Getting Started with Data at Your Nonprofit

By Stan Reiff, Partner, and Kelsey Helmick, Executive Compensation Program Consultant

Some nonprofits may be unsure of how to start using data in their operations and strategic planning. What data should you collect? And how should you best collect, store, analyze, and utilize it?

Using data doesn't have to be complicated, and the benefits can be significant. With the right systems and processes, data can help nonprofits operate more efficiently, effectively, and strategically.

Forbes gathered input from its Nonprofit Council members on how their organizations use and benefit from data. The benefits they listed fall into several categories:

- A better understanding of donors, including their giving patterns, behaviors, motivations, and touchpoints
- Operational efficiencies gained as organizations use data to measure what matters, base decisions on successful strategies, and initiate model changes to improve results
- The ability to visualize trends and use donor interactions with digital content to inform future messaging and potentially provide a new perspective

These steps can help you start optimizing the use of data in your organization:

- Evaluate your current systems. Your accounting and CRM systems may have reports that you are not currently using. Contact the platform's support services if you can't find what you are looking for.
- Determine which metrics or key performance indicators (KPIs) are significant for your

organization. We recommend that nonprofits:
  o Measure outcomes over activities
  o Focus on three areas: donor engagement, operational efficiency, and population impact
  o Choose two to three metrics for each category, so that maintaining the data doesn't become cumbersome
  o Include all levels of staff in the discussion about which KPIs are most impactful
- Research industry best practices and determine the metrics associated with your goals.
- Create a dashboard.
  o Use your accounting or CRM software for this, if possible. Automated dashboards can save you time and effort.
  o Consider using data visualization software. (Examples include Microsoft Power BI, Tableau, and Google Analytics.)
  o If your systems don't have this capability and you don't want to implement new software, you could use a simple system such as a shared document or a document that one individual updates and distributes periodically to other stakeholders.
- Review this article for additional insight on developing a data strategy for your organization.
- Establish next steps for reaching your aspirational metrics.

Since 2020, the need for nonprofit services has only continued to increase. Data can provide insights your board, leadership team, and employees can use to help

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You do not have to make the shift to utilizing data overnight. The key is to develop a plan and take the first steps. Please contact us with any questions or to discuss how we can assist you.

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About the Authors

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Stan's professional experience includes over 35 years in ministry operations, public accounting, government accounting, and international missions. He provides strategic leadership of the firm's professional advisory and consulting services, including research on emerging issues in the faith-based nonprofit sector and the development and implementation of products and services in response to those needs.

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Kelsey joined CapinCrouse in 2019 and has over 10 years of experience working in and with faith-based nonprofit organizations, which has given her a passion for meaningful organizational design and intentional culture creation. Her background in applied psychology, marketing, and management inform her work with CapinCrouse clients in the areas of compensation, human resources, and organizational behavior.

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