armanino

POSSIBLE (RE)DEFINED

Demystifying AI & Automation for Nonprofits

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Certified
B
Corporation

WELCOME
Today's Presenters

John Stewart

Partner
Armanino Advisory LLC

Alex Gyorffy

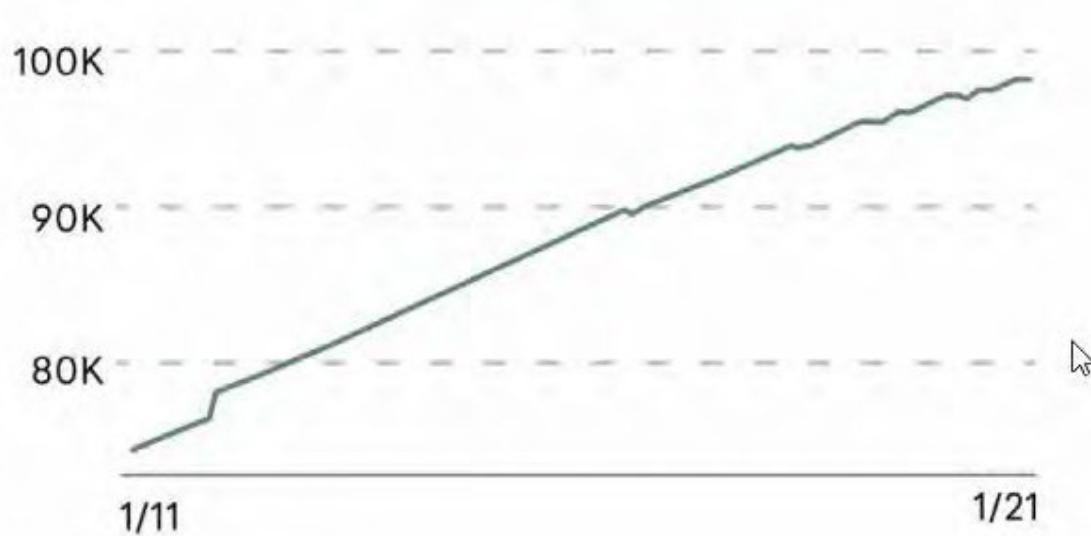Senior Manager
Armanino Advisory LLC

EXPLORING NEW AREAS

Agenda

- **Current State**
  - ❖ Labor Market & Nonprofit Sector Trends
  - ❖ Future of Work – The Integrated Work Force

- **Automation**
  - ❖ What is RPA?
  - ❖ Use Cases
  - ❖ Demo

- **Artificial Intelligence**
  - ❖ What is Generative AI?
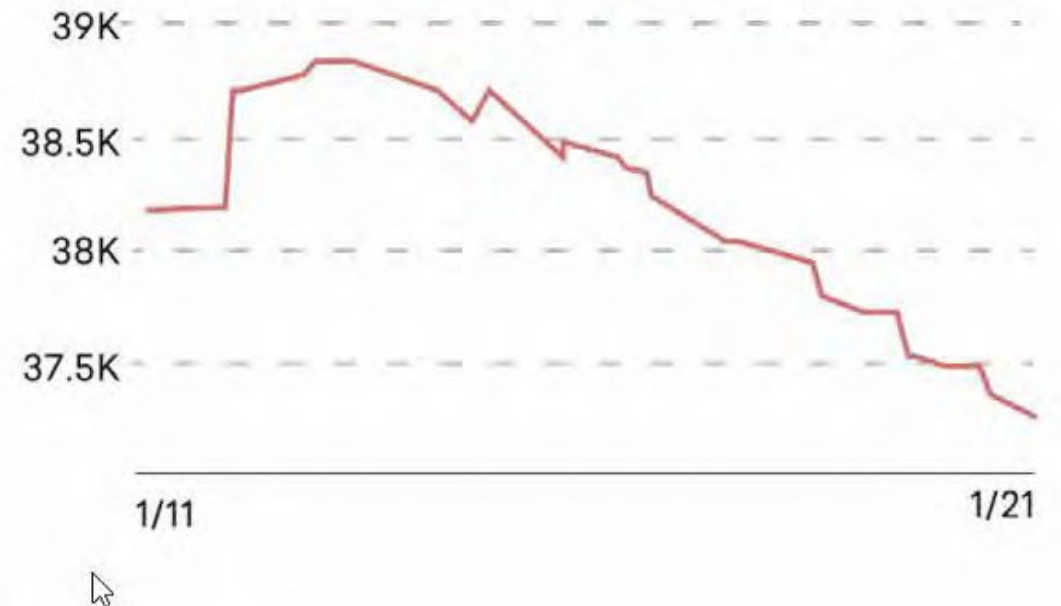 - ❖ Use Cases
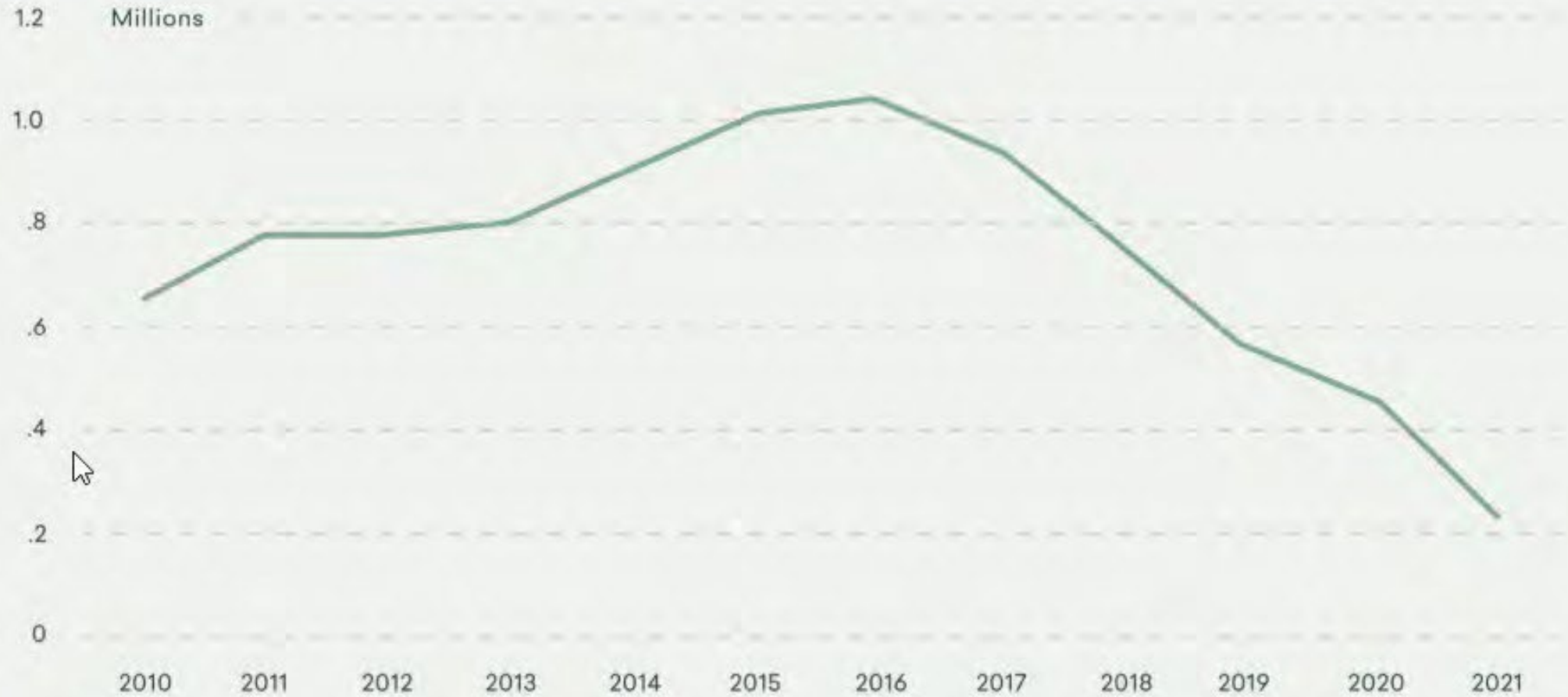 - ❖ Demo

WHAT'S HAPPENING

Demographic Drought

55+ Imminent retirees
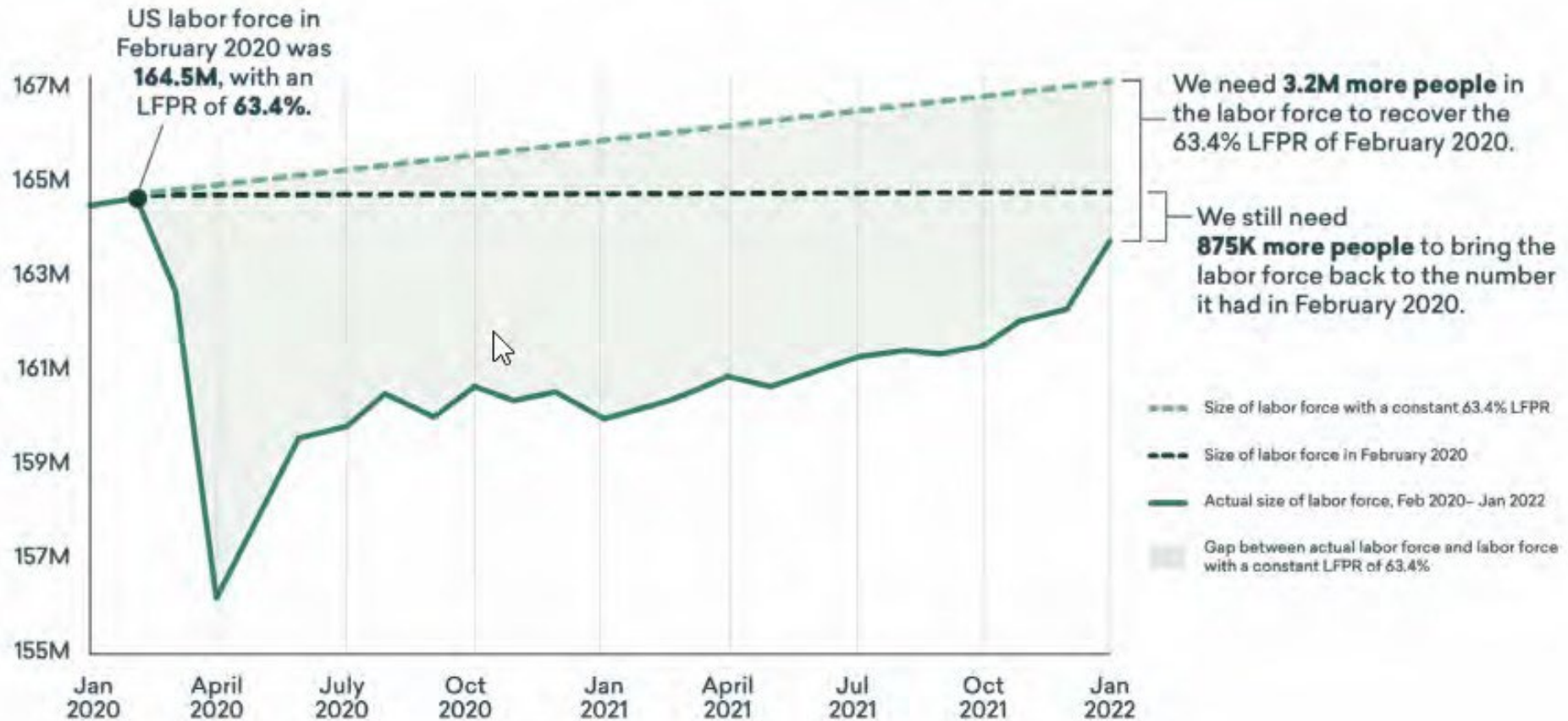
16-24 entering workforce

U.S. Yearly Immigration Numbers Have Fallen to New Record Lows

Sources: U.S. Census Bureau, Vintage 2021 Population Estimates.

Immigrant visas issued / New arrivals of legal permanent residents from abroad

We Need 3.2 Million More Workers to Get Back on Track

US labor force in February 2020 was **164.5M**, with an LFPR of **63.4%**.

We need **3.2M more people** in the labor force to recover the 63.4% LFPR of February 2020.

We still need **875K more people** to bring the labor force back to the number it had in February 2020.

Legend:
- Size of labor force with a constant 63.4% LFPR
- Size of labor force in February 2020
- Actual size of labor force, Feb 2020– Jan 2022
- Gap between actual labor force and labor force with a constant LFPR of 63.4%

Y-axis: 167M, 165M, 163M, 161M, 159M, 157M, 155M

X-axis: Jan 2020, April 2020, July 2020, Oct 2020, Jan 2021, April 2021, Jul 2021, Oct 2021, Jan 2022

Source: Bureau of Labor Statistics, Current Population Survey, Seasonally Adjusted: February 2022
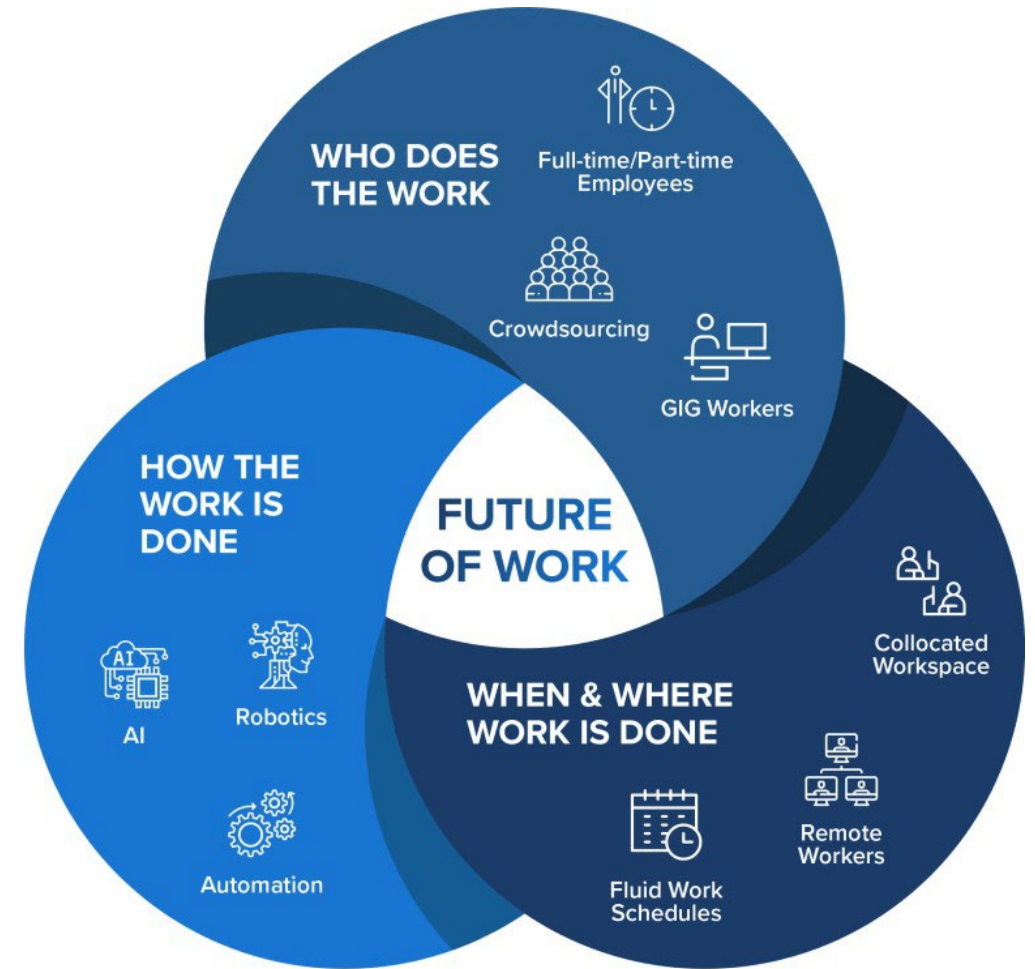
WHAT'S HAPPENING

The Changing Labor Market

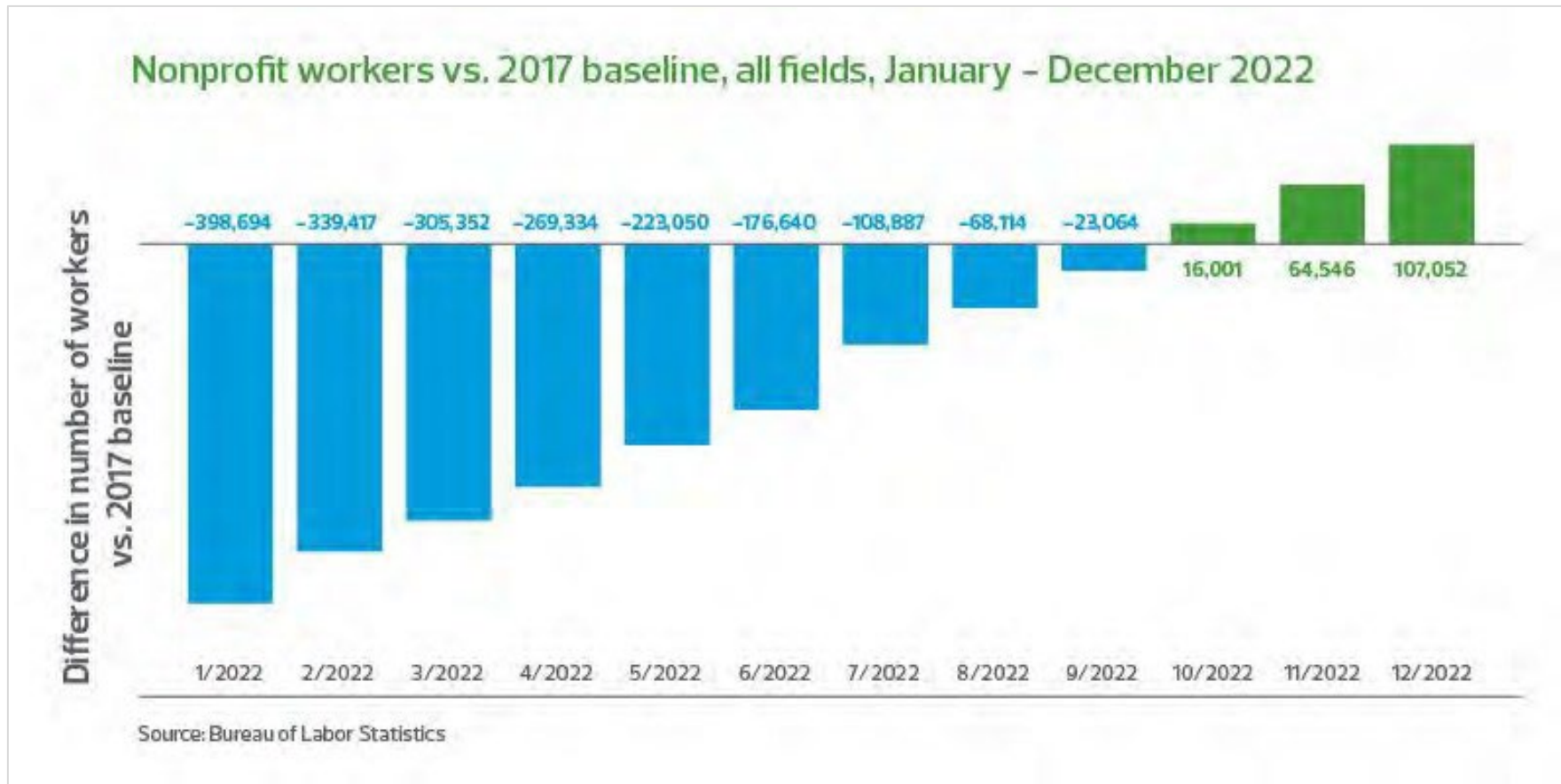"By 2025 'labor volatility' will cause **40% of organizations** to report a material business loss."

"**91%** of employees are frustrated with work tech, and **57%** feel legacy tech is holding them back"

Freshwork State Of WorkPlace Technology Report

84% of managers believe that AI can help improve the use of their expertise, knowledge, interpersonal skills, and judgment

Source: Forbes, 2020

FinancesOnline
REVIEWS FOR BUSINESS

WHO DOES THE WORK
Full-time/Part-time Employees
Crowdsourcing
GIG Workers

HOW THE WORK IS DONE
AI
Robotics
Automation

FUTURE OF WORK

WHEN & WHERE WORK IS DONE
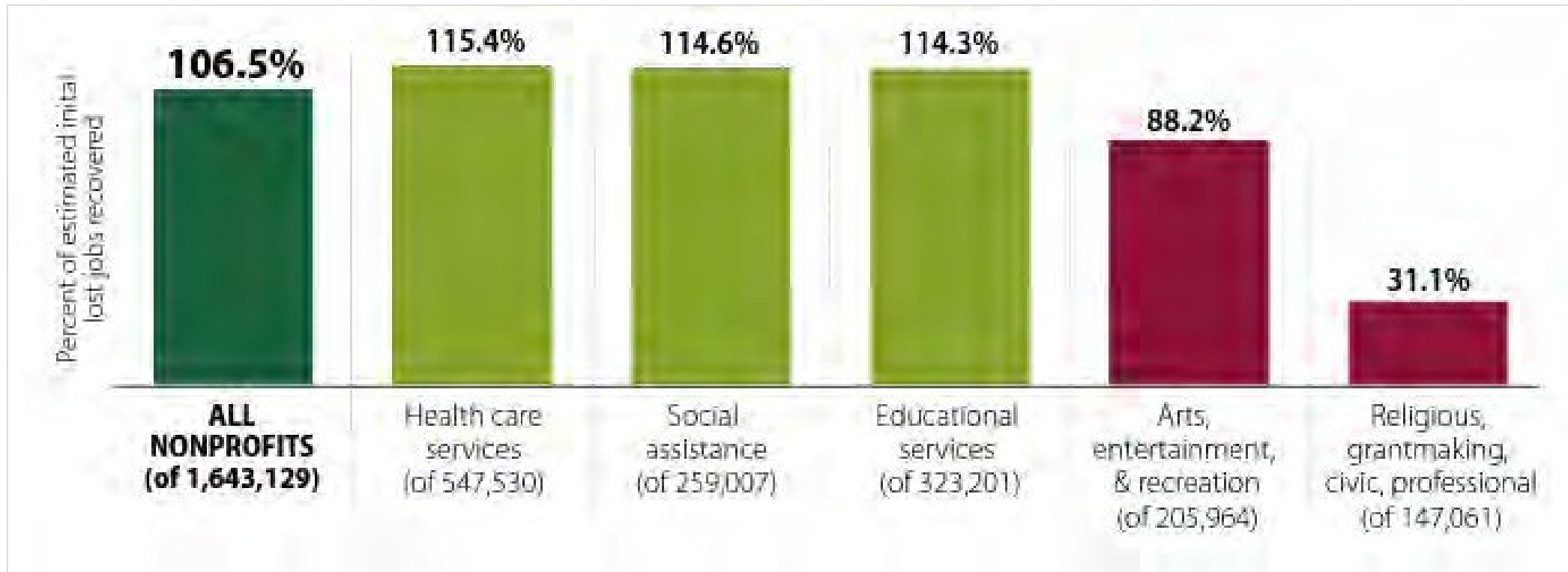Fluid Work Schedules
Remote Workers
Collocated Workspace

Today, millions of knowledge workers have greater freedom to decide when and where they work. (Image Source: shrm.org)

The nonprofit labor market is finally recovering. After losing **1.6 millions jobs** (13.2% of work force) in 2020, **100,000 jobs** have been added since the pre-pandemic highs in 2017.
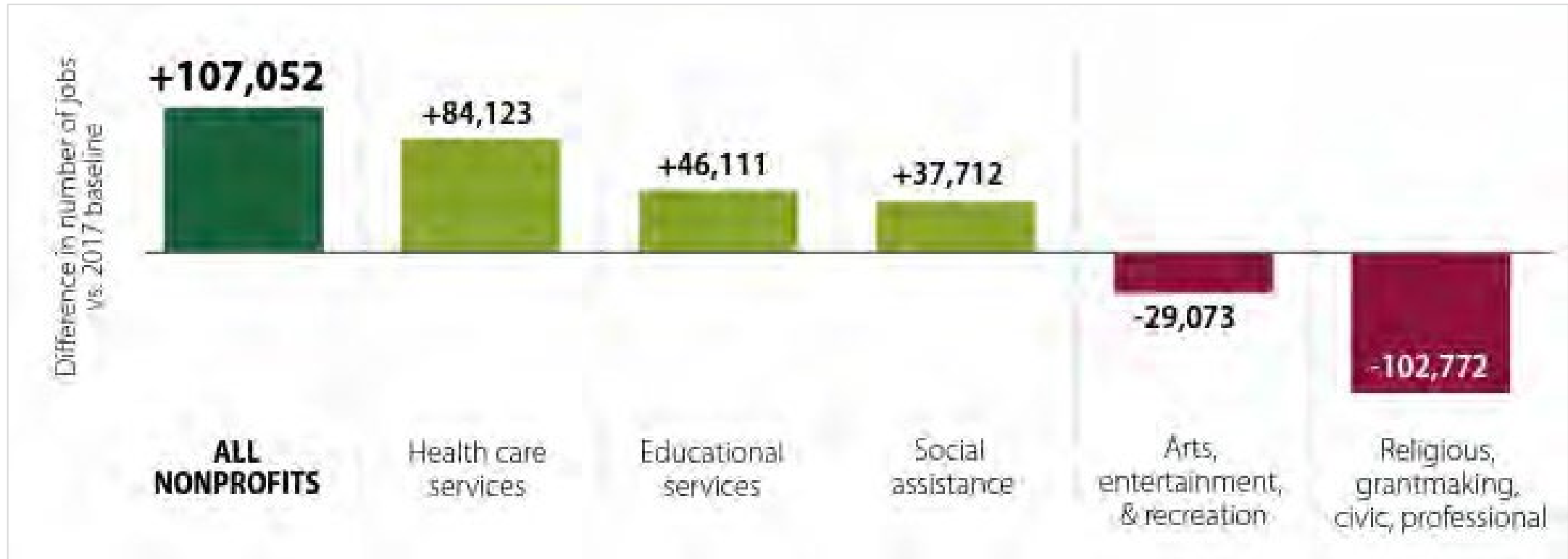

Nonprofit workers vs. 2017 baseline, all fields, January – December 2022

Difference in number of workers vs. 2017 baseline

Month	Value
1/2022	-398,694
2/2022	-339,417
3/2022	-305,352
4/2022	-269,334
5/2022	-223,050
6/2022	-176,640
7/2022	-108,887
8/2022	-68,114
9/2022	-23,064
10/2022	16,001
11/2022	64,546
12/2022	107,052

Source: Bureau of Labor Statistics

Cumulative percentage of initial job losses recovered through December 2022, by field

Percent of estimated initial lost jobs recovered

| 106.5% | 115.4% | 114.6% | 114.3% | 88.2% | 31.1% |

ALL NONPROFITS (of 1,643,129) | Health care services (of 547,530) | Social assistance (of 259,007) | Educational services (of 323,201) | Arts, entertainment, & recreation (of 205,964) | Religious, grantmaking, civic, professional (of 147,061)

George Mason University – Nonprofit Employment Data Project (January 2023)

Change in number of nonprofit jobs as of December 2022 vs 2017 baseline, by field

George Mason University – Nonprofit Employment Data Project (January 2023)

NONPROFIT TRENDS

Staffing Challenges Remain

42%

of nonprofits nationwide have a **vacancy rate of 20% or higher***

79%

of nonprofits identify **salary competition** as a factor preventing them from filling job openings*
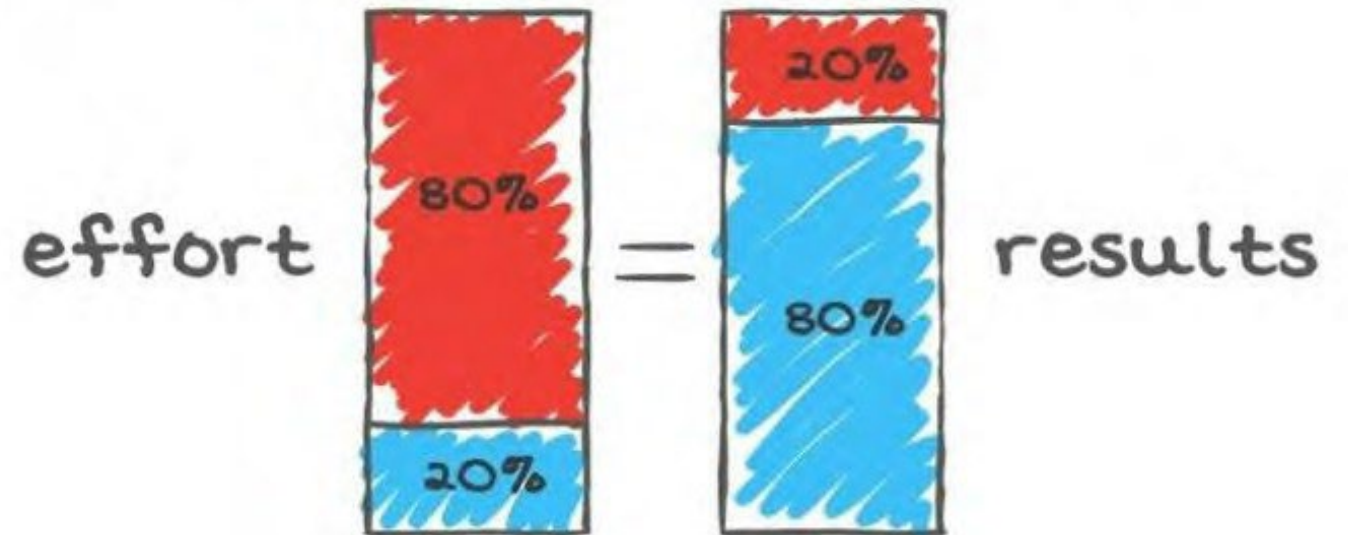
28%

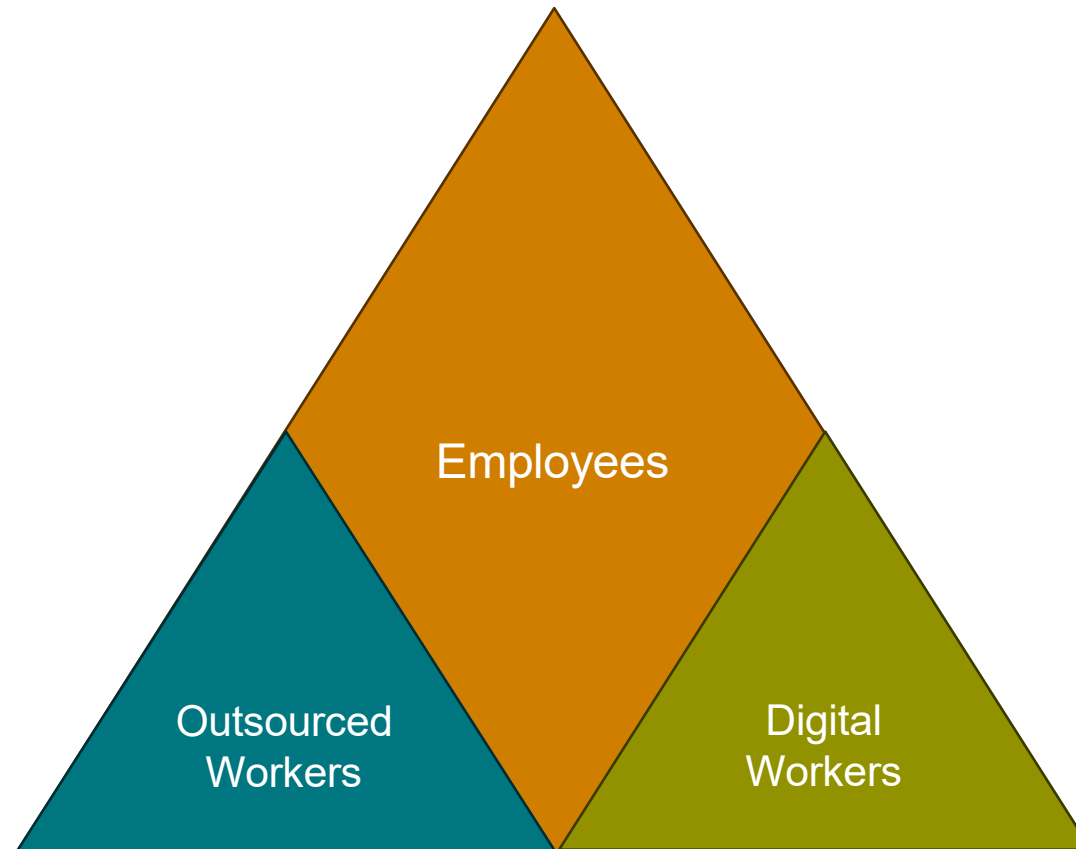of nonprofits report **staff retention** as a challenge**

*National Council of Nonprofits
**Salesforce 2022 Nonprofit Trends Report
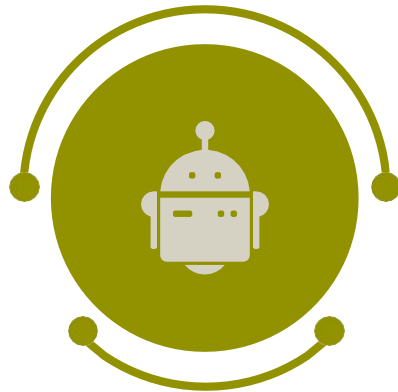
What *Should* You Automate?

The pareto principle

effort

80%

20%

=

20%

80%

results

Integrated Workforce

RPA
Automation

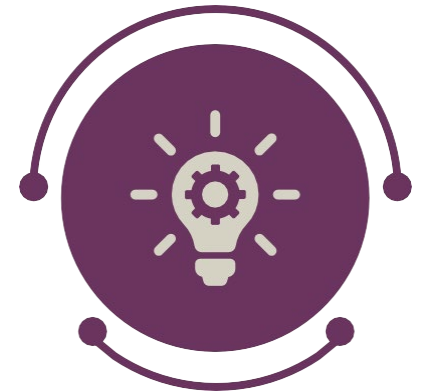# What is Robotic Process Automation (RPA)?

Configurations That Automate Manual and Repetitive Tasks

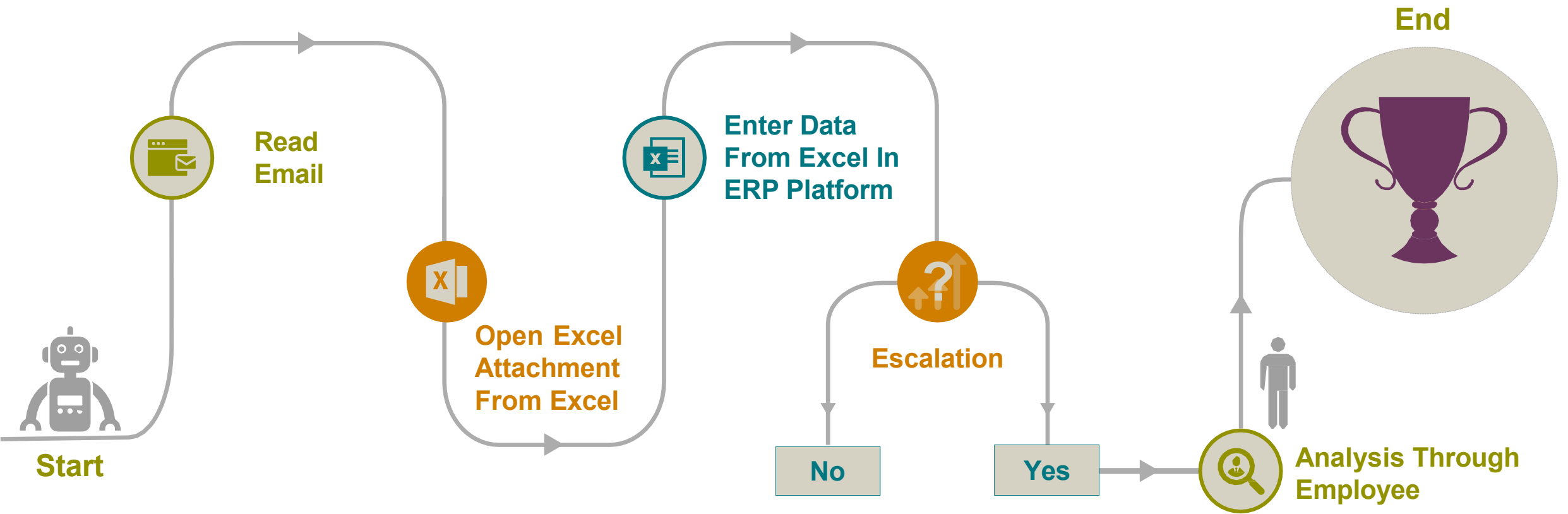**Digital Workers That Integrate With Existing Software**
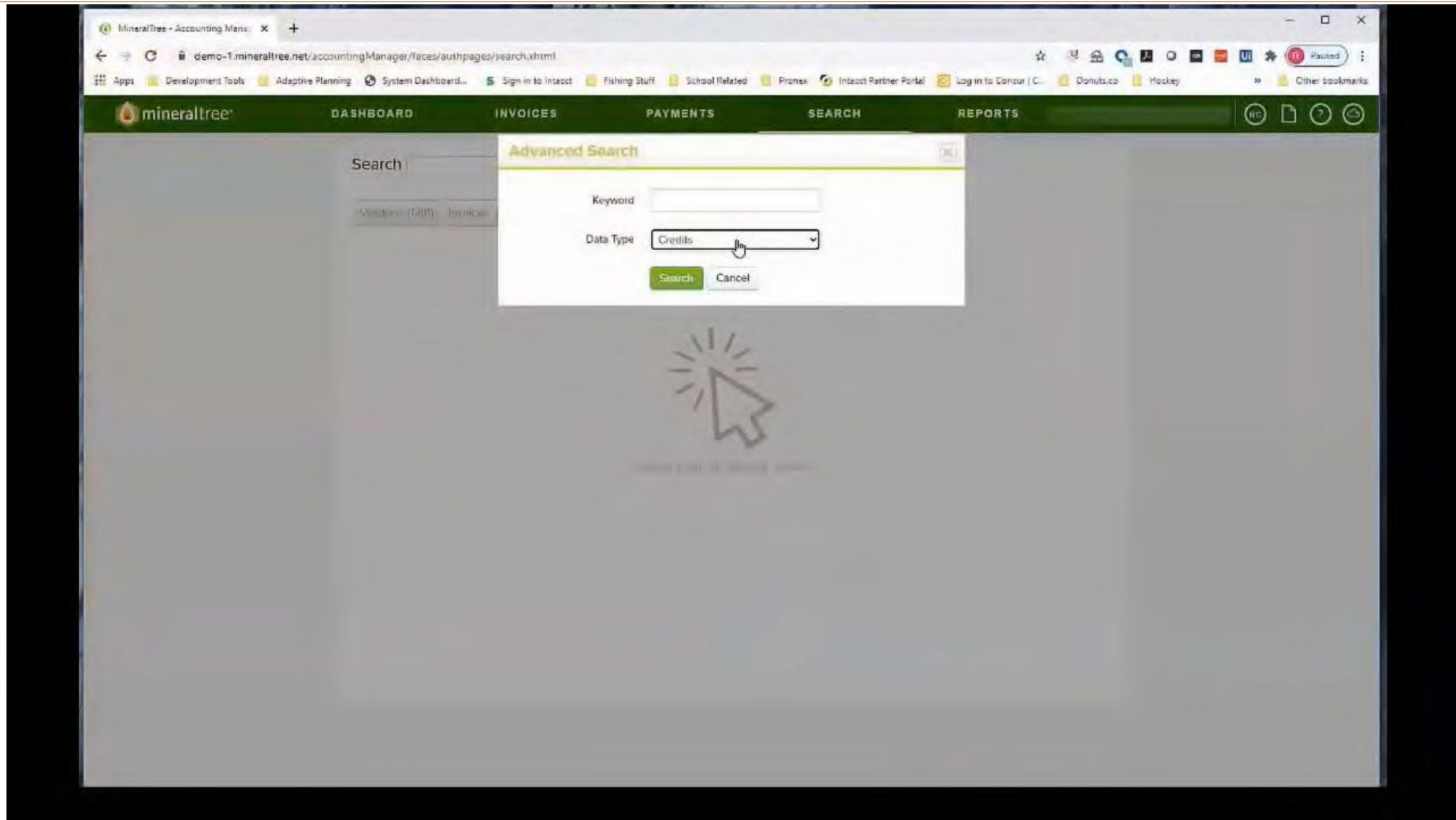
Replication Of Desktop Actions

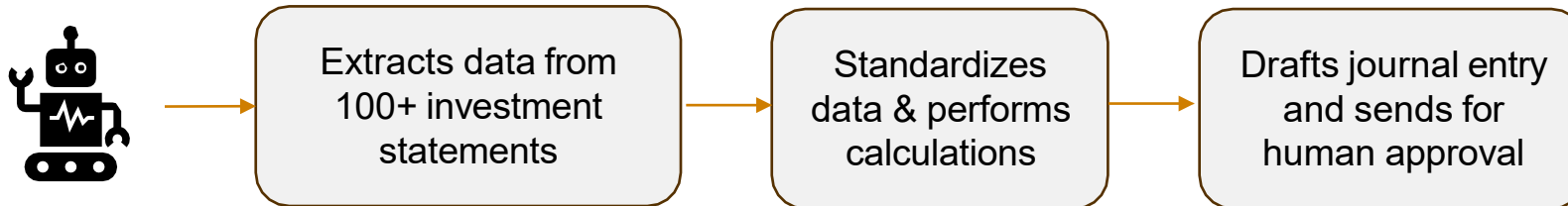**Driven By Simple Rules And Business Logic**

How Does RPA Work?

Read Email

Open Excel Attachment From Excel

Enter Data From Excel In ERP Platform

Escalation

No

Yes

End

Analysis Through Employee

Start

Demo: Bank Reconciliation

RPA IN ACTION

Nonprofit Case Study

A large nonprofit foundation utilizes automation to summarize monthly and quarterly investment activities more efficiently and cost-effectively

| Extracts data from 100+ investment statements | → | Standardizes data & performs calculations | → | Drafts journal entry and sends for human approval |

Eliminated **500+ hours / year** of manual data processing for one team member

"I've never seen our Accounting Manager smile this big."

– VP of Finance & Accounting

Read the full case study on the Armanino website!

Nonprofit Use Cases

Donor Management
Maintain accurate, real-time donor data and contact information by automated data entry and updates

Systems Integration
Eliminate manual data entry and maintain accurate information across systems

Reporting & Data Analysis
Automate repetitive and time-consuming data analysis, reconciliations, and report generation

Accounts Payable
Scale your AP team with automated invoice processing, validation, and vendor management

Human Resources
Free up your HR team by automating employee onboarding, termination, and benefits management

Accounts Receivable
Reduce time and errors in order processing, fulfillment, invoicing and cash allocation
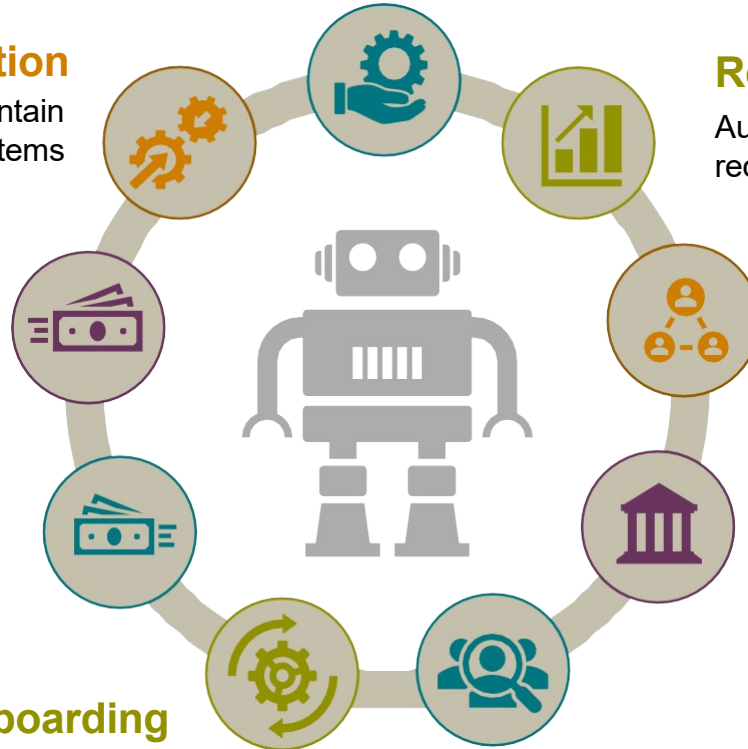
Tax & Compliance
Utilize bots to prepare and file forms such as donor acknowledgement letters and annual state filings

Volunteer Management & Onboarding
Achieve new levels of efficiency onboarding volunteers, collecting contact information, and distributing pertinent news, opportunities, and event information

Development Marketing & Communications
Save time and money utilizing bots to build curated donor campaigns, create content, and send tailored communications

Why Automation?

Reduce Manual Data Entry & Errors
Improve accuracy and quality with less human data entry errors or typos

Increase Productivity
Process cycle times are much faster compared to manual process approaches

Integrate & Sustain Legacy Systems
Integrate legacy systems with each other when traditional means, such as open APIs, are unavailable

Increase Availability
Digital workers operate on a regular, established schedule up to 24/7

Improve Employee Morale
Reduce tedious, painstaking tasks. Allow employees to focus more on rewarding work and the strategic growth of the organization
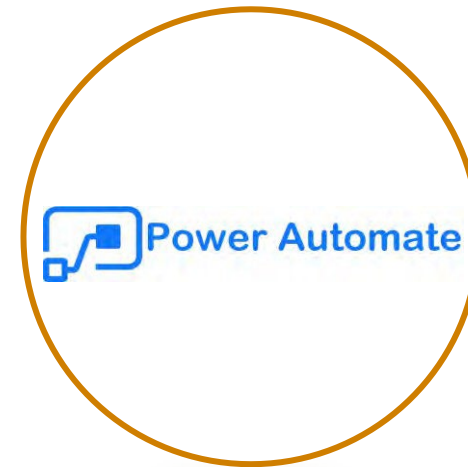
Scale & Manage Expenses
Scale without needing to add headcount. Reduce operating expenses through headcount reduction.

TECHNOLOGY PROVIDERS
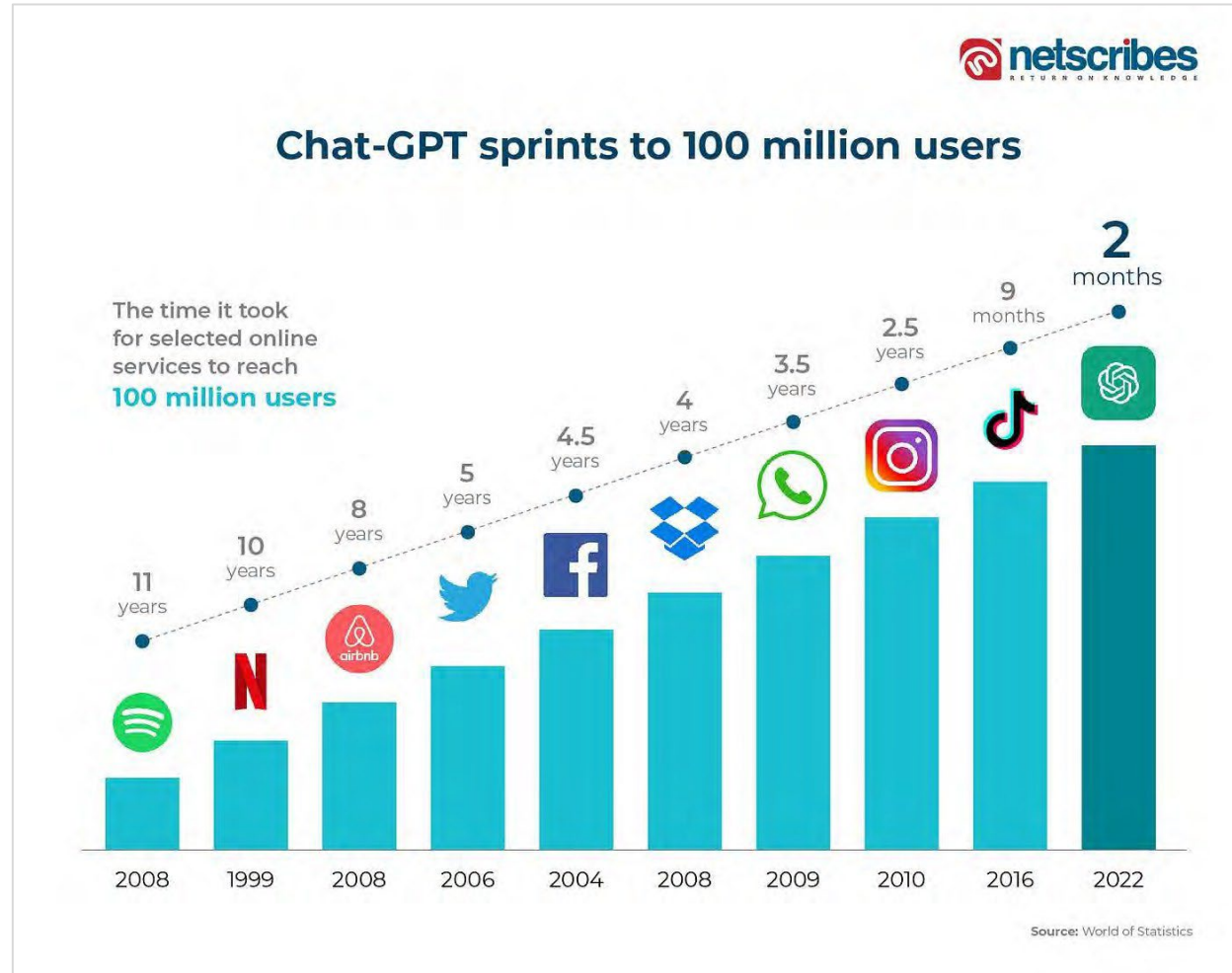
Leading Automation Platforms
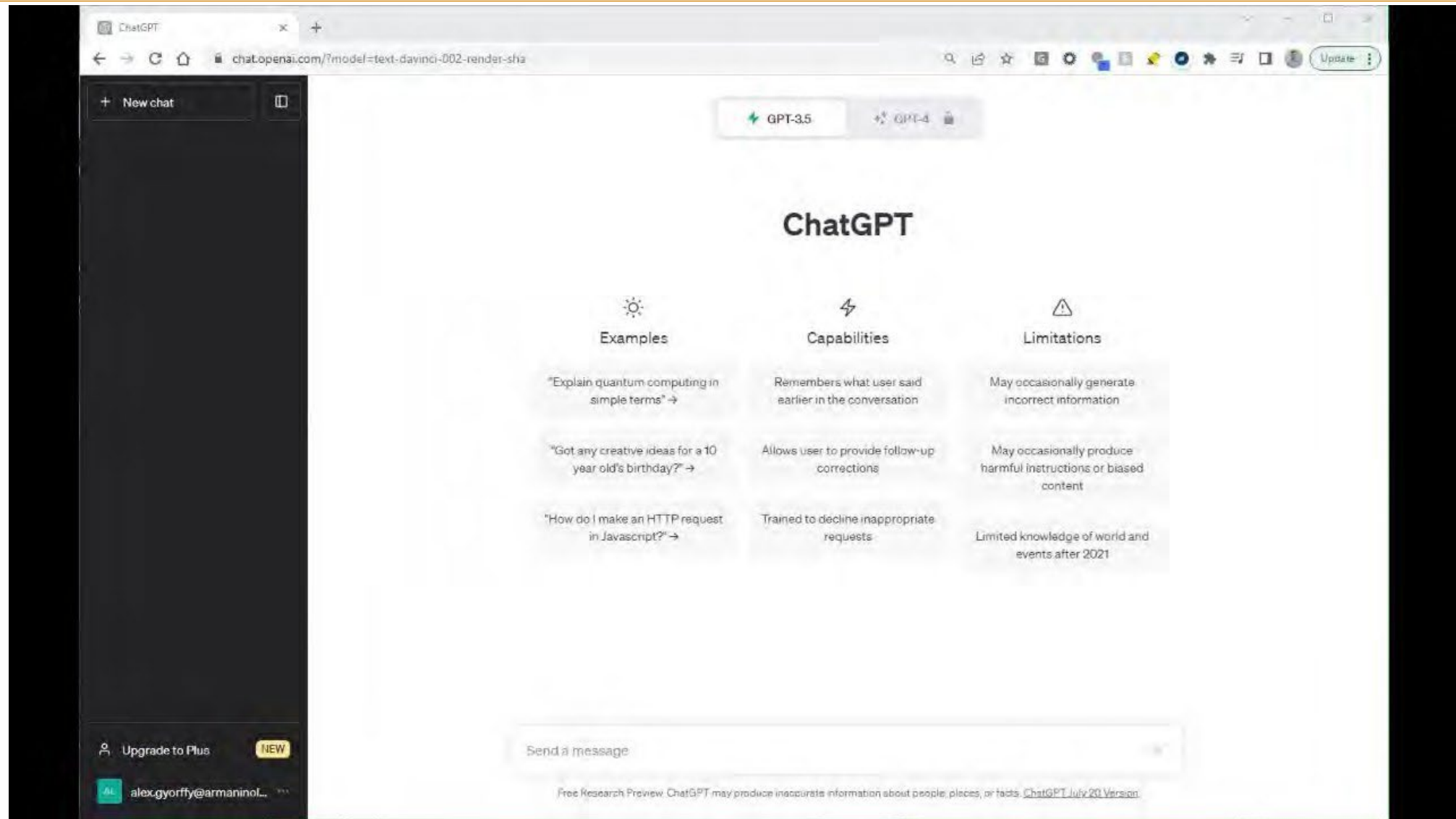
What is Generative AI?

A type of artificial intelligence that can produce various types of content, including text, imagery, audio, and data

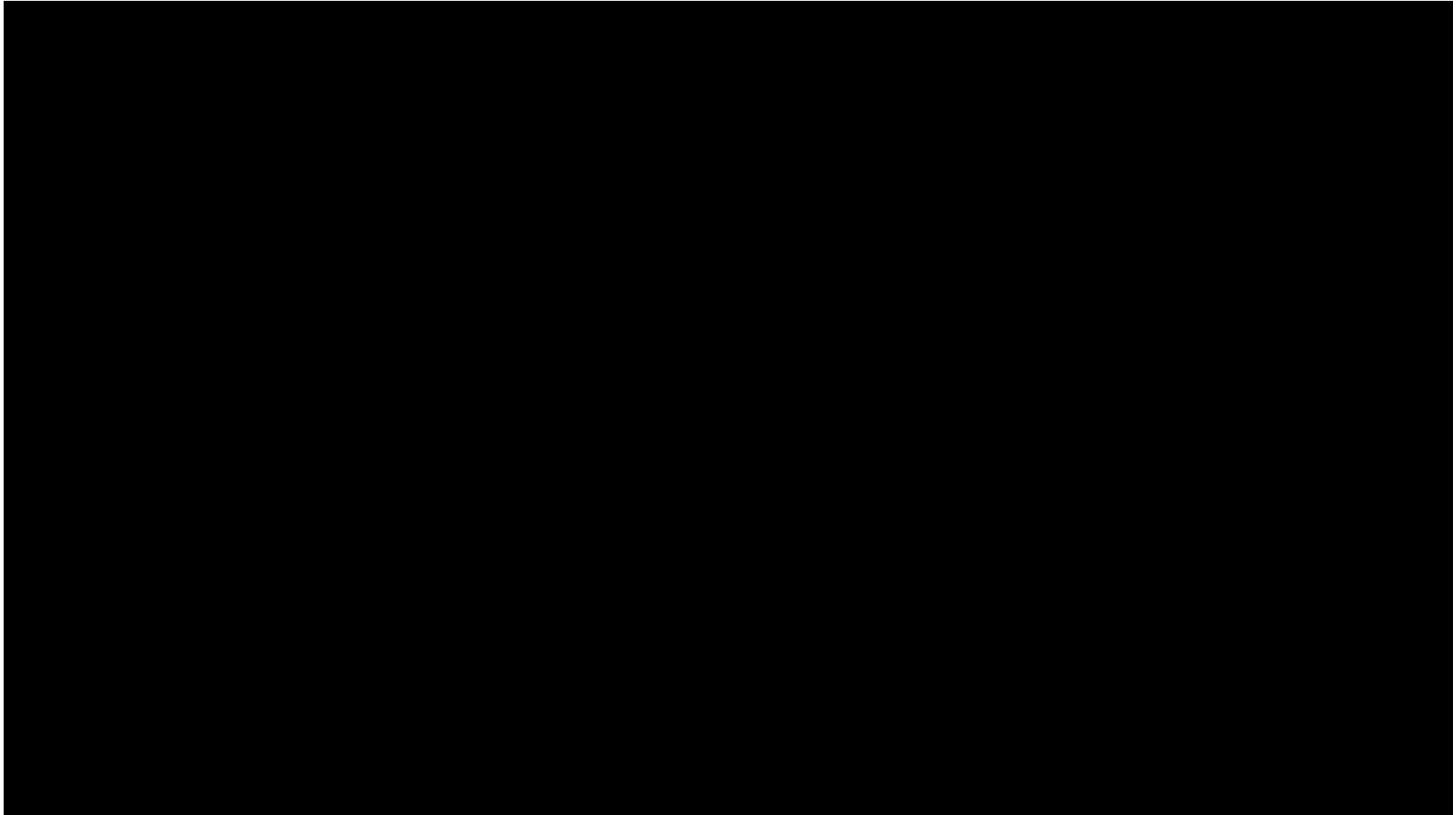ChatGPT was the fastest growing technology ever, reaching **100 million** active users in just **2 months**

Why?

- Accessibility
- Human-like Conversations
- General Knowledge

Chat-GPT sprints to 100 million users

The time it took for selected online services to reach **100 million users**

11 years — 2008
10 years — 1999
8 years — 2008
5 years — 2006
4.5 years — 2004
4 years — 2008
3.5 years — 2009
2.5 years — 2010
9 months — 2016
2 months — 2022

Source: World of Statistics

Demo: Grant Narrative

JUST TO NAME A FEW…

Generative AI: Nonprofit Use Cases

Human Resources

- Create job descriptions
- Generate interview questions
- Summarize applicant resumes & credentials
- Draft HR policies and documentation, Q&A for employees

Marketing

- Create content: social media posts, blogs, press releases, newsletters, eBrochures, impact reports, and web site content
- Text-to-video - AI generated professional video content
- Market research and analysis of public sentiment
- AI-enabled chatbot on website

Donor & Volunteer Communications

- Copywriting for personalized donor communications and campaigns
- Volunteer communications (event details, instructions, policies, thank yous)

Productivity

- Language Translation
- Summarize meeting notes and actions
- Generate project plans and weekly status reports
- Internal knowledge base and training
- Summarize documents
- Data analysis
- Software development

GUIDING PRINCIPLES TO GET STARTED

Accelerating Digital Transformation

- Start small & experiment

- Be intentional selecting and qualifying AI & automation opportunities

- Set goals, measure impact

- Select the right technology platform(s)

- Leverage AI, automation, and productivity features in your existing technology stack

- When in doubt, call in an expert

You are the Executive Director and arrive at work…

✓ As you sit down at your desk, your AI assistant provides a summary of today's schedule with notes to prep for each meeting

✓ You review an AI-generated summary of the week's relevant news articles, along with a new government regulation and it's impact to your organization

✓ Next, you ask your device to create a draft slide deck for next week's board meeting and have it in your inbox by Monday

✓ You review an automated email summary report of last month's fundraising campaign. You type questions into Excel to get a summary of the key insights and ideas for improvement to review with your team

✓ You rehearse speaking notes for tonight's fundraising event drafted by ChatGPT

You have technology as your sidekick… and more time to focus on your mission and employees

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The End

THANK YOU
Questions?

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