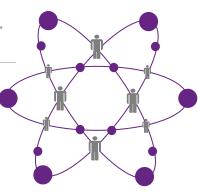# TECH FOR COMMON GOOD

The case for a collective approach to digital transformation in the social sector

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ACKNOWLEDGMENTS

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FOREWORD

Today's charity leaders could be forgiven for putting thinking about a digital future on the back-burner, beset as they are by very real, very immediate challenges. How will they fund vital services as government budgets continue to be slashed, and they face ever greater competition from not only their peers but the private sector, too? How will they fundraise in the face of falling public trust, pressure on chief executives' pay, rising suspicion of fundraising tactics and greater media scrutiny? It's hard enough to find the time to reflect on today's challenges, let alone tomorrow's opportunities.

And yet, charities that aren't starting to engage with the promise, and threat, of an increasingly digital future run the risk of sleepwalking towards a precipice. The world in 2025 will not resemble the world today with a few incremental tweaks—it will be transformed by advances in digital technology that are already well under way. Charities planning for the future based on today's circumstances are likely to find themselves not just outpaced by change, but obsolete.

Charities that aren't engaging with our increasingly digital future run the risk of sleepwalking towards a precipice

The citizens of 2025 will expect to use digital technology to find the information they need, access products and services that work well for them, review and rate them for their peers, and hold organisations accountable. They will expect charities and social enterprises to meet those expectations, or they will go elsewhere for help. Instead of giving to a big charity's campaign, they will crowdfund local projects. Instead of seeking help from an advice charity, they will use Google or Facebook. Instead of getting help from the organisation that is most effective in terms of meeting their needs, they will find the smartest digital products and services.

Digital technology presents perhaps the greatest threat to today's civil society. But it is also its greatest opportunity, ready to be harnessed by the leaders of tomorrow.

A rising generation of leaders share the digital expectations of tomorrow's citizens, and are already engaging enthusiastically to try to transform and disrupt today's models. They will help create an exciting, vibrant civil society that harnesses the greatest of technology's characteristics—its ability to connect people and organisations, organise information and resources, analyse data, and ultimately empower citizens. This report shares a few of their examples, to inspire, challenge and encourage others.

What will this digital civil society look like in 2025? Perhaps we will see the rise of 'Big Charity As A Platform', as national organisations open up their infrastructure for the delivery of information and services by smaller partners. Perhaps we will see open APIs for charities' services, allowing organisations to connect their products, services and customers seamlessly just as software has over the last generation. Perhaps we'll see all the young people's charities coming together to build a young person's assistant app populated with a rich ecosystem of all their services. Perhaps we will see charities delivering on the promise of being closest to their beneficiaries by empowering them to control their own data and use it to hold charities, businesses and governments to account. Perhaps we will see philanthropy reshaped as a balancing force in giving people and communities power through information, knowledge and data, not just money.

Whatever the digital future of civil society holds, it is time for us to start enthusiastically embracing its potential and shaping it for ourselves. Before it's too late.

Tris Lumley
Director of Development at NPC, and Chair of the Digital Transformation Steering Group

INTRODUCTION

The biggest challenges the social sector faces are systemic—they are of fragmented networks, perverse incentives, poor allocation of resources and inadequate information. Fast-disappearing resources struggle to find their way to where needs are greatest, the necessity of responsive and personalised services stretches an overburdened workforce faced with ever-increasing demand, whilst the landscape of a growing and diversifying sector becomes increasingly opaque, convoluted and disconnected.[1]

Digital technology presents a unique and under-exploited opportunity to address these systemic issues—given its ability to **connect, coordinate, process and categorise** at scale and with unparalleled speed.

Social problems are so complex, and so vast, that they cannot be addressed by any organisation alone. Matching our response to the scale of the challenge requires networks of organisations to pull in the same direction—and the power of digital technology needs to be turned to strengthening and coordinating those networks.

A vision for collective digital transformation

'We live in the networked age. To make real progress we need to focus on connecting the different pieces of the puzzle'

Baroness Martha Lane Fox, CBE for services to the digital economy and charity[2]

Charities and businesses are increasingly awakening to the need to engage with digital technology[3], but the pace of change demanded cannot be achieved one organisation at a time. We need to take an approach by which the large can support the small, the specialists can support the generalists and joint investment can relieve collective burdens.

All social organisations should aim to be effective in what they achieve for their beneficiaries, efficient in the way they use resources, and driven by a social mission. Whilst any organisation can, and should, look internally to pursue those goals—to be truly effective, fully efficient and to stand any chance of achieving an ambitious mission, organisations need to think beyond their own boundaries.

To tackle social problems in their entirety, organisations need to mount a collective approach and tackle problems at the sector level.

Taking a new approach does not have to mean inventing something new or making use of complex technology. The best approach, where possible, is to adopt and repurpose something that already exists, or to adapt an existing approach to a new setting.

Nor does thinking about infrastructure and integration have to mean heavy investment in unwieldy systems. A 'shared platform' could be anything from a Google Doc with multiple collaborators, to an app that crowdsources and synthesises information from across a sector in real time.

What is important is that digital solutions are conceived, created and used collectively—not just to make the best use of scarce resources, but to provide the best possible services.

Digital technology also has the potential to empower people, by creating a two way dialogue between service and service user. It doesn't just enable organisations to deliver better services *to* people—it allows people to influence and improve services, and to become assets within them. Where platforms create networks and crowdsource information, people are the assets and platforms, with the organisations that run them just the conduits (see for example Case study 5: Ushahidi).

The large scale flow of information from users to services also allows organisations to evaluate, learn and improve to respond better to user needs.

NPC's Digital Transformation programme

NPC's Digital Transformation programme was launched to spearhead more collective digital transformation projects in the social sector. Our approach has been divided into three phases:

- Phase 1: Making the case for digital transformation and building a community of interest
- Phase 2: Identifying the most promising opportunities
- Phase 3: Practical implementation in selected focus areas

This paper summarises the first phase of this work. It presents a vision for change and a roadmap for reaching it, with practical suggestions on the role that charities, funders, businesses and government can play.

These are informed by observations and examples from two events held in London and Manchester, roundtable discussions, interviews and desk research carried out as part of the programme, as well as NPC's previous research and our work providing advice to individual charities.[*]

Building on existing work

This is an area with a rich network of support organisations and a good body of research. We have been conscious that the programme should build on this and tap into the networks which already exist.

Recent research has made clear the need for an overhaul in the way the charity sector approaches digital technology—using it to change the way we deliver services, not just our marketing and fundraising; addressing cultural attitudes that stand in the way of progress, leading from the top, and building the right infrastructure to support change.[4] Our programme helps to address these challenges by creating the networks and coordinating the approaches necessary to change attitudes, assumptions and operating models within the context of limited resources.

A number of organisations already exist to support the charity sector with digital transformation—building digital skills, providing support and guidance in the use of digital tools and working across the digital inclusion agenda.[5] Rather than being an alternative to these approaches, the Digital Transformation programme is about working with these organisations to combine and strengthen efforts and to move forward these agendas through a collective approach. We have been fortunate that many of these organisations are part of the steering group for this programme (see page 2).

This is a first step, and a small part, in a much larger mission of digital culture change in the social sector, and we look forward to engaging with charities, government and businesses on the recommendations and next steps.

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[*] For details of the research process and its findings, see Appendix.

WHAT IS DIGITAL TRANSFORMATION?

'In order to achieve real service transformation, you need to completely reimagine and redesign the underlying infrastructure'

Sian Basker, Director, Data Orchard[6]

Transformation is about shifting entire operating models to make services work better for those that use them. It means altering the infrastructure around which services are built, the way user needs are understood, the processes by which inputs are turned into outputs, and the way people interact. Rather than tweaking existing processes, transformation fundamentally changes their foundations, creating services that are better for end users and more efficient to deliver.

Digital technology is not the only route to transformation. Nor is it the sufficient, by itself, to achieve transformation. Transformational change relies on changing relationships, attitudes and culture. But digital technology, approached correctly, holds huge potential to strengthen the infrastructure on which the sector is built—potential which currently remains untapped.

Why digital technology?

Digital technology can have a significant impact on people, on the organisations they work for and on the sectors that bring them together under a common interest (see Figure 1). These levels are built on one another to some extent. An organisation can only implement analytical systems, for example, if its staff (as individuals) have the skills to use them.

But the inverse is also true. An organisation with a non-digital service can improve what it does for its customers by keeping better track of information with its organisational systems. At a sector level, too, digital technology can help providers to share information and target their services—whatever they may be—more accurately to meet needs. **The ultimate beneficiaries of these services need not be tech-savvy to experience the benefits.**

This demonstrates that whilst paying close attention to the digital capacities of individuals and organisations is vital, progress at one level is not always a prerequisite for progressing at another level.

'Digital skills can improve people's lives, organisations' effectiveness and sectors' competitiveness'

Rachel Neaman, Chief Executive, Go ON UK[7]

Figure 1: The power of digital technology

Individuals

- Convenience and choice
- Connectivity
- Access to information
- Access to services
- Contribution and empowerment

Many of us have first-hand experience of how the internet and digital technology can impact individual lives. Today, in Great Britain alone, more than three quarters of the adult population—roughly 38 million people—use the internet on a daily basis.[8]

Organisations

- External communication
- Efficiency of internal processes
- Connection to clients and stakeholders
- Information and business analytics
- Expanding reach

Technology has also transformed the way organisations operate, communicate and compete. A conservative estimate of the size of the UK's digital economy includes at least 270,000 active companies.[9]

Sectors

- Integrating services
- Creating common resources
- Sharing resources
- Aggregating information
- Transformative scale

While organisational efficiency can achieve a certain level of progress, real advances come from partnership, integration, digesting aggregated information and combining resources for delivery at scale.

Transforming organisations

Digital transformation is most often discussed in the context of organisations—and more specifically businesses. There is no shortage of examples demonstrating the impact of digital advances on businesses and the way they operate: Direct sales teams, who once focused on building in-depth relationships with a narrow customer group, have given way to social media teams, who build a brand identity across entire populations. 'Cloud' technology has changed where and when employees work and the amount of information businesses are able to store, process and analyse. Employees can access and record information at any time, from anywhere in the world—increasing the pace at which business can react, and increasing the information at their fingertips. Customer Relationship Management (CRM) systems such as Salesforce and Raiser's Edge have also allowed staff without technical data analysis skills to collect, structure and process large amounts of information.

Developments such as these have fundamentally changed the way organisations operate—from the skills required of their staff and their physical premises (or lack thereof), to the quality and efficiency of their services, the way they interact with their customers, suppliers and employees, and the way they process and share information.

Transforming sectors

We are increasingly seeing the power of digital advances to disrupt whole sectors, and the way they operate too. For example, before the advent of the now ubiquitous 'app', mobile phones were pieces of hardware and the market was dominated by the manufacturers. Today hardware manufacturers are only part of the marketplace, with the mobile apps market estimated at US $25bn in 2015 (up 30% since 2010).[10] This is a marketplace that is still made up of large global corporations, but one that also contains a mass of self-employed hobbyists and programmers—individuals who are able to make a living for themselves with minimal barriers to entry, and who can develop apps that respond to the needs of very specific client groups with which they have personal experience.

Few industry sectors remain untouched by this transformation. The digital tsunami has swept through retail, banking, music, transport, logistics and travel, and is on the brink of transforming the automotive industry, yet the social sector still remains relatively unperturbed.

Case study 1: I Got Garbage
Transforming waste management in Bangalore

I Got Garbage is a technology platform for waste management that originated in Bangalore. The project was initiated by Mindtree, a global IT and digital consultancy, which has previously specialised in corporate IT.

What problem does it solve?
Bangalore has a waste management problem. The city produces 4,000 tonnes of solid waste per day, much of which is not sorted to separate waste from recyclables. Traditionally, an unstructured workforce of 20,000 individuals, known as 'rag-pickers', had sifted through waste heaps to extract anything that could be reused or sold. This system posed two main problems:

- **Rag-pickers** made their living in unsanitary conditions and their income was uncertain and often insufficient.

- **City authorities** did not have the workforce required to address the volume of waste produced or the systems required to sort waste for treatment and disposal.

How has a digital solution helped?
The I Got Garbage platform essentially creates a two-sided marketplace, which connects waste producers (the demand side) with waste collectors (the supply side). Waste producers—households, apartment blocks and workplaces—can organise waste collection directly through the platform. Reimagined as a 'door-to-door' service, this delivery model takes rag-pickers out of unsanitary dumping grounds, and connects them directly with waste producers.

What makes it transformative?

The project has fundamentally transformed the way waste collection works, from an unstructured system of dumping and picking, to a door-to-door model—directly connecting supply to demand.

The project coordinates otherwise disparate actors: rag-pickers are geographically coordinated through the system, which gives the service better coverage, gives households and business access to local waste management services, and allows local social enterprises to stay in close contact with workers.

The platform developed is also open source, meaning that the system could be adapted in other regions, other countries, or in other sectors that need to provide structure to a disparate workforce.

WHY A COLLECTIVE APPROACH IS NEEDED

An incremental approach wastes scarce resources

Social organisations are operating in an environment of severely limited resources. As funding tightens and demand grows, more and more social organisations are struggling to secure the funds necessary to deliver their core services.

It is these pressures that often cause organisations to shy away from the use of digital technology in the first place. Scarce resources create a stark opportunity cost to investing in technology—as investment draws funds away from front-line services.

But rather than letting the cost of investment justify disengaging with digital technology, we need to rethink the way we invest. Failure to engage with digital technology is a false economy. As resources and demand continue to diverge, failing to create efficiencies in the short term will only perpetuate problems in the future.

The current model is therefore unsustainable. Investment in digital technology is taking place at the level of individual organisations (Figure 2), meaning that organisations are solving very similar problems with very similar solutions by developing responses in parallel—ultimately duplicating the time, energy and cost required.

Figure 2:
An incremental approach

If social organisations could invest in collective, efficiency-enhancing digital infrastructure, instead of simultaneously—but separately—focusing on their own organisations, they could relieve future resource pressures whilst minimising the total investment required upfront (see Figure 3). Where some of these projects may have a high total cost, the cost split across organisations is likely to be less than the sum total of the duplicate digital projects currently undertaken.

'We need to create new models to bring abundance to bear on scarcity…This is about mobilising and harnessing the resources of others—not necessarily your own'

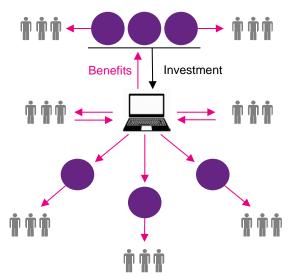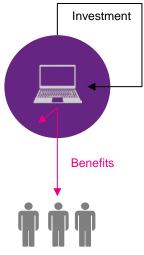**Charlie Leadbeater, leading thinker on innovation and creativity[11]**
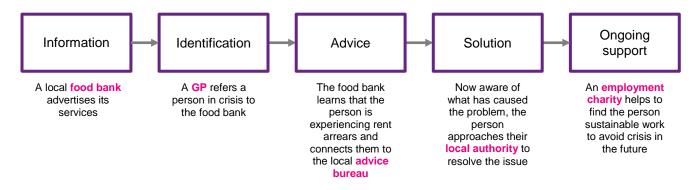
Figure 3: A collective approach

Single organisations do not solve whole problems

Supporting somebody from a problem through to a solution is rarely carried out by a single organisation. Rather, a range of organisations with different skills and services will assist people at different points. These processes are variously referred to as 'value chains', 'pathways' or 'user journeys'—but the key point is that in the context of social problems, effective solutions cannot usually be delivered by a single provider.

The diagram below shows a hypothetical value chain for the support of a person experiencing financial difficulties.

Figure 4: A hypothetical value chain

Information	Identification	Advice	Solution	Ongoing support
A local **food bank** advertises its services	A **GP** refers a person in crisis to the food bank	The food bank learns that the person is experiencing rent arrears and connects them to the local **advice bureau**	Now aware of what has caused the problem, the person approaches their **local authority** to resolve the issue	An **employment charity** helps to find the person sustainable work to avoid crisis in the future

- For help to be given, it is first important that services are visible—and so services must provide information to make users and other services aware of the support available ('Information').

- A user may then be signposted or referred to a service by another party who happens to be the first point of contact, but is not an expert in the problem being presented ('Identification').

- Before a solution can be arrived at, users may visit another service that can take an in-depth look at their problems, help identify possible solutions and support them through the process ('Advice').

- It is then likely that a separate organisation will be able to bring about the ultimate resolution ('Solution').

- Once resolved, and now identified, people may also receive further support to ensure that the same problems do not arise again ('Ongoing support').

It is important that each of these services is individually effective—but if organisations at each point in the chain *only* focus on their own internal effectiveness then they risk failing to help people to a full resolution of their problems.

At present there are a number of 'breaks in the chain' where digital technology could provide a solution.

Breaks in the value chain

Identifying a problem without knowing where to find a solution

Identification	Solution

It is often the case, that the 'Identification' stage represents a break in the chain. Organisations and users are not aware of the full range of services available—meaning that people do not get access to the services that could have provided support.

Digital platforms can support networks and directories that allow users, touchpoint organisations and other providers to quickly see the landscape of support that is available (see Case study 2: SENDirect).

The gap between advice and solution

Advice → Solution

There may also be a disjuncture between advice and solution organisations. Operating as two silos, an advice provider may direct somebody to a solution provider, but then contact is lost and the advice provider cannot know whether the issue is resolved or if the person is still in need of support.

Even where people do arrive at a solution provider, they will often find themselves having to 'begin at the beginning' given a lack of information sharing between the providers. This may mean that important information is lost as a person moves through the value chain, or that this simply acts as a deterrent for people in moving to the next provider.

> Digital platforms make information about user needs easier to aggregate and access for providers, while allowing service users to stay in control of their personal data (see Case study 4: MyDex).

The end of the conveyor belt

Solution → Ongoing support

Often once a situation has been resolved people need support so they don't find themselves at the beginning of the chain again. However, unless there is a connection between organisations providing crisis support and those that provide ongoing support, then this is likely to be the case.

> Integrated systems, or at least systems that can 'talk to each other', make it easier to direct people towards other sources of support or flag when additional support is needed (see Case study 3: Agilisys Engage).

Bringing digital technology to bear

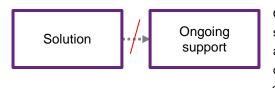All of these breaks in the chain can be addressed, to some extent, with more traditional methods. Providers can advertise their services with printed materials and through word of mouth, while they can talk to one another through physical meetings and meet up at local events.

Ultimately, however, these problems are happening on a very large scale and across geographical boundaries. It is very difficult for any one provider to know exactly what support is available in relation to every specific need, or to make the time to set up specific meetings with every interested party—particularly as more and more interactions take place online.

Digital solutions enable the collation and centralisation of large amounts of information which can be accessed at any time, allowing a larger network of people to contribute to, and benefit from, collective intelligence on a regular basis. They also mean that channels of communication are effectively open at all times.

As networks become more complex, collective digital solutions can provide the scale, connectivity and clarity necessary to take a holistic approach.

Case study 2: SENDirect
Connecting providers, families and local authorities

SENDirect is an online platform that provides families with listings of special education needs and disability (SEND) services in their local area. Providers can list their services, activities and products, whilst families can browse what is available in their area, access information, provide reviews and ratings for services and connect with other families through a blogging community.

What problem does it solve?
The SEND consortium was concerned about the implementation of the Children and Families Act (2014) and felt that the move from block contracts to personal budgets could impact families and service providers. In 2012 the Department of Health funded initial research to assess the nature of the problem, allowing the consortium to speak with 850 families, commissioners, and providers. The research revealed a number of concerns in relation to the move to personal budgets:

- **Providers** were concerned that they would lose the connection to the users of their services. Without the centralising mechanisms of contracts, small providers—in particular—felt that they could not engage with and make their services known to such a broad range of users and were finding it difficult to assess and respond to needs.

- **Families** were most concerned about being able to find the services that fitted their children's needs—they needed a choice of providers, a mechanism for making their needs known and trusted feedback on which services were working well.

- **Local authorities**, with less control over which services were funded, needed a way to assess whether the services available in the local area were still meeting the needs of the population.

How has a digital solution helped?
The principal benefits of building a digital solution have been in scale, accessibility and analytics. Being online has allowed the service to grow rapidly. Launched on 21 January 2015, it already has 8,000 services listed, with 54,000 unique visitors and 230,000 page views. The brokerage between families and providers is automated, meaning that the service can have a much wider range of providers and reach a much larger number of families than it could by using a human broker.

What makes it transformative?

The platform has changed the way the different stakeholders in the SEND sector interact, and brought them all closer together. Families can quickly get an overview of the services available to them—and their quality; providers, even those without a website of their own, have a platform to make their services known to all those who might benefit from them; and local authorities can gain access to information on the kind of services being demanded (ie, searched for) in their area, and whether those services are currently available.

Case Study 3: Agilisys Engage
Strengthening the value chain in advice

Agilisys is an IT and business software company that applies technological solutions to increase the efficiency and effectiveness of private and public sector clients. *Engage* is a software solution that automatically collects data on webpage visitors' behaviour. It creates anonymous user profiles based on their browsing both *within* and *across* websites. This means that the content a user looks at on one website can influence the content they are shown in other parts of that website, and on separate websites.

What problem does it solve?

- **For beneficiaries**, *Engage* ensures that they see the content they need. By updating what they are shown based on what they have looked at before, users are directed towards information that they may not have otherwise sought out. A person looking at rent arrears advice on the Citizens Advice website, for example, could be directed to information about crisis grants on their local council's webpage.

- **For providers**, the software creates a detailed look at how users experience websites: from the paths they take between different pages, to the amount of time spent on certain pages, and even how long they look at particular pieces of content. The software is currently being used by YouthNet, a digital advice platform for young people, allowing it to collect more than 60 million data points per day. This information is crucial to designing effective platforms, and for helping providers to see where they sit within a 'value chain' of services.

How has a digital solution helped?

Using a simple plug-in, *Engage* makes use of the information that is already generated by online activity but not necessarily used.

What makes it transformative?

This software could form part of the solution to two of the biggest problems facing advice charities: visibility and fragmentation**.** By ensuring that content is better targeted to specific users, providers can be more certain that the right information is made available to the right people, and that potential beneficiaries have a clearer view of the options available to them.

Essentially*, Engage* automatically directs service users to the information that is most useful to them on a personalised, individual basis. At the same time, it organises a whole network of providers around these preferences, by operating *between* organisations and therefore coordinating the market of advice provision.

BARRIERS TO THE COLLECTIVE APPROACH

Market failure

Collective solutions suffer from the fact that, by their nature, they benefit a large group beyond those that fund and initiate them. Because the benefits that accrue to 'the sector' outweigh the benefits that accrue to any one organisation, individual organisations lack the incentives to take on the task of project initiation. In economic terms, there is a market failure. Because the collective benefits of these projects outweigh the benefits to any one individual or organisation, solutions of this kind are underprovided.

This situation requires external intervention and a concerted effort to initiate these projects, create partnerships and broker resources (see page 24 on collective digital transformation in practice).

Underdeveloped ecosystem of support

Whereas a good community already exists to support the development of digital skills and access to digital tools, there is much less of a network dedicated to building collective solutions and sector infrastructure. This is a space which the Digital Transformation programme is designed to fill.

Efforts towards digital inclusion, ensuring that individuals and organisations have the skills and tools to engage with digital technology, are crucial in supporting transformation of the sector. But in the same way that progress will not result from focusing exclusively on individual organisations—nor will it result from an exclusive focus on collective projects.

Efforts towards collective transformation need to become part of these movements, spearheaded by the same organisations—as collective projects can contribute to the same agendas. In the same way that digital skills and tools support the implementation of collective projects, collective projects also feed back into, and strengthen, these efforts. Collective projects can demonstrate the benefits of digital technology at a large scale, and provide the motivation for individuals to take the time to learn digital skills; as well as supporting the transformation of those organisations without the capacity to invest in projects themselves.

Benefits have not been made clear enough

'Charities now need a complete culture change that goes far beyond the need for digital competence, digital literacy or new technology'

Creating the right environment for digital transformation, Eduserv [12]

To bring about culture change, we need to demonstrate what it possible. At present, digital technology is often seen as an expensive luxury, a distraction from core services and something that might be used to boost marketing and fundraising activities—rather than a core part of effective service delivery and strategy. There is a reticence when it comes to embracing digital technology—often due to mistrust, or the sense that its benefits are 'for other people'.

The Government Digital Service (GDS) has identified four elements of digital inclusion: access, skills, trust and motivation. This is a framework which applies equally well to digital transformation. Though the majority of work in the field of digital transformation has focused mostly on access and skills, motivation and trust are fast proving to

be the most important factors. Without motivation there is no drive to learn the skills, whilst access alone will not guarantee uptake.

'What [charity trustees] see is danger. They don't see opportunity'

Deirdre Mortell, CEO, Social Innovation Fund Ireland[13]

The challenge is that to recognise the benefits of digital technology, it is often necessary to experience them first hand—rather than being told about them. Yet, where there is a reluctance to engage, it is unlikely that people and organisations will have these experiences. As such, whilst early adopters become increasingly convinced by the benefits, others may be left behind.

'The current problem with digital is that the benefits often aren't clear enough to those who are yet to embrace it'

Simon Leeming, Policy Manager, Digital Economy Unit, DCMS[14]

It is here that the sector level approach once again becomes important. The nature of the sector level approach is that it can, and will, bring benefits to those that did not initiate the projects themselves. Amazon was not built or financed by the individual entrepreneurs that benefit from the platform it provides. Similarly, charities that are not directly involved in the creation of sector level digital solutions can still benefit from the improvements in efficiency and effectiveness that they facilitate.

'To minimise resistance, we must make a relatively swift and smooth transition between demonstrating why [digital] transformation is needed, to showing how it is possible'

The New Reality, **Julie Dodd**[15]

WHAT CAN COLLECTIVE DIGITAL TRANSFORMATION ACHIEVE?

Integrating services	Sharing resources	Aggregating information	Creating common resources	Achieving scale

Integrating services

A number of organisations are working to address social problems, but they are often unaware of the work others are doing, and do not share information that could help others do their job more effectively. Meanwhile, services are less visible to people that might benefit from them, as fragmentation obscures the landscape of available support and the referral pathways between them.

How could digital solutions help?

Digital platforms allow information to be quickly and regularly shared on a large scale—meaning providers offering related services or complementary support can share information with each other. Digital platforms let communities of providers share and access large amounts of information while investing minimal time in sourcing, collecting or disseminating it.

A centralising digital infrastructure also simplifies the process of entry to the 'system' for service users. A coordinated set of services means that people need only make contact with a single service—even if that initial service is not best suited to provide support, it can make a referral to another connected provider. Similarly, coordinated services mean that beneficiaries do not need to make their preferences known repeatedly, as important information can follow them through the system (see Case study 4: Mydex).

How does this help beneficiaries?
- People can get access to the services which are best suited to their needs.
- People do not have to 'start from scratch' with every new provider.
- People do not 'fall through the 'cracks' between services.

What is the business case for charities?
- Knowledge of complementary services can release pressure when services are reaching capacity.
- An integrated service landscape allows charities to specialise and avoid spreading themselves too thin.
- Collectively generating and sharing information reduces the cost of doing so for each individual provider.

Sharing resources

Many organisations hold resources that they don't need to use all the time, such as a minibus only used once a week or a meeting space empty three days a week. If organisations can make use of the spare capacity of others, then fewer resources are needed overall to make things work.

How could digital solutions help?

Resource sharing requires brokerage, and human brokers can only do so much. Digital platforms can crowdsource information on the resources available, and automate the process of brokerage—meaning that resources can be shared on a much larger scale.

How does this help beneficiaries?

- Local services are more likely to have the resources and equipment needed to meet people's needs.
- People can continue to benefit from choice in a range of services, despite cuts to funding.

What is the business case for charities?

- Organisations can gain access to additional resources at little or no cost through the 'in-kind' approach.
- Organisations become better integrated with other providers.

Aggregating information

Organisations can understand a certain amount about their services by looking at internal information, but to really understand their effectiveness they need to look at their information in context. How much of the problem are they addressing? Are the problems they are seeing part of a national trend that points to a deeper problem? Where else is support available, both for themselves as an organisation, and for their beneficiaries? To answer these questions, organisations need to share information with one another.

How could digital solutions help?

Digital platforms can aggregate data on a much larger scale than paper systems ever could, and digital analytical tools can draw insights from very large datasets in a fraction of the time. Digital systems also minimise the work involved in contributing information to central pots, allowing people to share information at the click of a button.

At the same time, digital platforms give users a means by which to make their needs and opinions known, directly to providers and increasingly in real time.[†] Aggregated user feedback is not only useful information for service improvement, but also gives beneficiaries a way to make decisions about what services fit their needs.[‡]

How does this help beneficiaries?

- The more providers understand about the problems people face, the more services can be targeted to their particular needs and circumstances.
- Digital platforms give users a means by which to provide information that feeds into service design, as well as seeing the opinions of their peers.

What is the business case for charities?

- Access to sector level information enables evidence-based decisions—targeting services more effectively, demonstrating impact and improving services by fitting them into the surrounding ecosystem.

[†] See, for example, Sentimoto, and case study 5: Ushahidi.

[‡] This is now common in the private sector, through platforms such as Yelp, but examples exist in a social context, too (See Case study 2: SENDirect).

Creating common resources

The majority of charities have limited resources. As demands on their services are increasing, the funding available to support them is decreasing. Charities therefore need to find ways to draw on common resources—rather than spending resources on developing similar things in parallel.

How could digital solutions help?

Digital resources, once created, can be accessed simultaneously and are infinitely reusable. Coming together to create resources, such as shared platforms, directories or databases, means that organisations avoid having to spend money on developing the same things in parallel, can generate and access information at a larger scale and create a community of interest in the process.

How does this help beneficiaries?
- Where organisations can make efficiency savings on their back office functions, more time and money can be devoted to the frontline.

What is the business case for charities?
- Charities avoid spending money on duplicative activities.
- With more people using the same resources, charities can be more confident in their effectiveness and applicability, as well as contributing to continuing development.
- Access to sector level information enables evidence-based decisions—targeting services more effectively, demonstrating impact and improving services by fitting them into the surrounding ecosystem.

Achieving scale

The most important task in addressing social problems is making sure that services are available to everyone that would benefit from them. At present, some effective approaches remain small and isolated, meaning that many miss out on the chance to benefit from them.

How could digital solutions help?

Digital communications allow ideas to be shared quickly and at a global scale. Digital products themselves, particularly 'open source' products, can also be quickly adopted and adapted with very few limitations, meaning that they can scale globally much more easily than offline solutions.

How does this help beneficiaries?
- By ensuring effective services reach as many people as possible, beneficiaries are more likely to receive the services and support that they need.

What is the business case for charities?
- Access to information on effective models and open source tools gives charities an inexpensive way to improve their services.
- Reducing the level of overall need is an important part of all charities' missions.

Case study 4: Mydex
Personal control over data sharing

Mydex is a community interest company (CIC) that provides individuals with an online 'personal data store', to put them in control of their personal data. This creates a sustained, trusted and authorised connection to contracted organisations, whilst letting individuals retain legal control of their own information.

What problem does it solve?
As public services move to being 'digital by default' the people needing most help may find themselves increasingly excluded. Without bank accounts, credit agency files or other digital proofs they have no way of proving their identity or entitlement online. It is easy to lose control of this information, and hard to achieve continuity of care across different agencies or through time.

At the same time, the misuse of personal information has created a mistrust of sharing information with organisations, even those that may be able to help.

The Mydex Platform is designed to ensure that:

- **Individuals** can take control of both incoming and outgoing information. They can keep a structured and secure record of their own data when they connect to organisations. This can prove they have, for example, a verified address, entitlement to welfare or the right to work. By securely keeping a record of this data, they can take it elsewhere and use it to prove who they are. They can also make clear the information that they are happy to share, and the kind of organisations they would like to receive information from.
- **Organisations** solve the problems of identifying individuals, gaining consent for sharing data, and of data quality. In many situations they can start to store less personal data, drawing it instead from connected individuals, reducing the risk of fraud and data breaches. Exchanging data inside a legal and technical 'Trust Framework' ensures compliance with current regulation and data sharing laws. Where permission has been given, charities can avoid the problem of missing or out-of-date information, whilst avoiding the costs involved in targeting those that have no interest in the cause.

How has a digital solution helped?
Convenience is the principal benefit of a personal data store. By creating enduring connections with organisations, people and organisations do not have to constantly re-engage, whilst both benefit from avoiding the wasted effort of engaging where there is no shared interest. The platform also allows preferences around data sharing to be set and applied to a wide range of relationships at once. This is based on a standard data sharing agreement, instead of agreeing terms with each organisation in turn.

What makes it transformative?

The personal data store changes the dynamics of information sharing. Rather than individuals granting *ownership* of certain information to an organisation—and doing so on a regular basis with different organisations—a data store allows people to grant *access* to information that remains in their control, and to make their preferences known just once.

This is essentially about 'working with individuals at scale'[16]—that is, creating a personalised service across large networks, without making it onerous for the individual. By creating standing permissions for data sharing with multiple organisations, this model creates a real opportunity for better automated and more integrated services, in which important information can follow a person between providers.

Case study 5: Ushahidi
Visualising collective intelligence in real time

Ushahidi is a not-for-profit technology company based in Kenya, which specialises in developing free and open source software for information collection, visualization and interactive mapping. Ushahidi develops a range of bespoke software and runs its own projects and campaigns focused on collectivising information and democratising its flow. The flagship Ushahidi platform allows anybody with an internet or SMS enabled device to upload information and tie it to a particular location—by text, email or Twitter. This information is then categorised, aggregated and visualised on a map in real time.

The organisation first came about in response to the violence during the 2007 Kenyan elections. A media blackout meant that people were unable to keep track of what was happening, whilst the narrative around the events was vulnerable to distortion. Ushahidi formed to develop technological solutions to address this need, providing platforms for users to record and publish their own observations.

What problem does it solve?

- **People:** Ushahidi facilitates the bottom-up flow of information, by redressing the balance of media-dominated narratives in favour of the population at large. As anybody with a digital data connection can submit information about their surroundings, Ushahidi gives a voice to otherwise marginalised groups. This is particularly useful when responding to corruption or persecution—as the aggregation of voices allows individuals to speak truth to power.

- **Organisations:** Ushahidi software can also bridge the gap between people in need and the organisations that are able to help them. In response to natural disasters, for example, a clear picture of what is happening on the ground is critical to effectively deploying emergency services as quickly as possible. Using the crowd as a sensor network, Ushahidi software helps to guide emergency services to where they are needed and allows them to coordinate their approach to multiple crises. Whilst often applied to fast-moving situations such as epidemics and disaster relief, the platform can also be applied to long-term monitoring over a large scale—such as tracking environmental damage.

How has a digital solution helped?
As a digital platform, Ushahidi is able to achieve the speed and scale required to mount effective responses to fast-moving situations. Digital technology allows information to be aggregated and categorised at the same time as being instantaneously shared.

It can be adapted and used on a large scale—for example in response to the earthquakes in Haiti, Japan and New Zealand, the global swine flu epidemic and the UN's humanitarian response in Libya. In 2013 alone there were more than 1.5 million posts, across 149 countries, in 49 different languages.

What makes it transformative?

The Ushahidi platform knits together vast networks of individuals and organisations and allows them to share information with one another as and when it is observed. At the same time, it removes any dissemination intermediaries that may have a vested interest, and puts control in the hands of individuals—truly crowdsourcing information.

The platform essentially makes individuals an asset and a resource—allowing information to be gathered and coordinated over a much larger space and at a much faster pace than any individual or organisation could do alone.

PRINCIPLES FOR DIGITAL TRANSFORMATION

The following principles have been key themes throughout the course of our research—emphasised by interviewees, steering group members and event attendees alike. Failing to follow these principles was consistently identified as being the biggest potential pitfall of any digital transformation project. The five principles should be the initial sense check and guiding principles for any digital project.

Figure 5: Principles for digital transformation

Start with beneficiaries' needs

Though digital solutions can have implications across a range of areas, from internal efficiency to external engagement, the design process must always start with the needs of beneficiaries. The best services are those that are born out of a clear understanding of the issues facing beneficiaries. Though the technological solution may be relatively straightforward, the process of collectively building an understanding of the problem requires the most attention.

'The build isn't the hard part. The hard part is the logic that sits behind it, which you can only get right by really knowing the people you are trying to help'

Lord Jim Knight, Chief Education Adviser, TES Global [17]

It's never about tech for tech's sake

It is easy to start by choosing a technological innovation and then applying it to an issue area. However this often results in a solution that does not really fit the problem or those that it is designed to benefit. The process must always be to identify a problem and its possible solutions, and then to think about how technology could facilitate the solution. It is ultimately a process of service transformation, facilitated by technology.

'It's not about saying: "I've heard of this technology, how can we apply it?" You need to start with the need and think about digital as one of the tools that can help you address it'

Elizabeth Archer, Project Director, SENDirect[18]

It's not always about building something new

As a rule, the first step in designing any solution should be to check that it does not already exist. Duplicating work is not only inefficient, but the services themselves could be improved by being delivered collectively. This approach should extend beyond social organisations. By partnering with those who specialise in technology it is possible to see what is technically possible, and what has already been designed or developed.

Get the right people in the room

Often solutions are technologically straightforward—the most difficult part of the process is working out what needs to change and bringing the right people together to make it happen. This process requires a partnership of people with experience of the problem and relevant expertise. From the outset it is important to bring together: the ultimate beneficiaries of the services, people who deliver the service on the frontline, people with a strategic view of the sector ecology and people with technical expertise—alongside funders, trustees, researchers and those from other sectors (see the next section, Collective digital transformation in practice).

Develop the business case

Collective, sector level digital projects require investment and buy-in. Alongside the primary consideration of benefits to service quality, the business case for core partners also needs to be made clear. Trustee boards need to be able to see the benefits to efficiency that will accompany improvements in service delivery, and tech partners need to see the benefits to their involvement—whether that comes in exploring new markets, developing skillsets that are core to their business, or solving problems that affect their customer base.

'Some tech companies are making longitudinal investments in areas when they believe there can be benefit to both society and their business. Good computer science education, for example, is important in bringing about the next generation of coders'
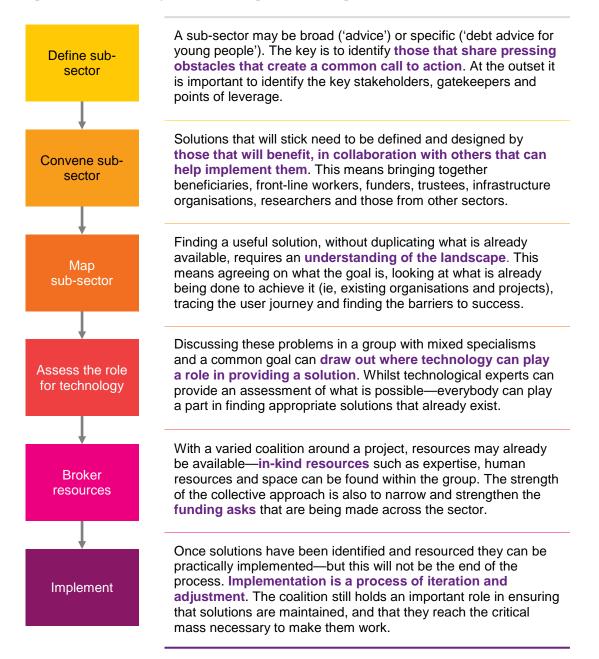
Stuart McLaughlin, Employee Social Responsibility Manager—Googlers Give, Google[19]

COLLECTIVE DIGITAL TRANSFORMATION IN PRACTICE

The work of our Digital Transformation programme so far has focused on exploring the theoretical case for the collective, sector level approach, finding real examples, building a community of interest around the topic and creating a model for implementation.

As part of the next phase of work, NPC will be convening groups of interested parties to put collective digital transformation projects into practice in the fields of **health, advice** and **ageing**. Our proposed approach, which draws on our previous work on systems change[20] and the GDS design principles[21], is outlined below in Figure 6.

Figure 6: Practical steps for achieving collective digital transformation

Define sub-sector	A sub-sector may be broad ('advice') or specific ('debt advice for young people'). The key is to identify **those that share pressing obstacles that create a common call to action**. At the outset it is important to identify the key stakeholders, gatekeepers and points of leverage.
Convene sub-sector	Solutions that will stick need to be defined and designed by **those that will benefit, in collaboration with others that can help implement them**. This means bringing together beneficiaries, front-line workers, funders, trustees, infrastructure organisations, researchers and those from other sectors.
Map sub-sector	Finding a useful solution, without duplicating what is already available, requires an **understanding of the landscape**. This means agreeing on what the goal is, looking at what is already being done to achieve it (ie, existing organisations and projects), tracing the user journey and finding the barriers to success.
Assess the role for technology	Discussing these problems in a group with mixed specialisms and a common goal can **draw out where technology can play a role in providing a solution**. Whilst technological experts can provide an assessment of what is possible—everybody can play a part in finding appropriate solutions that already exist.
Broker resources	With a varied coalition around a project, resources may already be available—**in-kind resources** such as expertise, human resources and space can be found within the group. The strength of the collective approach is also to narrow and strengthen the **funding asks** that are being made across the sector.
Implement	Once solutions have been identified and resourced they can be practically implemented—but this will not be the end of the process. **Implementation is a process of iteration and adjustment**. The coalition still holds an important role in ensuring that solutions are maintained, and that they reach the critical mass necessary to make them work.

RECOMMENDATIONS FOR CHANGE

Charities

Charities and their beneficiaries have the best understanding of the way problems manifest themselves on the ground, day to day. When thinking about solutions, charities can make the most progress in addressing these problems by:

- Looking for others that are facing similar problems, and **developing collective solutions.**

- **Pooling resources** to achieve common goals and making joint requests for funding.

- **Developing the business case** for the long-term benefits of collective projects—both in the improvements they could make to services, the time that could be saved for staff, or the money that could be saved for funders.

- **Thinking across sectors**, and being prepared to collaborate with public and private sector organisations that have different motivations towards the same end.

Funders

Successfully implementing collective digital transformation will require funders to change their behaviour by:

- Providing **larger grants over a longer period in the early stages of projects**, on the basis that they can create savings and reduce dependency in the longer term.

- Recognising that, to have their desired impact, **technology-centred projects are necessarily iterative and involve uncertainty.**

- Seeing investment in the technological infrastructure of the sector as **central to organisations providing effective services and achieving their missions**—not as a luxury or an overhead.

Businesses

Whilst technical expertise is not absent from the social sector, it is certainly concentrated in the private sector—given the size of the technology market and the greater capacity for research and development from reinvested profits and growth-focused investors. Businesses can play an important part in the digital transformation of the social sector by:

- Thinking about the **social applications** of products that are already in existence, and those in development.

- Considering the **business benefits** of applying products to social markets, beyond CSR—such as developing new approaches to new client bases, exploring new markets and strengthening the labour market.

- Joining **cross-sector networks** of organisations and individuals interested in digital transformation.

Government

- To remedy the market failure, the government has a clear responsibility to provide some of the **upfront investment** needed to get collective digital transformation projects off the ground, as it has done already in some of the case studies explored (see Case study 2: SENDirect).

- With digital technology a clear priority across government, the Office for Civil Society should take a leading role in **convening interested parties and coordinating** digital transformation efforts.

CONCLUSION

The rapid pace of digital progress shows few signs of slowing and requires the attention of individuals, organisations, and sectors. It provides an opportunity for progress, but it also presents a risk to organisations of falling by the wayside if they do not keep up.

If the social sector as a whole is to excel and advance, we need to turn our attention to a collective mindset for transformation. Solving problems collectively not only makes efficient use of the few resources available—by reducing duplication and allowing organisations to leverage one another's resources—but it is the only way to provide truly effective services.

Social problems are so complex, and so vast, that they cannot be addressed by any organisation alone. Matching our response to the scale of the challenge requires networks of organisations to pull in the same direction—and the power of digital technology needs to be turned to strengthening and coordinating those networks.

This is the goal of the next phases of NPC's Digital Transformation programme; a challenge that will not be straightforward, but one that must be addressed.

Get involved

- For more information on the next stages of the programme or where to find support for digital transformation projects, **get in touch** with Tris.Lumley@thinkNPC.org, tweet us @NPCthinks or follow the conversation on #NPCdigi

- If you have been involved in a collective digital transformation project yourself, **share your example** with NCVO at knowhownonprofit.org

APPENDIX: FINDINGS FROM STAKEHOLDER CONSULTATION

Interviewees

Adam Micklethwaite, Business and Innovation Director, Tinder Foundation

Anna De Pulford, Technology Transformation Lead, Nesta (Grants Director, Dulverton Trust at time of interview)

Ben Darlington, Head of Informatics, Agilisys

Bob Gann, Widening Digital Participation Programme Director, NHS England

Chris Yiu, Director of Digital Participation, SCVO

Deirdre Mortell, CEO, Social Innovation Fund Ireland

Elizabeth Archer, Project Director, SENDirect

Hannah Metcalf, Community Insights Manager (Mobile for Development), GSMA

Harry Robbins, Founder, Outlandish

Kathy Settle, Director for Digital Policy and Departmental Engagement, Government Digital Service

Matt Howarth, Co-founder, Reason Digital

Paddy Hanrahan, Interim Director, Centre for Ageing Better

Paul Webster, Technology Adviser for Charities, Lasa

Prashant Mehra , Chief Architect of Social Inclusion, Mindtree

Shaun Gomm, Commercial Director; and Hilary Stephenson, Managing Director, Sigma

Sian Basker, Director, Data Orchard

Sinead MacManus, CEO and Founder, Fluency

Simon Leeming, Policy Manager, Digital Economy Unit, DCMS

Stuart McLaughlin, Employee Social Responsibility Manager—Googlers Give, Google

Tim Cockle, Head of Digital Services, Eduserv

Tom Steinberg, Founder, MySociety

William Heath, Chairman, MyDex

Wingham Rowan, Director, Beyond Jobs

The following is a summary of the findings from NPC's research consultation for the digital transformation programme.

These come from detailed discussions with individuals, from a mixture of not-for-profit, developer, corporate and public body organisations and the attendees at our events. It gives us an indication of the need for digital in the sector, what NPC's Digital Transformation programme should focus on and key issues to consider.

Stakeholder type	Anonymised summary of key findings
Charities and social enterprises	• A consistent challenge is the need to generate a user base to make projects viable. There is a significant need for back-bone organisations here, perhaps from the public sector, to coordinate and encourage uptake. • Existing technologies that originate in the private sector can be applied to support charities and social enterprises to improve both the efficiency and effectiveness because of their open source nature. • 'Super-users' can be important champions for ensuring the necessary uptake of projects and tools.
Research and infrastructure organisations	• A focus on showcasing successful examples of transformation is key to breaking the deadlock caused by scepticism at charity board level—and to overcome fears that digital is expensive and a substitute for people. • It is important to consider the potential for digital to support collaboration both within and between organisations. • Highlighted the power of collaboration and the need for market place approached to have a critical mass of users if they are to work.
Developers	• Particularly highlighted the inefficiency that exists when organisations attempt to develop similar digital projects on their own. • Much of the current problem is an information problem, in that organisations may not be aware of tools that already exist to help them.
Businesses	• Digital can be used to create a 'market' for services, bringing services together and moving the decision maker from service providers to clients. • Successful digital innovation relies on a funding arrangement and development process that is problem focused (one that is culturally different to existing practices). • Emphasised the importance of sharing platforms as a means of passing on experiences and products from large to small organisations. • Shared back office services offer an opportunity to generate costs savings and free up resources for service delivery.

What can digital do for the sector?

Key question 1: At the sector level, it is clear that digital can support the broader transformation of the sector. However, the public benefit of these platforms means that there is a strong case for a coordinated attempt to build them. Can this Digital Transformation programme play this role?

From the interviews, there was a consensus that digital can support the sector in two main ways:

Digitising 'analogue' processes: Most organisations will think about digital technology as a capital investment that can improve their existing operational processes. Examples include developing a presence on social media, replacing paper-based methods for collecting data, and upgrading IT systems (to say a Google or Microsoft office package). This 'efficiency' approach to digital provides organisations with savings in cost and time and it is often the place where most organisations start their digital journey.

Supporting efficiency and effectiveness at the sector level: When we asked interviewees to think about the potential of digital, our discussions often turned to how digital can be used to overcome some of the structural problems that face the sector. Some of the examples discussed included:

- **Shared back office services:** The advent of open source software provides organisations with the scope to adapt an existing technology to suit their individual needs. This avoids the sector level inefficiency of multiple organisations developing the same functional technology. In this way, these 'shared back office services' (such as cloud-based email and applications) free up vast amounts of resource for front-line services.

- **Making users the decision maker:** As service users' expectations increase, driven in part by improvements in the online experience, and as the outcomes they demand become more complex and personal[22], charities need to move away from paternalist models where providers 'do things to' people towards one where service users are empowered to choose and manage the products and services that they need. Developments in digital, such as low-cost mobile-technology and social media, have already supported this new way of doing business in other sectors[23] (think Uber and Airbnb). By connecting service users to providers of services via an online platform, we gain a market where service users are the decision makers.

- **Integrating services:** In the same way that digital technology can provide the platform for an online market place, it can also provide the infrastructure that allows individuals to move more seamlessly between services. Information on service users can be stored on a single platform rather than on individual databases held by siloed providers. This means that the process of supporting somebody with a complex problem where multiple organisations are involved (eg, initial engagement, advice, support and continued engagement) is more efficient as data can be shared between organisations via the platform. For the network of services that support life transitions such as a child leaving care or a person fleeing domestic violence, for example, this important connection can support a more speedy resolution of issues and avoid vulnerable individuals from dropping out at the prospect of 'starting again' as they make the necessary move between providers. In short, technology can very easily become the broker that: i) engages clients; ii) identifies needs, and iii) signposts clients to the right set of services.

What are the challenges?

> **Key question 2:** How can the programme support productive interactions between the charity and private sectors? Charities and social enterprises need to know how to engage business (eg, demonstrating a business case and speaking their language), and private sector organisations need to know where the opportunities lie.
>
> Corporates and individuals from private sector programmes provide a large amount of pro bono support, but largely on a bilateral basis. How can we structure this support in a coordinated way?

Culture and people

The technology that enables digital transformation already exists, but interviewees cited culture and people as the biggest challenges to getting there. This is because real digital transformation is about creating an environment for innovation. Organisations that want to go digital must work hard to identify what new capabilities are needed and be prepared to resource this transformation. This requires leadership and an organisational culture that embraces the hallmarks of successful technological development: experimentation, iteration, risk and a focus on the user. These cultural changes are difficult to engineer, but can be influenced by the leadership of an organisation.

To get there, leaders need to first buy in to the value of digital transformation. While examples of digital transformation are common in the private sector, the lack of success stories within the charity sector means that many trustees and executive teams within the sector still perceive digital as an expensive operational investment, and one that distracts from the primary objective of survival. The very real possibility for inexpensive shared back-office technology and technological disruption by a new entrant into the sector—as we have seen in other sectors –are simply not recognised by enough in the charity sector.

Engaging businesses

From the interviews, it was recognised that corporates could support charities to implement digital programmes in two main ways:

Access to expertise: Even for those that do recognise the value of technology, it was acknowledged that the sector doesn't have the talent to always implement it. In order to work in a way that is iterative, experimental and user focused, the sector needs people that can design and execute digital projects. While the sector cannot attract this talent on wages, it can source this expertise in other ways. Corporates are one such source.

Leveraging existing products: While it was recognise that true digital transformation is often about the creation of something entirely new, the sector can achieve improvements in both efficiency and effectiveness simply by applying technologies that already exist in the private sector in a different way. Services such as Salesforce's Customer Relation Management software already provide a lot of customisation and are now marketed towards charities, but there is still a lot of scope for these kinds of technologies to enter the sector.

The key to engaging businesses, both for talent and the leveraging of existing products, is finding those projects where businesses can identify clear alignment between their goals and the goals of those that they are providing support to. In many cases, the organisations that have successfully accessed this support have done so because they have recognised this need and worked hard to communicate this alignment in a language that resonates with business.

Building a market that works

> **Key question 4:** Broader opportunities to transform the effectiveness of the sector at a structural level are untapped, but it is possible to create digital platforms that can do this. If the problem is one of market building, how can we build the critical mass of users?

While digital can support the creation of a user-centred market place, many of the interviewees that we spoke to said that the problem is not a technical one. Instead, the problem is about generating user engagement and content once the platform has been constructed, particularly in a world where multiple and uncoordinated attempts to build platforms (as seen in the private mobile apps market) results in a fragmented set of users and content that fall well below the critical mass that is needed to make these platforms work.

Funding

> **Key question 5:** Funders clearly have an important role to play in the digital transformation of the sector. How can we change the culture of funding in a way that is more conducive to the successful development of digital projects?

Many of the developers that we spoke to highlighted issues with the sector's existing approach to funding. The current practice of providing grants that hold organisations accountable for the delivery of a defined output that is specified in advance against strict milestones and over relatively small timeframes is not conducive to the issue-focused and iterative approach that digital requires.

Programme outputs

Following the consultation and discussions with experts, we now have a basis for thinking about possible outputs for the Digital Transformation programme.

Highlighting what is possible

A key theme throughout the consultation was the need to show organisations what digital technology can do. While examples of digital transformation projects exist in other sectors (which have already demonstrated the 'evolve or die' reality), many trustee and executive boards within the sector are yet to appreciate how digital can apply to their organisations. What they need are real examples that showcase what is possible and how there was a need to do things differently. The Digital Transformation programme should therefore highlight sector-specific case studies of digital projects and champion those organisations that have successfully undertaken digital projects.

Making the value case

Highlighting case studies is the first step to engaging trustee and executive boards with digital, but, in an environment where funding is tight, we need to demonstrate the value for money argument so that charity decision makers can make a like-for-like comparison with other spending priorities. To do this, we need to make the business case for investments in digital.

Brokering people

Even if boards buy in to the value of digital, the digital capability gap remains. Charities and social enterprises don't know where to start on this journey: they don't know how to develop digital strategies and how and where they can procure expertise and products. Highlighting case studies, developing training and producing guidelines of best practice can all help. But instead of providing these outputs directly, this programme may be better directed towards brokering the right stakeholders to create a network of trusted peers, where organisations can share stories, spotlight cases, engage in collaborative development and share information on trusted suppliers.

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TRANSFORMING THE CHARITY SECTOR

NPC is a charity think tank and consultancy which occupies a unique position at the nexus between charities and funders, helping them achieve the greatest impact. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

Increasing the impact of charities: NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities' money and energy go further, and help them to achieve the greatest impact.

Increasing the impact of funders: NPC's role is to make funders more successful too. We share the passion funders have for helping charities and changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

Strengthening the partnership between charities and funders: NPC's mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact. We can help funders and those they fund to connect and transform the way they work together to achieve their vision.

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