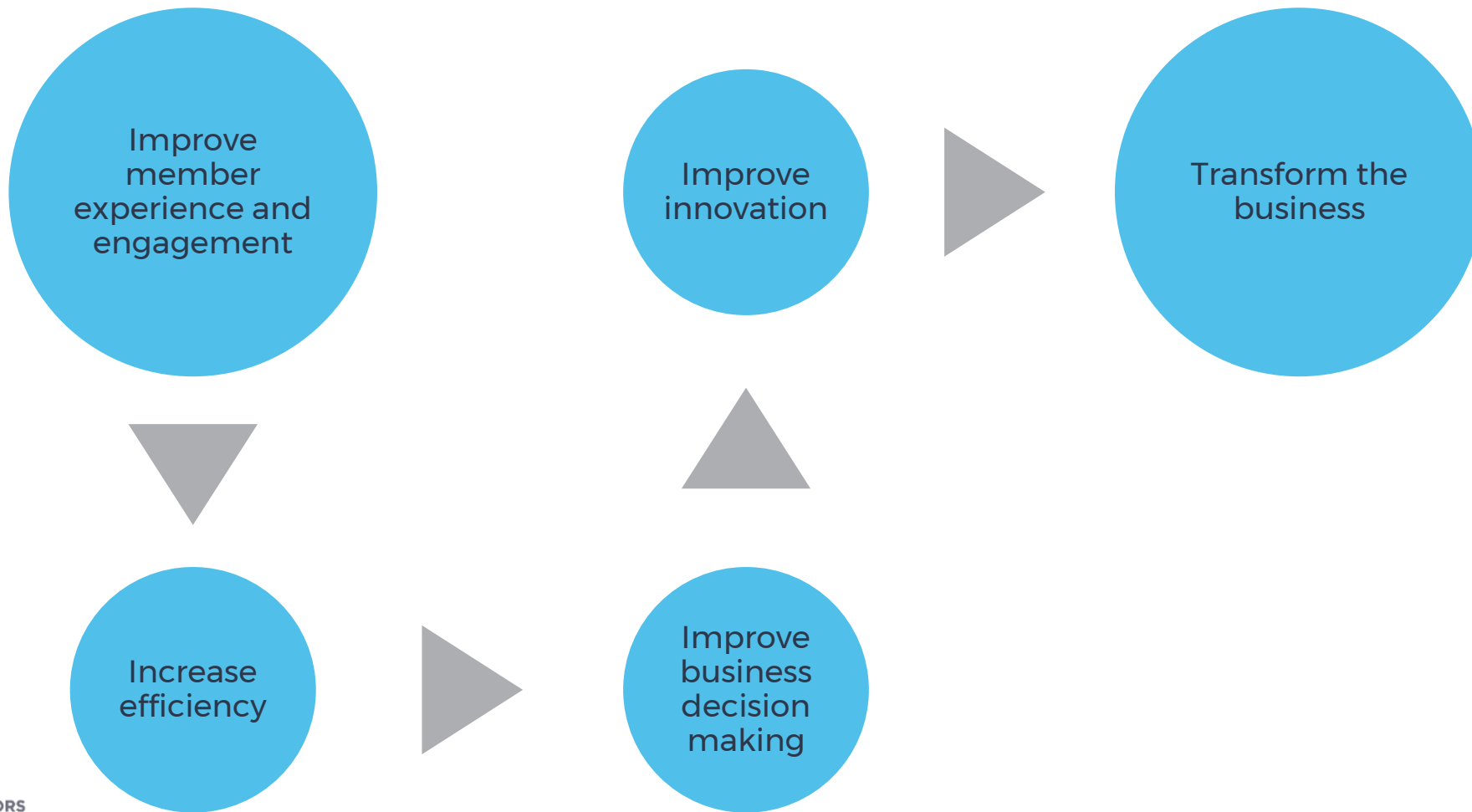
Disruption

Doing **NEW** things that make the old things obsolete

“CFOs must begin to experiment, however, or risk falling behind other functional groups in the organization and other companies in the industry whose digital transformations are already under way. They might lose a golden opportunity to help drive the business agenda.”

Nonprofit Transformation

Rewards



Reshaping the Finance Function



To improve processes through **automation and robotics**



To give end users real-time financial information with **data visualization**



To accelerate decision support through **advanced analytics for finance**



To uncover hidden value and growth opportunities through **advanced analytics for business**

Reshaping the Finance Function

Polling Question #2

Is the top financial officer at your organization exploring ways in which to automate the finance function?

- A. *No, we currently have not explored these options*
- B. *We are in discovery mode, but have not yet implemented any automated processes*
- C. *Yes, we have begun implementing automation in our finance processes*

IT Risk



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IT Risk Considerations

Digital Transformation Risk

- More organizations are embracing modern technology than ever before
- Each year more goes from physical to digital

Digital Transformation - the integration of digital technology into all areas of an organization changing how you operate and deliver value.

1. Third Parties
2. Operational Resilience
3. Internet of Things



Cybersecurity and Preventing Fraud



- As IT evolves, so do the schemes used by hackers
- Prevent unauthorized access to your network
- Monitoring and evaluation
- Protect sensitive data (PII, financial, IP, etc.)
- Consequences of a breach can be catastrophic (loss of money, loss of data, reputational damage, etc.)

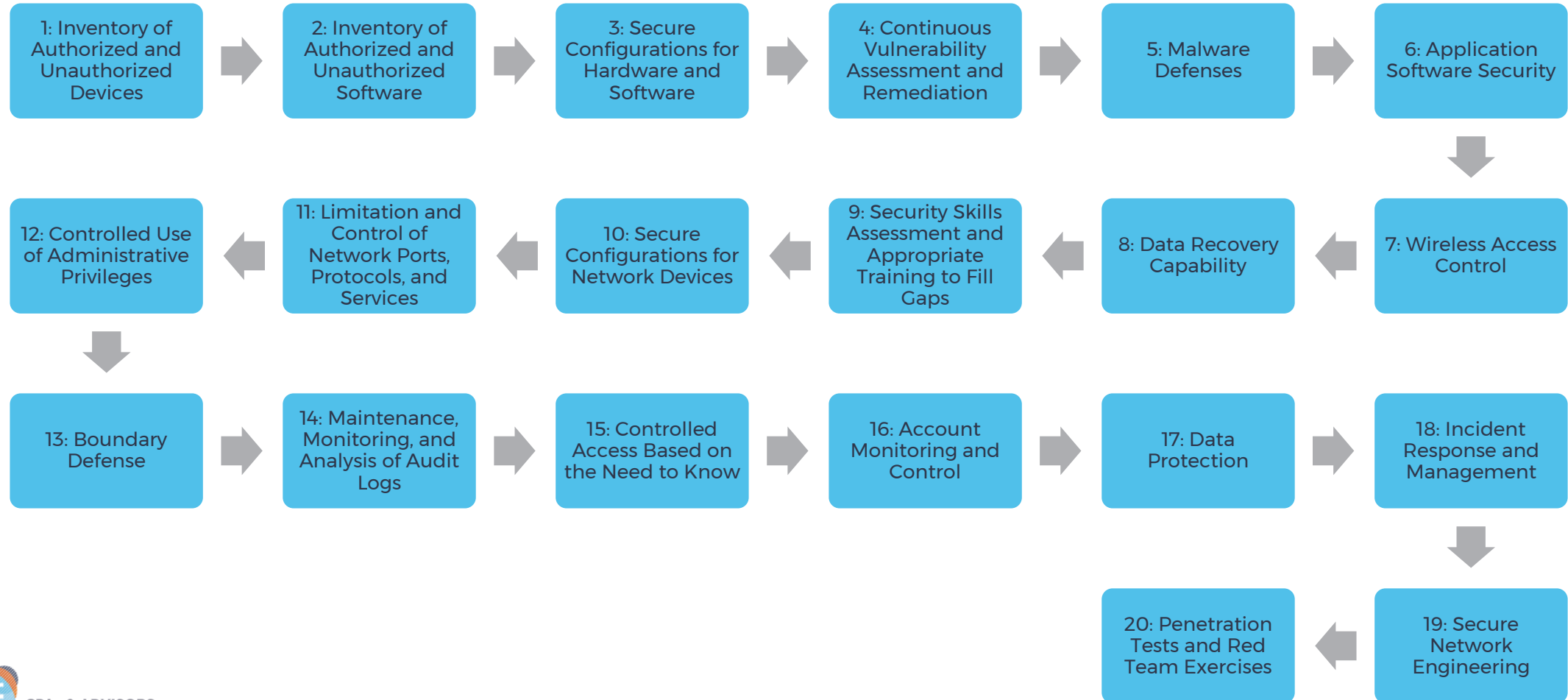
Polling Question #3

Cybersecurity is one of the top concerns in digital transformation. Has your organization had a cybersecurity risk assessment performed?

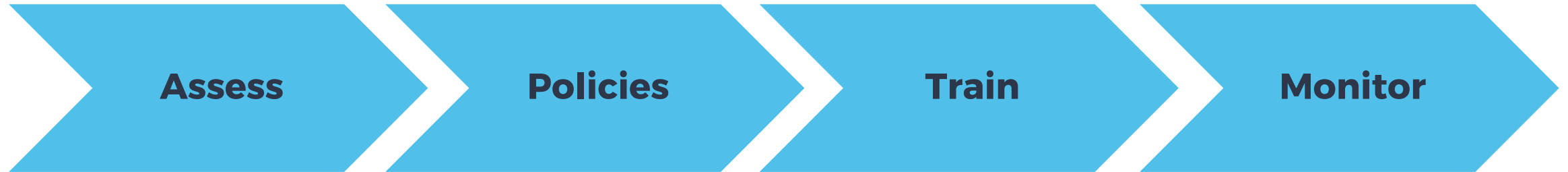
- A. Yes*
- B. No*
- C. Unsure*

Best Practice Benchmarking

SANS 20 Critical Security Controls



IT Risk Strategy



Accounting Systems



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Polling Question #4

Have you had an accounting assessment done by a third-party in the past year?

- A. *Yes*
- B. *No*
- C. *Not in the past year but will have one in the near future*
- D. *What is an accounting assessment?*

Understanding Your Accounting Function

Current State

- For most organizations, accounting = cost center
 - Standard monthly reporting package with little insight
 - Clean audit indicates solid performance
 - Accounting function disconnected from operations
- Areas of focus
 - Systems → Integrated? Combination of financial and non-financial data?
 - Processes → Paper-based? Duplicative? Internal controls considerations?
 - People → Siloed decision-making? Human robots vs. business advisors?
 - Reporting → Actionable? Forward-looking? Strategic?
- Is your accounting function equipped to handle future demands?

Existing and Emerging Accounting Technologies

Future State

Cloud-based software

- Open system environment → Create ERP-like system for a fraction of the cost
- Access to “real-time” data from anywhere

Robotic process automation (RPA)

- Programmable tasks to reduce manual human work

Artificial intelligence (AI)

- Self-programming RPA that learns/evolves

Accounting Assessment

Bridging Current and Future State

Where to start?

- Consider an accounting assessment
 - Current system and process improvement areas
 - Actionable recommendations to build a scalable accounting function
- Key considerations
 - Strategic goals
 - Internal needs assessment
 - Balance of accounting vs. non-accounting needs

Key takeaway: embrace the modern tools to evolve accounting into a strategic business partner

Culture



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The Culture of Innovation

Innovation

- The process of introducing new ideas, devices or methods to solve problems

Culture

- The way of thinking, behaving and working that exist in an organization

Culture of Innovation

- Nurturing an environment that continually induces new ideas or ways of thinking then translates them into action to solve problems or seize opportunities

The Culture of Innovation

Innovation Failure

New products, services and technologies can enable amazing growth, but these innovations can carry significant risks.

The main reasons for innovation failure can be summed up as:

Inappropriately trained teams
not devoted to the initiative

Inflexible or ineffective project
management

The Culture of Innovation

Executive Sponsorship

One of the key success factors in successful transformations is have having executive management “sponsor” the transformation initiative. Doing this promotes the following:

- Gives the project teams the authority they needs to promote organizational change effectively
- Provides effective oversight that can keep the teams work aligned with the organization’s strategy and objectives
- Allows for legitimacy within the organization as it fosters an effective and trusted approach

The Culture of Innovation

Project Management

Based on input from executive management, the project should be considered a complete success when the following are true:

The project satisfied the requirements defined by the organization

Successful project delivery meets or exceeds schedule and budget targets

Project participants have pride of ownership and feel good about their work

The customer/stakeholder requirements are met and are measurable

Strategic objectives are now supported

Project results instill confidence in the process

Measures are in place for continual monitoring and evaluation

The Culture of Innovation

Strategic Alignment

When starting your 2020 transformations, prepare your team to succeed by considering the following:

Align

Your strategic plan to your mission and objectives

Sponsorship

Identify someone at the executive level to sponsor the project

Gap Analysis

Map your transformation plan to your existing environment

Communicate

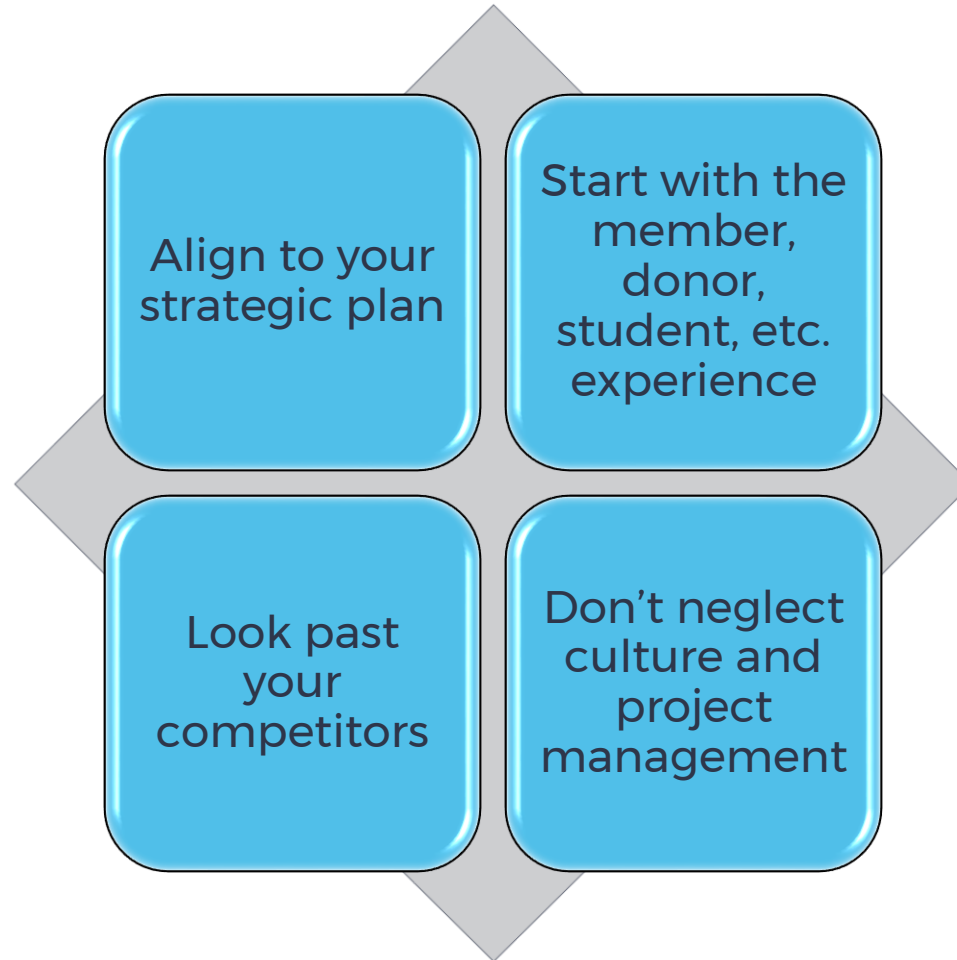
Ensure the project stakeholders understand the benefits and challenges of the initiative

Monitor

During the transformation initiative, ensure the project management teams have appropriate approvals for change yet remain flexible for quick adjustments to the plan.

Digital Transformation Strategy

A bridge between your current state and desired long-term plan



Questions?

Contact Us



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ERM in Nonprofit Organizations 2-Day Workshop

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