How Nonprofits Can Use Automation as a Strength | Top Trends in 2022

10 min read

When you're running a nonprofit, you're supporting a cause that's near and dear to you and your community. Naturally, you put your heart and soul into everything you do on behalf of the nonprofit. As a result, the idea of automation can often feel robotic and soulless to nonprofit leaders.

Key Takeaways

- **Quick and Easy Access to Financial Data:** Automating repetitive tasks like those listed above frees up your employees to focus their precious time and energy on work that is more valuable to your nonprofit...

- **Top Trends- CRM Systems:** Manual constituent relationship management will not only waste your time, but will also result in copious human errors and inconsistencies..

- **Yes, Your Nonprofit Can Afford to Implement High-Tech Automation Tools:** The time, money, and resources that are saved through automation can actually help your nonprofit maximize its ROI on every dollar raised

This can translate to automation feeling like a risk that could result in your human-focused organization feeling less human and less attractive to its constituents.

However, this is not the case. Nonprofits have limited resources, funds, and time to complete an enormous amount of work in order to successfully accomplish their missions. So, any strategy that can increase a nonprofit's operational efficiency also stands to increase its impact, and one of the absolute best ways to increase efficiency is by automating as many tasks as possible.

We aren't talking about automating the lunch meetings you have major donors or the smiles you deliver with the services you provide, we're talking about automating the routine, daily housekeeping tasks that drain the time and energy from your team members, leaving room for human error, and flush precious funds down the drain.

Top 5 Reasons Why Your Nonprofit Needs to Automate

1. Less Manual Labor Spent on Repetitive Tasks

If your employees spend time on routine or repetitive tasks such as maintaining spreadsheets of donor contact information, sending out event invitations, or hand-writing constituent communications, then they're spending time on tasks that could be more efficiently and effectively performed through automation.

2. Quick and Easy Access to Financial Data

The back office is a sensitive subject for many nonprofits because experienced and qualified bookkeeping and accounting professionals don't come cheap. As a result, many nonprofits find themselves relying on inaccurate or outdated financial data while hastily completing the financial reports that the board and executive director will use to make important decisions for the nonprofit's future.

Read More: What Financial Reports Should My Nonprofit Program Director Look At?

3. Reduced Exposure to Fraud Risk

Additionally, manual bookkeeping and accounting processes create copious opportunities for internal fraud to occur.

According to the most recent Association of Certified Fraud Examiners' 2020 biennial update to its Report to the Nations [1], the top three reasons why nonprofits fall victim to fraud were lacking internal controls, failing to review and improve existing internal controls, and simply not following existing controls.

Read More: Preventing Fraud In A Nonprofit

4. Your People Can Focus on the Most Important Work to Be Done

Most importantly, automating repetitive tasks like those listed above frees up your employees to focus their precious time and energy on work that is more valuable to your nonprofit, such as maintaining donor relationships, educating your community about your cause, planning and participating in events, and carrying out your mission.

5. Up-to-Date Overviews of Donors, Supporters, and Volunteers

Tracking and maintaining your list of constituents using manually compiled spreadsheets is a full-time, complex job that can be much better handled by an automated system.

Without using the right donor management software, your fundraising efforts, donation tracking, and operational resource allocation also take a hit.

Not sure which Donor Management Software is best for your organization?

Read More: [Top Donor Management Software Solutions & Why Your Nonprofit Needs Them](#)

The Top 5 Automation Trends for Nonprofits in 2022

1. Constituent Relationship Management (CRM) Systems

Donors, repeat donors, potential donors, volunteers, members, partners, beneficiaries, and other supporters are all different categories of nonprofit constituents that need to be tracked along with their information and their relationship status with your organization. Attempting to maintain all of this information on paper (or in various spreadsheets) and keep it up to date by hand is nearly impossible.

Manual constituent relationship management will not only waste your time, but will also result in copious human errors and inconsistencies. This makes it difficult to organize and find information in addition to making it nearly impossible to regulate your nonprofit's interactions with various constituents.

The solution is a constituent relationship management (CRM) system that functions as a contact information database while also automating the tracking, management, and regulation of communications and interactions with constituents. Additionally, you can track campaigns and a contact's location in the pipeline as they transform from a new contact into a converted donor. Plus, you can even use these systems to keep track of manager, employee, and volunteer project assignments and progress.

2. Event Management Systems

In the nonprofit world, events are essential to raising funds, attracting new donors, connecting in person with existing donors, attracting media attention, and raising awareness about your cause. Events create enormous opportunities for nonprofits. However, they also create an equally enormous burden of planning, promoting, coordinating, timing, and executing. They require a venue, staff, volunteers, invitations, entertainment, and more, depending on the type of event you're arranging. Attempting to manage every detail of an upcoming event by hand can be overwhelming.

The automation of event management can help you keep better track of your workflow, including every single detail and item on your to-do list in addition to the delegation, progress, and completion of tasks. With event automation, you can automate routine tasks such as event registration, invitation mailing, ticket distribution, event reminders, and distribution of the event rules, regulations, and agenda.

You can monitor RSVPs and compare them with attendance in real-time while linking ticket purchases to existing donor profiles in your constituent response management system and creating new profiles for new individuals who purchase tickets. Additionally, you can use an automated event management system to better manage volunteers.

Event automation simplifies the process of budgeting and reporting by tracking the donations you receive and funds generated by events in addition to the costs associated with those events. This makes it easier to generate a more accurate calculation of your event profit and loss and ROI. You can even use these systems to send out surveys and collect feedback from attendees to improve next year's festivities.

3. Accounting Automation and Financial Reporting Systems

You might think of your bookkeeping and accounting as just a small part of your nonprofit organization. The truth, however, is that your back office has a prominent hand in every part of your nonprofit, from human resources and workplace culture to constituent management, marketing, fundraising, grant usage, event planning, and mission impact. Your nonprofit's numbers are a part of everything you do, and knowing your numbers is essential to making the most of your limited resources, motivating your employees and volunteers, and maximizing your ROI and nonprofit's impact

Read More: [How Much Do Bookkeeping & Accounting Services for Nonprofits Cost?](#)

Attempting to maintain your nonprofit's back office with a purely manual bookkeeping and accounting system is a huge mistake. It leaves your nonprofit vulnerable to errors and inaccurate numbers while also leaving you extremely vulnerable to fraud. Additionally, manual back-office procedures require an enormous amount of time, energy, expertise, and resources

to maintain. With manual processes in your bookkeeping and accounting department, you'll not only be at risk of losing money to fraud and wasted employee time, but you also won't have access to timely financial reports on which you can rely to work with your nonprofit board and make strategic decisions.

Thankfully, there are countless powerful bookkeeping and accounting tools that can streamline with QuickBooks (and other primary accounting software systems) to improve and automate your nonprofit's ability to track employee and volunteer time, record and categorize expenses, track grants, record and categorize donations, and more.

With an automated back office, you'll have access to timely and accurate financial data and reports at the touch of a button. This can help you track funds usage to mitigate waste or unspent dollars while also identifying your most profitable programs, events, marketing campaigns, and more.

4. Marketing Automation Systems

With so many nonprofit organizations competing for the limited empathy, attention, time, and money of potential donors and volunteers – not to mention the favor of beneficiaries and members – your marketing must always be on point.

This means choosing the most effective campaigns and marketing channels in addition to delivering highly targeted messaging to specific audience segments. Plus, you need to do all of this while also having the ability to carefully track and measure your results so that you can determine the most effective campaigns, channels, and messages to continuously improve the ROI on your marketing dollars.

If this sounds like a lot for your nonprofit to handle, you're right because managing this kind of marketing system manually presents an impossible amount of work. Marketing automation tools allow you to manage your marketing campaigns, deliver customized content to different audience segments, and calculate your marketing ROI to continue increasing the effectiveness of your campaigns.

5. Human Resources Management Systems

Nonprofits have volunteers to manage in addition to employees. Having exceptional employee management is more important now, during the Great Resignation, than ever before. In 2021, a survey showed that 42% of nonprofit leaders expected that their employee turnover rates would increase in the coming year [2].

Employee turnover is an enormous cost, one that can seriously eat away at your nonprofit's already limited financial resources. When an employee leaves, you not only incur costs when filling the opening they leave behind and training a new employee, but you also lose valuable knowledge and experience that leaves along with the former employee.

Automating your human resources management can help you track your employees, their skills, and their progress while also implementing strategies to improve employee engagement and satisfaction in their jobs. Yes, working for a nonprofit is inherently rewarding, but in this day and age, it's going to take a lot more than the inherent reward in working for a nonprofit to hold onto your employees.

With an automated human resources management system, you can actively work to measure and improve your organization's workplace culture while providing your employees with the rewards, recognition, and career development opportunities that will result in them sticking with you for the long run.

Yes, Your Nonprofit Can Afford to Implement High-Tech Automation Tools

When first considering it, automation technology might seem like a luxury that your nonprofit can't afford. However, the time, money, and resources that are saved through automation can actually help your nonprofit maximize its ROI on every dollar raised. In turn, automation that seems too expensive can actually save your organization money and help you maximize the impact of your nonprofit by streamlining your relationships with constituents and freeing up yourself, your board members, employees, and volunteers to focus on the high-value tasks that truly make a difference in your community.

Outsourced Management Accounting for Nonprofits – Increase Your Positive Impact

When your organization teams up with an outsourced management accounting provider, you also team up with a partner that is well-versed in everything (including automation) that can cut costs to increase ROI and make your nonprofit more successful.

With an outsourced nonprofit accounting partner, you can rely on the experience of well-seasoned accounting professionals to help you automate redundant processes within your organization while establishing sound streamlined accounting systems that are designed to identify your nonprofit impact drivers while helping you cultivate continuously increasing success.

Inaccurate financials = Constant **frustration**
Is this how you want to run your business?

SPEAK TO AN EXPERT

[1] https://legacy.acfe.com/report-to-the-nations/2020/

[2] https://www.thenonprofittimes.com/hr/staff-retention-a-major-problem-for-npos/