

DIGITAL TECHNOLOGY AND THE VOLUNTARY SECTOR: DISRUPTION, TRANSFORMATION AND MATURITY

EXECUTIVE SUMMARY

The voluntary sector is facing unprecedented challenges, in the form of ongoing and sustained reduced income, negative media coverage and contending with a divided society. The sector needs to evolve if it is to meet these challenges, and the adoption of technology is an important way to do this. In order to make best use of technology, we need to know more about how technology can be applied in a way that is replicable with low barriers to uptake. However this application of technology will not necessarily be a comfortable process.

Our research focused on examples of technology adoption that could have the greatest possible application to the sector as a whole, where the journey had changed regular practices and potentially been disruptive. Our methods consisted of a literature review of research and guidance to the voluntary sector on adoption of technology, a mapping exercise of examples of technology adoption, and a workshop with stakeholders in the voluntary sector to refine and expand our findings. We summarise our findings under three questions.

This was an independent research project undertaken by NCVO, sponsored by Tata Consultancy Services.

How can technology ‘disrupt’ the culture and behaviour of voluntary organisations, and what does this mean for how they function and behave?

We sought to understand what is meant by *disruption* as it may affect voluntary organisations, and our research showed that the term *disruption* is viewed in a negative or positive light depending on context. As a solution, we suggest two separate working definitions for how culture and behaviour of voluntary organisations can change in response to adoption of technology:

Transformation: a process of organisational change. In the context of the adoption of technology, this could be from an organisation that has minimal or limited of technology in their core business and/or day-to-day activities, to one that makes use of technology or technologies as part of their core work and with the associated organisational changes required to enable that transition.

Disruption: the difficulties associated with breaking from established ways of working; for example the need for staff members to train in and pick up the use of new technologies, thereby disrupting their pattern of day-to-day activities.

Transformation and disruption, though separate, can interact in various ways. Disruption may be a consequence of transformative change, though not necessarily an inevitable one. A worst case scenario is that adopting technology disrupts an organisation but does not transform it.

How can technology can enable organisations to increase their impact on their beneficiaries?

We considered four key current challenges for the voluntary sector:

1. How to unite communities and provide bridges between different sections of society;
2. How to transform and deliver the public services that are needed by society in the context of less public money being available;
3. How to develop effective and transparent governance and leadership, that inspires confidence and trust in how organisations behave and what they can achieve;

4. How to raise money for charitable purposes in the most effective, cost-efficient, and ethical way.

We then looked at 103 **examples** of voluntary organisations adopting technology. We selected these examples for their potential for being transformative and/or disruptive. They included organisations applications such as the RNLI's adoption of Bitcoin in fundraising, and PETA's use of Whatsapp to communicate with supporters. Most individual examples were specific to one of the four challenges, but few addressed more than two.

We also classified these 103 examples into **types** of technology: e.g. contactless donations, IT infrastructure, and e-learning. Technology types tended to address more than one challenge. But those types that addressed all four challenges tended to be more generic, well-used technologies, such as websites and CRM systems. The fundraising-related challenge is an area where technology types appear to have been developed to address this need specifically, perhaps reflecting the urgent and well-defined nature of this challenge. Accordingly, many of the examples identified addressed fundraising specifically.

What are the drivers, enablers and barriers to adopting, embedding, and using technology within organisations?

Drivers included improving customer focus and user experience, improving organisational efficiency and exploration of new fundraising methods and streams.

Enablers included organisational factors, such as having internal support mechanisms (for example in HR and finances), ample space to innovate in terms of staff time and resources, and flexibility to adopt whatever technology type best fits the organisation's goal. Enablers are associated with low disruption.

Barriers included lack of knowledge or engagement from leadership, skills gaps in staff, overreliance on external support, lack of staff time and resources, and lack of funding. Barriers are associated with higher disruption, but appear to have more impact on transformative potential: for example, lack of funding and resources may mean that a project is not able to reach its full potential.

Conclusion: thinking about technological maturity

Disruption and transformation define how organisations respond to adopting technology. However, what determines whether technology is disruptive and/or transformative is more complex, and depends on many factors including the type of technology and the resources of the organisation. *Technological maturity* is potentially a straightforward way to represent these various factors.

Mature technologies – such as those that have more generic applications, are well used, have lower barriers – can be transformative, but are less likely to be disruptive. A mature technology has been in use for long enough that initial faults and problems have been removed or reduced by further development, and is more replicable and easily applied with low barriers to uptake.

Immature technologies – such as those that are based on new hardware or software developments, are not well used, and have more barriers to their use – can also be transformative, but the process of adopting them is likely to be more disruptive.