

Presented by John Kenyon



## Session Four

# Measure Twice and Cut Once: Technology Planning, Budgeting and Implementation



NTEN Technology Leadership Series

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# Mechanics



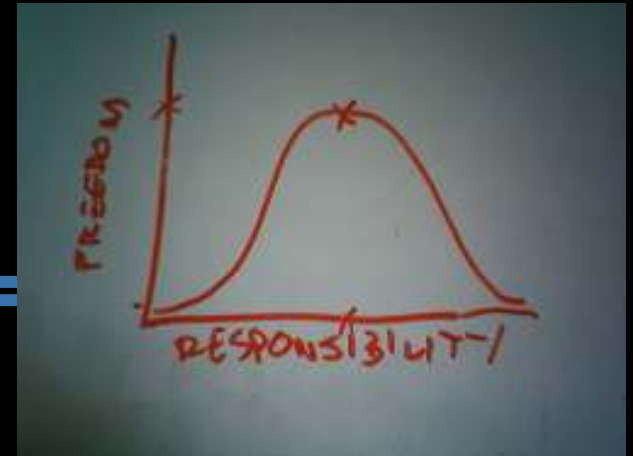
- Everyone is muted during session
- Set times for discussion
- For questions other times, use chat
- Using Chat - Does your org have a technology plan?
- Technical Difficulties?  
Close and Re-enter Meeting (415) 397-9000

# Responsibilities

- Respect
  - Varied
    - Levels
      - of Experience
- Participate
- Think about Your Angle
- Share your Experiences and Ideas

## During Conversations:

- Be in a Quiet Environment
- Identify Yourself When Speaking
- One Person Speaking at a Time



# Course Overview



1. Systems Analysis
2. Hardware, Software and Networks
3. Databases aka  
Constituent Relationship Management Systems
4. **Technology Planning, Budgeting and Implementation**
5. The eNonprofit: Effective Internet Presence
6. The eNonprofit: Online Engagement and Internet Services
7. The Future: Latest and Greatest NPO Tools

# Session Agenda



- Session Overview
- Planning & Budgeting
  - Business Models & Goals
  - Roles
  - Key Elements of a Plan
  - Key Steps in Planning
  - Constraints and Risk Assessment
  - Preventative Budgeting
  - Staffing and Consultants
- Discussion

# Weekly Question



- Question:

What 2-3 goals would I include in my organization's technology plan for the year?

# First: Business Models & Goals



## ■ Clarify Business Models and Goals

- Current/Desired State
- Necessary/Acceptable Trade-offs

## ■ Defining Goals

- Customer Satisfaction
- Performance Improvement
- Core Function Enhancement
- Financial Management

# Roles in Planning



- Define/identify members of the planning team
  - CIO function - Organizational perspective
  - Consultant function - Outside/Technology Expert perspective
  - Organizational Stakeholder function - Process/People perspective
  - End-User function - Results/User perspective

# Key Elements of a Plan



- Organizational Profile
- Technology Vision statement
- Project
  - Description
  - Benefits
  - Tasks
  - Costs
- Budget
- Timeline/Critical Path

# Key Steps in Planning



- Assess Current Technology and Organizational Readiness
- Create the Team
- State the Vision, Develop Criteria, Set Goals
- Create Components of the Plan, Draft Budget
- Establish Priorities

# Key Steps in Planning



- Share/Explain the Plan, Get Feedback
- Make Decision, Develop Budget and Timeline
- Implement the Plan, Train Staff
- Evaluate:
  - Technology
  - Implementation
  - Process
  - Plan
- Revise Plans Based on Evaluation

# Project Constraints



## Project Management Constraints

Resources

Time

Complexity

# Project Plan Example



## ■ Vision

- All computers networked to share information

## ■ Project plans

- Select/Purchase/Install/Configure network cards
- Select/Purchase/Install cables
- Select/Purchase/Install/Configure Hub
- Establish security/access levels
- Configure/test desktop computers
- Test networking operations
- Train staff on network use, troubleshooting

# Project Plan Example



■ Budget	\$	Hours
- Select/Purchase network cards	500	2
- Install/Configure network cards	8	
- Select/Purchase cables	200	2
- Install cables	200	0
- Select/Purchase Hub	400	4
- Install/Configure Hub		3
- Establish security/access levels		6
- Configure/test desktop computers		8
- Test networking operations		3
- Train staff on network use, troubleshooting		8
■ Ongoing maintenance estimate		5/month

# Project Plan Example



## ■ Timeline

- Select/Purchase network cards January 2008
- Install/Configure network cards January 2008
- Select/Purchase cables January 2008
- Install cables February 2008
- Select/Purchase Hub February 2008
- Install/Configure Hub February 2008
- Establish security/access levels March 2008
- Configure/test desktop computers March 2008
- Test networking operations March 2008
- Train staff on network use, troubleshooting March/April 2008

# Assessing Project Risk



Size	Structure	Technology	Risk
Small	Well Defined	Proven, known	Low
Small	Well Defined	Unproven, unknown	Medium
Small	Not Well Defined	Proven, known	Medium
Small	Not Well Defined	Unproven, unknown	High
Large	Well Defined	Proven, known	Medium
Large	Well Defined	Unproven, unknown	High
Large	Not Well Defined	Proven, known	High
Large	Not Well Defined	Unproven, unknown	Very High

# Do-ability Grid



**Project  
Benefit**

High

Go for It

High Wire Act

Why Bother?

Forget It

Low

Low

High

**Project Risk**

# 2006 NTEN Nonprofit IT Staffing Survey



## IT Investments:

- Large nonprofits and early technology adopters invest significantly more in IT
- Self-described non-tech savvy nonprofits have a median IT budget of \$667 per employee, compared to \$2,500 for their more high-tech counterparts

# 2006 NTEN Nonprofit IT Staffing Survey



## Digital divide:

- Smaller organizations are significantly behind on IT investment and adoption
- 41% of small organizations reported no salary expenses related to technology, and an astonishing 20% reported an IT budget of zero

# 2006 NTEN Nonprofit IT Staffing Survey



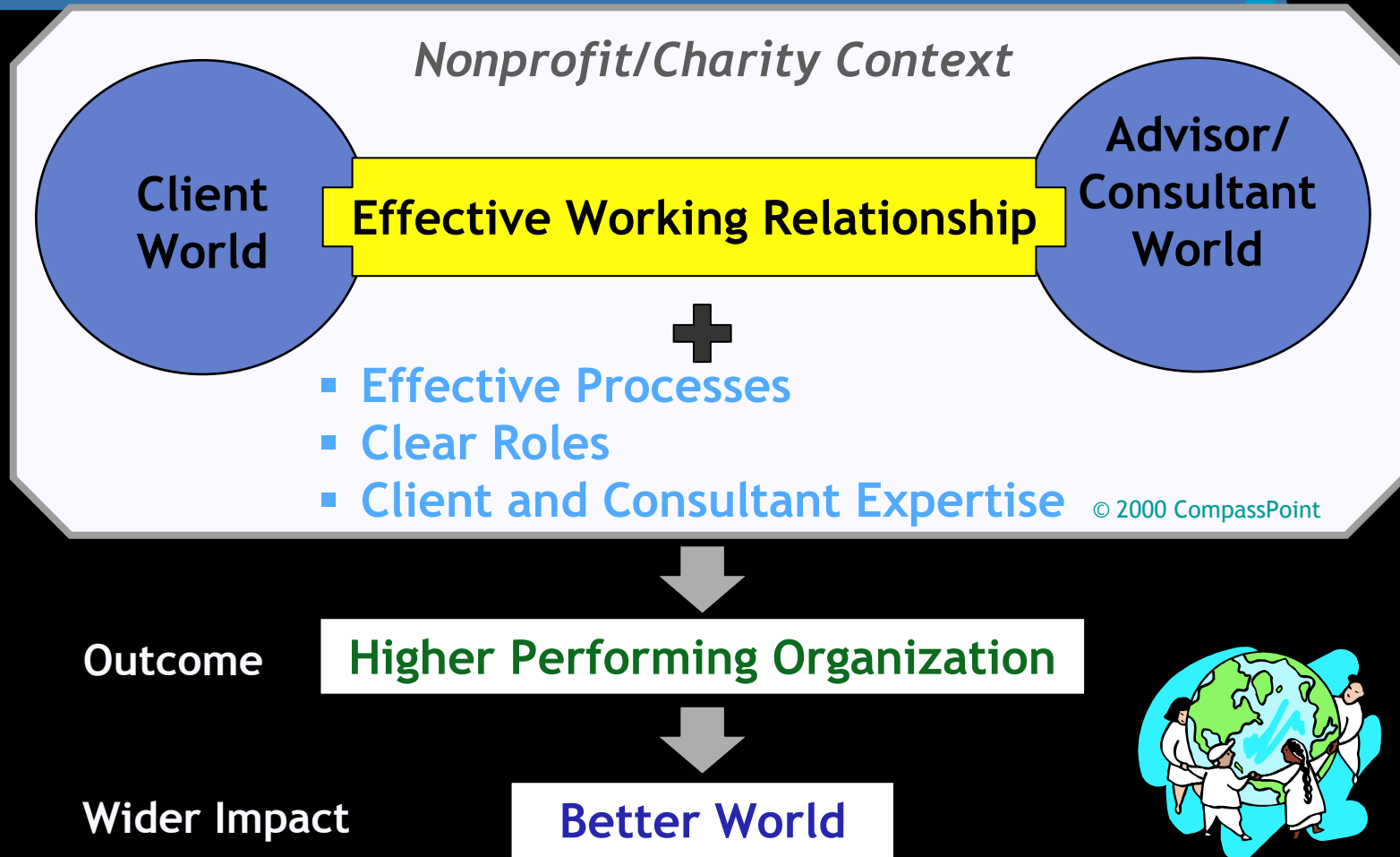
## Staffing

- A majority of nonprofit organizations feel they are understaffed in their IT areas
- Nonprofits have one staff member with some IT responsibility for every five organizational staff members, with salaries for IT staff varying widely between smaller and larger organizations

## Outsourcing:

- More than 95% of nonprofits routinely outsource specific IT functions

# Consultants - I.N.C.® model





# Effective Process

- Effective Process
- Clear Roles
- Client and Consultant Expertise

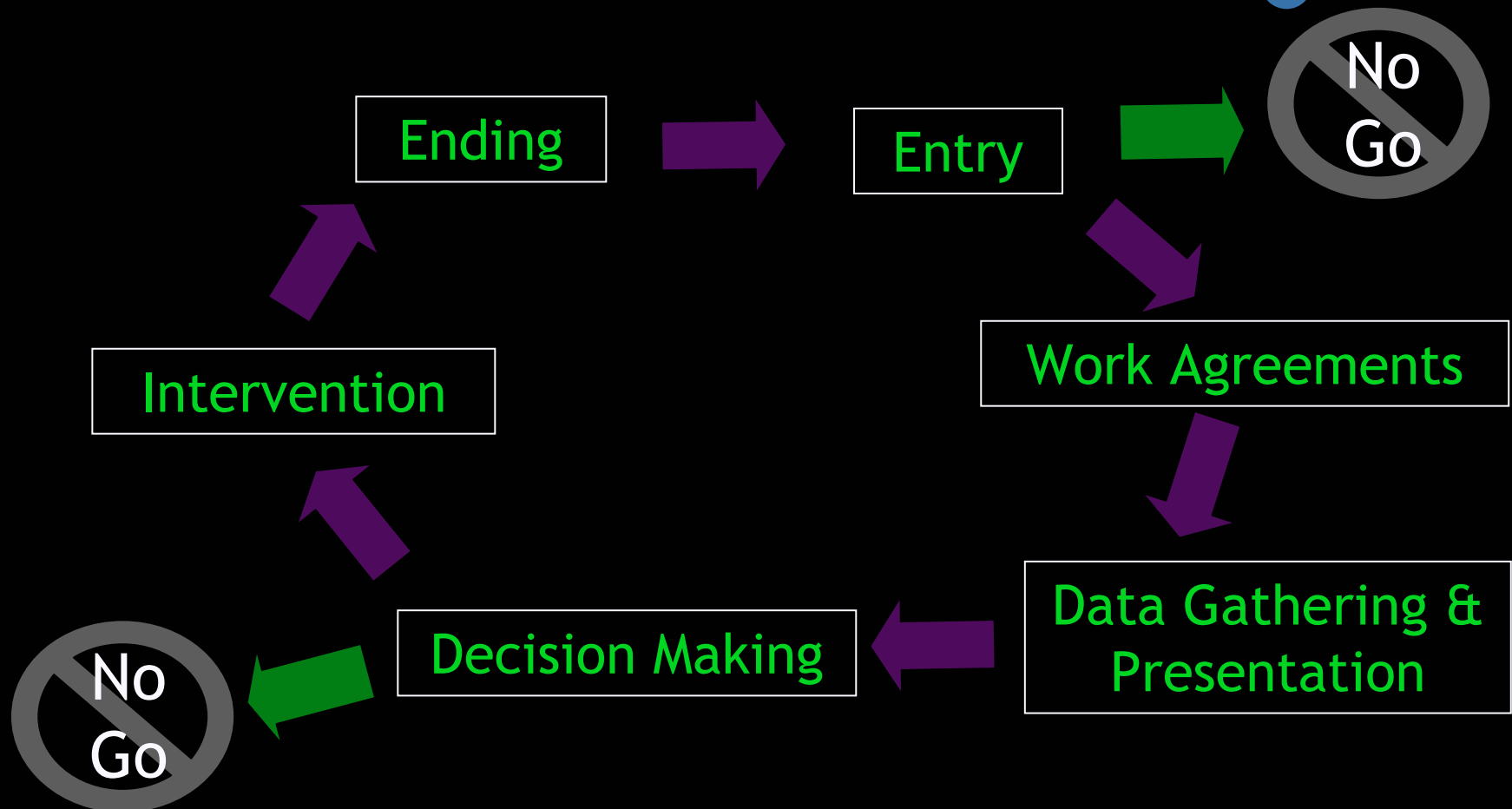
## Six Stages of an Engagement

Entry	Explore client needs and work relationship
Work Agreements	Agree on work products, activities and relationship
Data Gathering & Presentation	Collect, Examine, Interpret and Present Data
Decision Making	Review possible actions
Intervention	Implement agreed upon activities
Ending	Review and evaluate engagement

# Engagement Stages



- Effective Process
- Clear Roles
- Client and Consultant Expertise





# Consultant & Client Roles

- Effective Process
- Clear Roles
- Client and Consultant Expertise

Role	<i>Problem Diagnosis</i>	<i>Solution Identification</i>	<i>Solution Implementation</i>
Doctor	Consultant	Consultant	Client
Expert	Client	Consultant	Client
Trainer	Client	Consultant	Client
Process Facilitator	Client	Client	Client
Coach	Client	Client	Client
Extra Pair of Hands	Client or Consultant	Client or Consultant	Consultant

# Client Expertise



- Effective Process
- Clear Roles
- Client and Consultant Expertise

## - Area(s) of Focus

- Processes
- Resources
- Operating Environment

## - Ways of Working

- Process
- Personality
- Constraints
- Prioritize



# Consultant Expertise



- Effective Process
- Clear Roles
- Client and Consultant Expertise



## Understanding of:

- Nonprofit/Charities Ways of Working
  - Shares Experience & Lessons
- The Impact (+/Δ) of Technology
  - People and Their Processes
  - Support Resources
  - Setting the Stage for a “Next phase”
- The Usefulness of Appropriate Technology
  - Keep Informed
  - Keep Connected with Peers



# Budgeting



- Total Cost of Ownership (TCO)
  - Purchase price + Long-term costs + Support
- Total Value of Ownership (TVO)
  - Improved work processes, results, morale

## Considering only the purchase price:

- stands in way of establishing efficient and effective technology systems
- results in more expensive, multiple “quick fixes”, inappropriate uses of staff time and effort, internal frustrations

# Budgeting Guidelines



- 1:50 maximum support ratio
- 36 - 60 month hardware replacement cycle
- Technology  $\geq$  10% of Your Organizational Budget
- 30:70 Expense Rule

30% Equipment/Software/Service

70% Support/Training/Maintenance

Tech Atlas, TCO & ROI Resources:

## TCO Calculator

The TCO (Total Cost of Ownership) Calculator is an important part of technology planning designed to help you analyze the long-term costs associated with owning technology on a per-PC basis and then compare your results to industry benchmarks. Be sure to download the [TCO Calculator Companion](#) to guide you.

[Download](#) the TCO Calculator (Microsoft Excel).

## ROI Calculator

Justify the cost of a technology project by examining the time your staff will save. This tool will walk you through the process of evaluating your initial technology investment.

Download the [ROI Calculator](#).

# Budgeting Example



	<u>\$</u>	<u>Hours</u>
■ Budget - Workstation - 1 year		
- Review options, Plan for purchase		2
- Purchase process		2
- Computer purchase	1500	
- Unbox and setup computer		2
- Install software, network setup, test		3
- Install user files, customize		2
- Training as needed, plus ongoing training		10
- Monthly maintenace, upgrades, troubleshooting		48
- Repairs and hardware upgrades	250	
■ Costs (labor 69 @ \$60/hour)	\$1750	\$4140

# Preventative Budgeting



- Adjusting the Outlook,  
Facing Technical/Economic Realities

## Preventive Budgeting

- Allocate Money Annually (TCO)

➤ Hardware	Workstations, Printers, Peripherals
➤ Software	Acquisition, Upgrades, Support, Training
➤ Training	Internal Systems, New Tools & Options
➤ Tech Support	Maintenance, Troubleshooting

- Determining value (TVO)

- Costs (lost productivity)	Hard Costs + Soft Costs
- Benefits (morale)	Efficiency, Effectiveness

# Budgeting Goals



## - Goals

- Get Accurate -
- Understand real benefits & costs of adopting/not adopting
- Appropriate, Appropriate, Appropriate

## - Consider...

- Including in Proposals - Cost per FTE
- Describing how you use tech in promotional material
- Technology focused fundraising campaign

# Transitioning Information Systems

- Data Clean Up
- Data Export/Import
- Training Issues
- Organizational Culture Issues

Address through:

- Team Approach
- Open, Frequent communications;  
(may be management issue/HR issue)



# Planning Review



- Define Business Models & Goals
- Identify Roles
- Include Key Elements
- Complete all Key Steps in Planning
- Set Goals & Objectives
- Staffing
- Using Consultants - INC Model
- Preventative Budgeting
- Understand Transition

# Reflection and Discussion

- Your Experience
- Planning Experiences
- Working with Consultants
- Budgeting Experiences
- Appropriate Solutions
- This makes me think about....



# Evaluation & Learning More



- Please Complete the Evaluation
- Visit Affinity Group Forum:  
<http://groups.nten.org/>
- Review Suggested Readings and Resources
- Share Insights, Ideas in the Affinity Group Forum

# Thank you - Next Time:



- **The eNonprofit: Effective Internet Presence**

In this session, we'll focus on the fundamentals of a web presence. You'll learn about the systems and elements of an effective web presence, and the strategies you can use to make smart decisions.

Question:

What 2 goals do I have for our website for this year?