Evaluating the Impact of Information Technology
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Determining the impact of information technology (“IT”) on nonprofits’ organizational structure and outcomes has become a crucial task for nonprofits and grantmakers. With the speed of communications and the pace of business constantly on the increase, nonprofits and grantmakers need to know how technology is affecting them and their grantees—what they need, what they could be doing better, whether their IT systems are helping or hindering them in achieving their missions. But certain knowledge of the impact of technology on an organization or a program is like a pot of gold at the end of the rainbow: its value is obvious, and it looks easy to find, but the path toward it is hazy and ephemeral.

For instance, Innovation Network recently worked with a large national foundation that created an area on its website with free content for other grantmakers. The content is outstanding—practical guides and suggestions that will undoubtedly help to positively shape the thoughts and actions of the grantmaking community. During the website planning effort, the foundation staff wrestled with a common web-design trade-off: the value of capturing information about the people who were visiting the site, versus the value of an easily accessible site without barriers for potential users. In the end, the foundation erred on the side of access, and allowed anyone to download information without requiring registration. After the first year of the site’s operation, 12,000 users had downloaded information from the site, and the foundation asked Innovation Network to help assess the impact of disseminating this information to the field. Traditional, in-person social services generally have well-established intake procedures, so that they have some idea who their clients are and what services they received. Given that there was no traditional intake process, no record of services provided, and no way to identify the 12,000 users, we had no way to find out what resources they had used or which web pages they had viewed—much less what difference the information or service had made to them. The rainbow disappeared, leaving no trail to the wealth of information.

Improvements in information technology can have dramatic effects on both the internal and external operations of a nonprofit organization. Internally, improved IT systems can enhance and strengthen organizational infrastructure and capacity by increasing the efficiency of client intake; service coordination; information sharing between departments, staff, board, and volunteers; financial record keeping and systems; fundraising efforts (particularly donor record keeping); and tracking of an organization’s production and impact.

Externally, information technology solutions can fundamentally transform nonprofit service delivery. One of the most successful and innovative examples of such a transformation is the Technology Initiative Grants program of Legal Services Corporation (“LSC”). This program is an effort to promote full access and high-quality legal representation through the use of information technology: LSC grantees around the country create information kiosks through which underserved people can reach high-quality legal help immediately, inexpensively, and conveniently. This is a profound shift in the way that lower-income people can gain access to legal assistance.

It’s easy to feel that internal organizational improvements and the success of new service delivery mechanisms are tied to new networks or faster computers or more muscular databases, but actually measuring the impact of the technology is a challenge.
Measurement of the impact of an IT investment is problematic for a number of reasons:

- There usually isn’t any baseline against which to assess new improvements.
- The process of planning for IT upgrades or installation—discussing how things are done, what the bottlenecks are within an organization—can, in and of itself, free up sticking points and improve efficiency, even without the implementation of new IT systems.
- New technology can be so intimidating for staff that an organization actually becomes less efficient in the first few months following a technology upgrade—so an evaluation done too soon might result in a “false negative”, reflecting inefficiencies that would be resolved with time.
- Sometimes new technologies aren’t used at all (for example, when adequate training isn’t available or when organizational culture presents barriers), ossifying an anti-technology mindset and causing long-term reductions in efficiency and impact. Correctly attributing improvements to proximate causes can be a challenge: at what point does the technology stop having an impact, and other factors (that may be out of the hands of the service provider) come into play?

Faced with such challenges, many nonprofits find the evaluation of technology an intimidating task. How can nonprofits effectively evaluate the impact of technology on their work? Innovation Network’s information technology evaluation efforts over the past five years have provided some key lessons for improving the use and measuring the impact of information technology within nonprofit organizations.

**Key Lessons for Evaluating Information Technology**

1. **Begin evaluation efforts with a “theory of change”**. A clear understanding of staff expectations of the difference new information technology will make in their work and their production is a fundamental component of evaluation. This theory of how things will be better becomes the baseline against which results are measured.

2. **Clarity of purpose is critical to success**. What is technology expected to do, why, and for whom are questions that need to be asked and answered often by a group of key constituents including staff, end users, board, and funders.

3. **Define the scope of your efforts**. There also needs to be a clear understanding of the limitations of internal capacity building—staff may be able to receive more calls from clients, or more efficiently refer clients to other resources, but this does not automatically mean that clients will be better served or better off.

4. **A basic grounding in information technology is a prerequisite**. We have found that in order to successfully engage in this conversation it is essential that key players have at least a working knowledge of the promises and limitations of information technology.

5. **Trusted, impartial technical assistance can make all the difference**. The presence of a trusted technical assistance (TA) advisor, such as a circuit rider, is enormously helpful as part of this conversation for smaller nonprofits without the in-house expertise to make educated purchasing decisions. It’s important that an advisor not be perceived as having something to sell—nonprofits need access to TA experts whose advice isn’t motivated by self-interest.

6. **Technology is useless without training**. Perhaps the most important key to the success of technology efforts is that nonprofit organizations must have adequate and ongoing training to use the new tools at their disposal.
Information technology efforts must be carefully planned and assessed over time for their effects on the organization, its staff, and its services. But it’s also important to remember that information technology is part of a larger context of organizational capacity building. Technology initiatives can only be as successful as an organization as a whole is capable of being.

With a well thought out IT plan supporting its mission, a nonprofit can get to the pot of gold: a wealth of information about how to improve outcomes and increase impact. But not even the strongest information technology can replace the need for personal interaction: the core of what nonprofits do to make a difference, build stronger communities, and effect social change will always be people—people listening to one another, being empathetic, solving problems, and lifting each other up.

**Planning Information Technology Evaluation**

The questions below are intended to help guide the process for funders who are trying to plan for IT investments with the greatest possible impact for nonprofit grantees. We hope these questions will also be useful for evaluators, TA providers, and/or nonprofit staff involved in evaluation of the role information technology plays in nonprofit infrastructure and services.

**Questions for Funders and TA Providers**

1. Do we have a basic understanding of how technology can add value to what nonprofits do?
2. Have we identified our own goals, priorities, and values for supporting technology in nonprofit organizations?
3. Can we connect our grantees/clients to appropriate and effective technology assistance?
4. Do we understand our grantees'/clients' intended outcomes that will be affected by the technology investment well enough to measure them?

**Questions for Nonprofits**

(Note: Funders and TA providers should ask these questions about potential grantees/clients.)

1. What are our organization’s overall goals?
2. How is technology related to the achievement of our organization’s goals?
3. Do we have a clear picture of our intended outcomes to use as a baseline?
4. What are the barriers that prevent effective technology use for our organization (e.g., inadequate training, lack of adequate network support, outdated equipment)?
5. Does our organization have access to a trusted, objective nonprofit TA provider who can help make decisions, and who is not perceived as having something to sell?
6. Is an investment in information technology the best possible investment for the organization, of all investment alternatives? (Is now the right time for an IT investment, or does our organization need more support in other areas? Does technology add enough value to be worth the investment, or could the resources being spent on IT be better spent elsewhere?)

**About Innovation Network**

Innovation Network’s mission is to improve nonprofit results by building evaluation capacity. Our tools and services are based on the principle that if evaluation is accessible to all, the nonprofit and philanthropic sector as a whole can be more effective, making a greater difference in the communities we serve. For more information, please visit www.innonet.org.

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