

KEY NONPROFIT PREDICTIONS FOR 2016

It can be difficult to get your bearings in this ever-evolving nonprofit sector. It's as though the landmarks and celestial bodies are continually shifting and changing.

To help you chart a course, our Abila experts have compiled these 2016 Nonprofit Predictions. Consider them – along with the recommended actions – your compass, accurately orienting you and providing clear direction in the coming year.



TECHNOLOGY INTEGRATION DRIVES COLLABORATION

In a recent survey of Association of Fundraising Professionals' (AFP) members, more than 80 percent said integration between their fundraising and accounting software was important. Technology integration will play a key role in technology decisions in 2016 and be essential to help organizations get beyond day-to-day, tactical thinking and into a more strategic posture.

Formal, collaborative strategic planning across the organization will assure growth and stability for years.

ACTION

You probably agree on the importance of technology integration; however, you may not fully understand the benefits it brings. When you connect previously disparate systems, you'll begin to see the friction lessen between siloed departments, as well as between your organization and constituents.

To achieve optimum interdepartmental collaboration, it helps to first break down the walls of your infrastructure. For example, when your internal systems talk to each other – like our true fund accounting™ system, [MIP Advance™](#) and our fundraising software, [Abila Elevate™](#) – you'll naturally realize stronger interdepartmental collaboration, which ultimately leads to more informed decisions and clearer focus across the organization.



REVENUE GENERATION WILL SUPPLEMENT DONATIONS

Rather than just appealing for donations from supporters, nonprofit leaders will delve into the for-profit world of revenue generation.

ACTION

As a nonprofit leader, you'll need to exploit business-minded tactics to secure funds to further your mission. Consider implementing revenue generating initiatives, such as creating inventory to sell items, subleasing property, and forging for-profit partnerships. The latter is a boon for businesses, because it helps promote their brand, and entitles their name to be associated with your worthy social cause. And, it's a win for your nonprofit, as it raises your profile and enables access to resources you wouldn't have, otherwise.

KEY NONPROFIT PREDICTIONS FOR 2016



A FOCUS ON GROWTH VERSUS SUSTAINABILITY

Based on Abila's recent [Nonprofit Finance & Accounting Study](#), more than 70 percent of nonprofit organizations say they expect to grow in the next three years.

ACTION

A shift from sustainability to growth will have tremendous significance across your organization. You will need to consider and prepare for the impacts to strategic planning; for example, will you grow existing programs, or expand into new program areas or geographies? And, will you require additional funding sources? You'll also need to budget for people and infrastructure resources, and have modern technology in place – such as Abila's true fund accounting™ system, [MIP Fund Accounting™](#) – to efficiently and accurately track diverse and often complex funding sources.

On a side note: An increasing number of nonprofits are determining their best growth strategy is consolidating with other nonprofits that have similar missions and serve like demographics. This move not only stimulates growth, it also facilitates the pooling of monies and other resources.



A SHIFT IN GIVING MODELS

Recent data show the number of actual donors giving to nonprofit organizations is on the decline, even as actual dollar amounts are on the rise. Consequently, nonprofit leaders will be compelled to explore different and varied giving models.

ACTION

Make no mistake, your Individual champions will continue to be vital resources to furthering your cause. However, it could be detrimental to your nonprofit's fiscal health to rely so heavily on one wellspring, particularly if you're in growth mode.

Similar to an investor diversifying his or her investment portfolio, you'll need to diversify your organization's funding streams. For example, you might consider looking more closely at foundations as potential funding sources. Per Giving USA's most recent report, foundation giving in 2014 grew to \$53.7 billion, an 8.2 percent increase from the previous year.



ENGAGEMENT CRUCIAL TO FUNDRAISING SUCCESS

Offering a highly-personalized experience has become the norm for businesses looking to engage with consumers in meaningful, long-lasting ways. Not surprising, widespread expectations of a customized experience are beginning to pervade the nonprofit sector.

ACTION

With the likes of Amazon, Netflix, and eBay providing a highly-customized, segmented, personal experience that keeps individuals engaged and retained, nonprofits will need to follow suit with a very similar strategy to secure the most fundraising dollars. A focus on tracking, conversion optimization, and segmentation will be essential to your fundraising success in 2016.

Sophisticated online fundraising tools, like [Abila Fundraising Online™](#), can improve your results by enabling you to easily retain branding through the donation experience, and conduct A/B testing on your solicitations.



NONPROFIT ACCOUNTING WORKFORCE TRANSFORMING

The nonprofit accounting workforce will experience a certain amount of disruption due to anticipated turnover. In fact, a whopping three-quarters of AICPA's members will be eligible to retire in four years (by 2020), according to Wolters Kluwer CCH Preparedness Survey. And, according to our [Nonprofit Finance & Accounting Study](#), most nonprofits are seeing a strong trend toward smaller, leaner finance teams.

ACTION

As seasoned individuals retire and teams are pared down, you'll need to have solid succession plans in place, particularly for your high-level finance team members. Additionally, to safeguard smooth transitions, your plans, processes, procedures, and internal controls should be established, well-documented, and stored somewhere easily accessible to new team members – for example, within a true fund accounting™ system.

Finally, consider developing a plan for appealing to and recruiting Millennials into the fold to ensure a strong, stable team now and in the future.



FRAUD AND DATA SECURITY CONTINUE TO BE ISSUES

Fraud will continue to be a big issue for nonprofits, along with data security. According to a recent study by the Ponemon Institute, nearly half of all data breaches are connected to criminal insiders.

ACTION

Purpose-built technology and solid internal controls will be a must-have for you to mitigate fraud and alleviate data security issues. You should take a long, hard look at your technology investment to ensure you're doing everything possible to abate potential losses.

If your tech budget is tight, with little room for high-level security expenses, consider moving your true fund accounting™ system to the cloud to ensure superior performance and data security.

About Abila

Abila is the leading provider of software and services to nonprofit organizations and associations that help them improve decision making, execute with greater precision, increase engagement, and generate more revenue. Abila combines decades of industry insight with technology know-how to serve nearly 8,000 customers across North America. For more information, please visit www.abila.com.

About our Fundraising/CRM Solutions

Abila provides nonprofit organizations with a comprehensive suite of simple, easy-to-use fundraising, donor management, and engagement solutions so nonprofit professionals can more effectively generate funds, advocate for change, and strengthen relationships with donors, volunteers, alumni, and other constituents. Learn more about our [fundraising software](#).

About our True Fund Accounting™ Solutions

Abila MIP Fund Accounting™ helps nonprofit and government financial professionals better track, report, and manage finances; confidently and accurately tell their financial story; and ensure mission productivity. Our MIP Advance™ takes true fund accounting™ to the cloud, enabling organizations to boost fiscal stability and manage financial complexities with ease and transparency. Learn more about our [fund accounting software](#).

LEARN MORE

As an Authorized Abila Business Partner, we can help! Contact us today.

Abila Software Authorized Partner

DWD Technology Group

John Haney, Systems Consultant

jhaney@dwdtechgroup.com

800.232.8913 www.dwdnfp.com

Contact us for more information or a free software demo