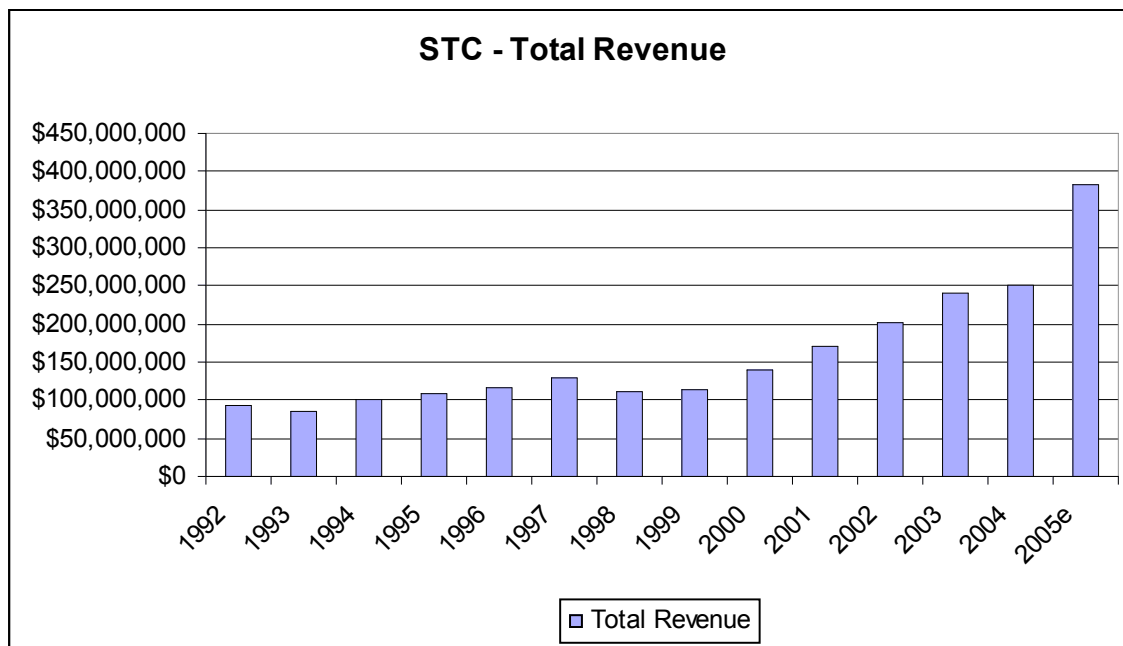


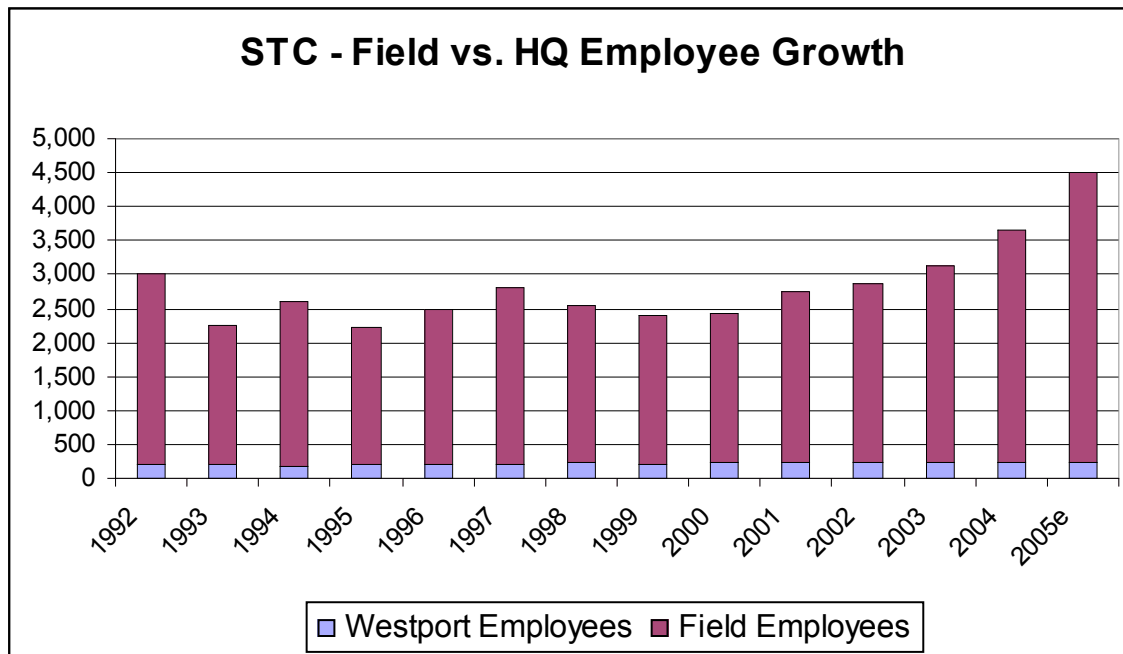
## The Impact of Technology on the Nonprofit Sector

### How Technology Fundamentally Changes the Way NGOs Do Business

When I came to Save the Children 13 years ago, our agency was an \$86 million organization. Our pie chart ratio—a key measure for us—was about 22% fundraising and administration while 78% went to children’s programs. For Child Sponsorship, the ratio was closer to 50-50. Today, we are a \$400 million organization. Our pie chart ratio is now 90-10 overall, and for Sponsorship it’s 75-25. One of the key reasons this has happened is due to technology. We have become more productive, and get more work done in less time (and with fewer people hours) than we did 13 years ago.



If you look at our headquarters staff in Westport, we had about 200 people in 1993, and today we have roughly the same. However the field organization has grown from 2,000 to 4,300. So the same headquarters staff is supporting over two times the number of people who are working with children in the field. That type of productivity gain would not be possible without technology.



To quantify the dollar impact of this change, the shift in our pie chart ratio from 22% to 10% overhead has meant that on average \$46 million more in today's dollars are going to help children around the world that otherwise would not be available. That is the ROI impact of technology on the nonprofit world.

In terms of people impact, technology has fundamentally changed the way we do business. Fifteen years ago, communications with our field organization was a matter of faxes at best, and more often mail couriers. An exchange of information could literally take weeks to complete. Gary Shaye tells the story of traveling four hours to the nearest pay phone in the Dominican Republic 20 year ago in order to have a one hour conference call with colleagues in Westport, and then travel back to the field office. Now we use email, voice and video conferencing to communicate in minutes.

For me, using technology such as the Treo has meant that I now have another ten hours of work time that I wouldn't otherwise have. I can read and respond to emails in the airport, taxiing on the plane, in the evening at home, or in the morning in a remote location. In fact, the organization is probably getting an extra day of work out of me as a result. For video conferencing, it is even more dramatic. Now I can walk down the hall to a half-day meeting with colleagues in London rather than spend three days of travel and meeting. In addition to avoiding the wear and tear of time zones and travel, as well as its significant expense, I can now reach more people in and outside of our organization in a given day than ever before.



Senior managers have a significant role to play in leveraging technology for the greater good. Beyond the obvious need to invest in the new equipment (and expect an ROI on this investment,) the CEO and COO of an NGO can push the cultural changes needed in an organization to use the technology. At Save the Children, we lead the way for the senior management team by becoming the early champions and adopters of video conferencing and handheld computing. Our growing need to communicate with our organization and others drove this.

For the future, I believe our technology vision of “making us all part of one virtual village” is on target. It will mean that our role of “match-maker”—bringing children in need together with donors who can meet their needs—will fundamentally change. By creating a virtual village, we can bring together families in need with families who can help meet those needs with their support. Two years ago, I saw my son talking to friends on his PC with a small video cam. What this meant was that soon we could have donors and sponsors in California, watching a presentation by kids in a Save the Children program in a school in El Salvador as it happens, and be able to ask questions to the teachers and their class. This means seeing the impact of their donation dollars in a very real and immediate way—by “being there.”

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