



# Charity Digital Finance Report

2023



# Table of contents

|  |           |
|--|-----------|
| <b>Methodology</b> .....   | <b>3</b>  |
| <b>Key findings</b> .....  | <b>4</b>  |
| <b>Executive summary</b> .....   | <b>6</b>  |
| <b>The right tools for the job?</b> .....  | <b>7</b>  |
| Charities lag behind in their access to financial forecasting tools .....            | 7         |
| Lack of funding.....   | 8         |
| Unable to access data fast enough .....  | 8         |
| <b>Digital transformation causes concerns around change</b> .....                    | <b>11</b> |
| Most charities understand they need to evolve digitally but many still haven't ..... | 11        |
| Hang-ups around short-term losses sacrificing long-term gains .....                  | 12        |
| Potential change fatigue among employees.....  | 13        |
| Responsibilities and pressures on financial teams are increasing .....               | 14        |
| <b>Those utilising technology are seeing the benefits</b> .....                      | <b>17</b> |
| Digital transformation is needed for strategic insight.....                          | 17        |
| Those that have embraced technology are reaping the benefits .....                   | 18        |
| <b>Charities face a digital skills gap</b> .....                                     | <b>19</b> |
| Multi-generational teams, a factor holding back digital transformation .....         | 19        |
| Talent shortage .....  | 21        |
| Strong leadership is needed for digital transformation.....                          | 23        |
| <b>Conclusion</b> .....  | <b>24</b> |

## Methodology

The research was conducted by Censuswide, among a sample of 1,014 Finance professionals aged 18+. A representative sample of 51 finance professionals from the charity sector was also included. The data was collected between 28.03.2023 – 11.04.2023.

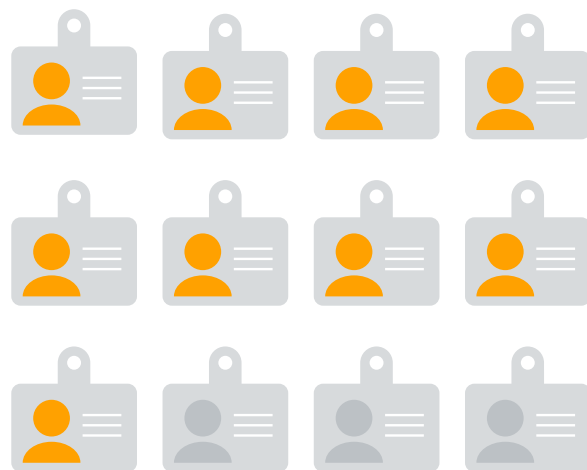
# Key findings

**+50%**

Over half (52%) of respondents in the charity sector do not have the tools they need to forecast ahead of a recession.

**30%**

of charity respondents have less than half of their finance function digitised.



**85%**

of finance professionals in the charity sector feel they are currently experiencing a talent crisis.

**47%**

of charity respondents have undergone or are currently undergoing digital transformation.

**31%**

said that digital transformation concerns them because the tools they currently have are familiar.

**22%**

stated concern that a finance system changeover could cause problems, delays, backlogs, and productivity issues.

# 65%

of charity professionals said they were not able to access the data they need as fast as they desired in critical periods.

# 61%

of those that have embraced AI and machine learning are far more able to access real-time data 'very quickly'.

# > 60%

Those that have 'fully adopted' cloud computing were the only set of respondents that saw a majority (60%) who were able to access data 'very quickly'.



# 68%

Of those that said they haven't adopted cloud computing and don't plan to – the majority (68%) said they can only access real-time data 'slowly', or not as quickly as they would need to.

# 55%

Over half of finance professionals think there is a digital skills divide due to having multi-generational teams.



# Executive summary

**Like many sectors, the charity and not-for-profit sector is increasing its focus on digital transformation to stay relevant and be effective in a rapidly changing digital world. When it comes to digital transformation within the finance function, there is even more at play for the charity sector.**

Charities are under pressure to overcome business challenges and improve transparency for donors with real-time financial reporting and updates on how donations are used. To create a lasting impact, they also need to achieve sustainable growth in an increasingly tech-savvy world whilst operating on tight budgets with limited resources.

**The role of the finance department has become increasingly critical for charity organisations.** At a time when many organisations will be seeing the impact of the cost-of-living crisis, it must be able to identify and adopt new technologies that can benefit the organisation in the long term.

Yet, our research shows that the availability and access to the most appropriate forecasting tools are not as fully implemented across the finance function in the charity sector. In fact, over half (52%) of respondents do not have the tools to forecast to the level they need.

**Part of the issue may be rooted in a fear of change**, with almost a third (31%) of finance professionals stating that digital transformation causes them concern because the tools they currently have are familiar. Alleviating concerns and securing employee buy-in is critical in any change management strategy. Empowering teams with the right training and also emphasising the benefits on any changes to their day-to-day role is also key.

Despite this, there is **a general understanding that implementation of cloud and AI technologies would allow the finance function to unlock its true value and drive innovation** within the charity sector at scale. Relieving key finance roles of the worries of day-to-day functions and freeing up time to consider more strategic decisions.

**There is a pressing need for more unified digital value chains to be created throughout the organisation**, with the financial system at the centre.

At Xledger, we hope that this report provides a benchmark for you to reflect on where you are with digital transformation and what challenges may be blocking your way.

## 65%

***of charity professionals said they were not able to access the data they need as fast as they desired in critical periods, such as an economic downturn.***

# The right tools for the job?

If strategic finance tasks such as forecasting and reporting are not completed with the latest financial data in mind, the accuracy diminishes. Without access to accurate financial data in real-time, charities are at risk of finding themselves on the back foot when it comes to facing and navigating economic uncertainty, limiting as a result their ability to create and sustain growth.

Whilst it's an issue across most business sectors, our research shows that availability and access to the most appropriate forecasting tools are not as fully implemented across the finance function within the charity and not-for-profit sector as it is for other sectors.

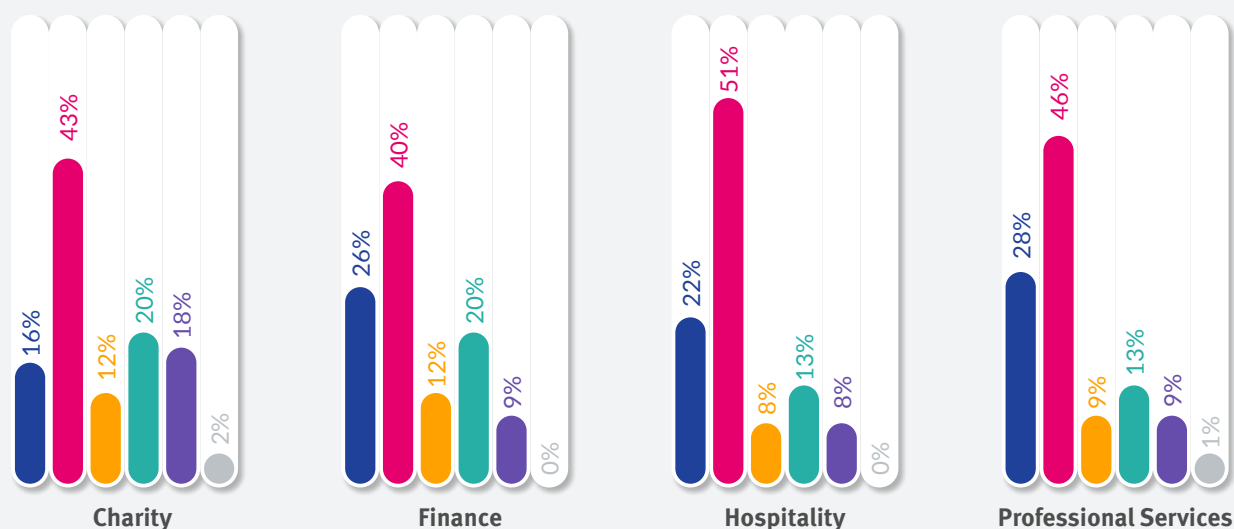
## Charities lag behind in their access to financial forecasting tools

Worryingly, across the entire sample of financial professionals within charities, only 16% have 'all the tools they need'. Over half (52%) of respondents said that they do not have the tools they need to forecast ahead of a recession.

Whilst other sectors also reported that having the right tools to forecast was an issue, it was slightly less prevalent than within the charity and not-for-profit sector. As a comparison, 41% of finance professionals in the financial services sector, 32% in professional services and 29% in hospitality reported this.

Figure one: How well equipped do you feel you are to be able to forecast effectively ahead of a potential recession (Sector comparison)

- I have all the tools I need to accurately forecast
- I have some of the tools I need to accurately forecast
- I do not have the tools I need to accurately forecast, because I don't trust them
- I do not have the tools I need to accurately forecast, because they are outdated
- I do not have the tools I need to accurately forecast, because of lack of funding
- I do not have the tools I need because of other



## Lack of funding

Of the finance professionals within charities that did not have the tools they needed to forecast, 20% said that their systems were outdated and 18% said it was due to a lack of funding. 12% reported that they are not able to forecast as they do not trust the tools that they currently have.

[TechMarketView](#), recently announced its trends in finance technology spend. According to the research provider, as businesses collectively face mounting fiscal pressures in 2023, they will invest in improving the financial management and agility of their businesses. Yet, despite the buoyancy of the market in 2022, overall UK Financial Services SITS spending has now entered a phase of more modest growth and the outlook for expenditure through to 2026 is significantly reduced on the rates seen recently.

Access to digital tools is a defining factor for a modern finance team. **A lack of investment in technology will impact how effective finance teams can be in meeting the challenges of a turbulent and quickly changing market.** It will also impact their ability to meet the demands of their evolving role.

*“Access to real-time data offers budget holders confidence and understanding of the organisation’s finances. It allows organisations to pro-actively manage their budgets in real time, providing ownership and ultimately better financial control.”*



**Peter Hucker**  
CEO, Xledger UK

## Unable to access data fast enough

Finance teams are now called upon to provide meaningful context around business performance to senior leaders and stakeholders. Accurate financial analysis needs to be done at speed and information needs to be readily available.

To transform is to innovate. To innovate is to predict and understand. Understanding leads to impact.

Unfortunately, this isn’t always the case. According to our research, access to real-time data is limited within charity organisations.

**65% of charity professionals said they were not able to access the data they need as fast as they desired in critical periods, such as an economic downturn.**

In comparison, only 35% said they were able to access data very quickly.

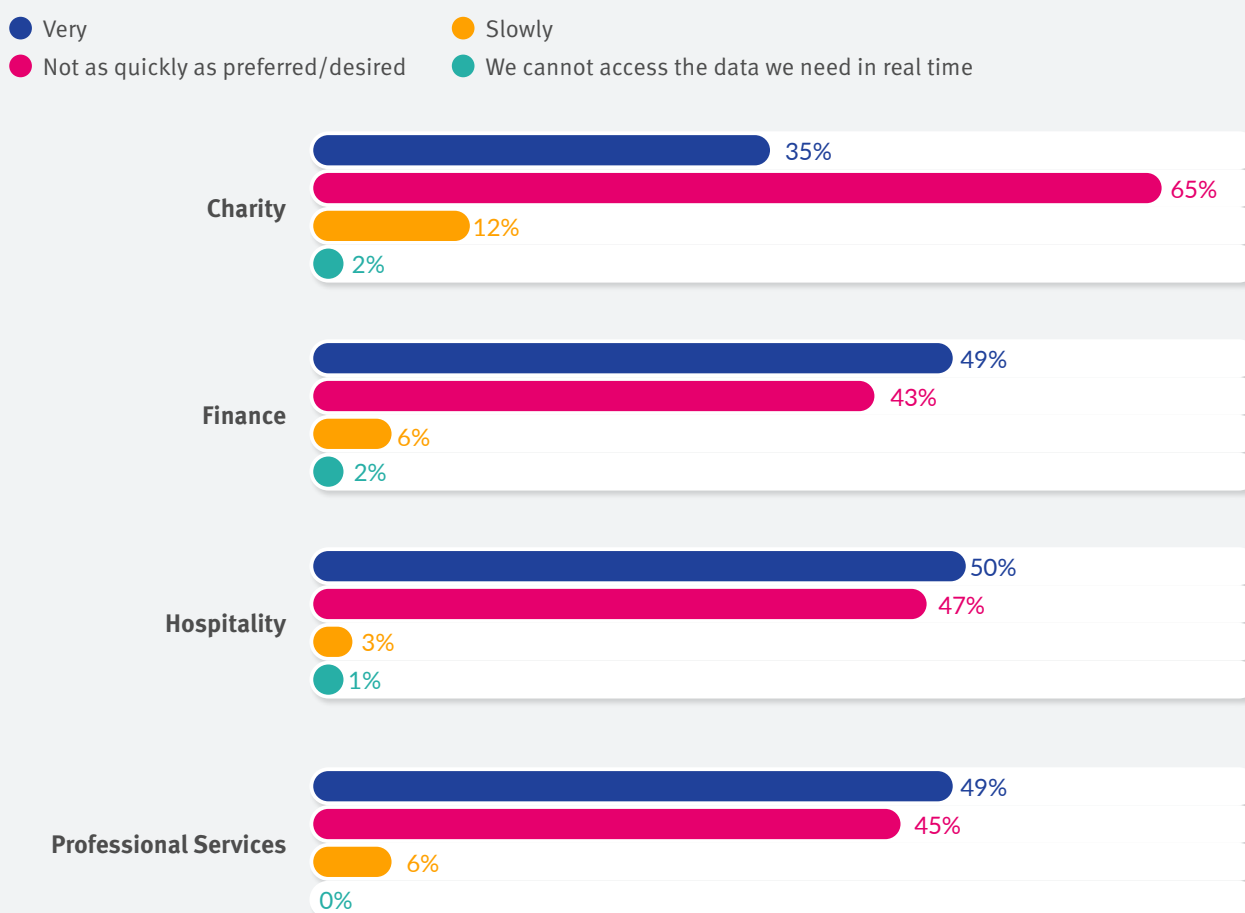
When compared with other sectors, the issue is most prevalent for charities. For example, 47% of respondents in hospitality cited that they were not able to access the data they need as fast as they desired, 45% in professional services and 43% in the finance sector. In comparison, on average, 49% of respondents in these sectors were able to access data quickly.

### INSIGHT

According to [Lloyds Bank UK Digital Index](#), digitally-aware charities are 28% more likely to report an increase in turnover or funding than less digital charities. And more than half of charities cite cost saving as an advantage of digital. In a downturn, an effective digital strategy becomes essential.



Figure two: How quickly do you have access to the data you need in critical periods? (Sector comparison)



**Peter Hucker | CEO, Xledger UK:** “Access to real-time data offers budget holders confidence and understanding of the organisation’s finances. It allows organisations to pro-actively manage their budgets in real time, providing ownership and ultimately better financial control. This is especially important in periods of economic uncertainty where many charities have less confidence over the level of incoming donations and therefore must pro-actively manage budgets

and re-forecasts to ensure they keep control of their cash balances.

Automation is also key to freeing up time for overstretched, underfunded finance departments. By spending less time on manual input, more time can be spent by the finance team on analysis and insight and helping organisations to proactively manage their budgets.”



## EXPERT INSIGHT

## Jackie Freeman, Principal The CFO Centre

**Charities must ensure that every penny of their income is used to best effect, and the right tools enable them to run their organisations effectively and efficiently, maximising impact.**

Without relevant, accurate and timely information, both trustee boards and leadership teams cannot truly assess their current position or quickly forecast the implication of any decisions.

There can be a reluctance to adopt change, especially as manual workarounds that may have developed over time give trustees what they believe they need, but at the cost of the finance team spending more time preparing than utilising good information, and all staff dealing with time-consuming manual processes which are prone to delay and error.

There is a perceived risk associated with change but vendors who really understand and work with charities to manage this risk and demonstrate the benefits will help address any reluctance. Potential impact on employees should be recognised and adequate resources provided to support them throughout and post implementation. **Many digital transformation programmes are considered unsuccessful, not because the tools themselves don't work but because they haven't been adequately embedded into the organisation.**

Case studies from other charities that have been through a transformational programme will reassure trustees that they are embarking on a journey successfully undertaken by others.

### Key benefits of undertaking a digital transformation project include:

- Improved controls: workflow and automation give budget holders increased control over expenditure and enable them to delegate effectively.
- Reduced time spent on manual tasks and faster processing to enable a real-time view of the financial position and reporting.
- Forecasting and budgeting is less of a manual 'industry' and can be kept up to date regularly.
- Finance teams become less 'number crunchers' and more 'business partners' – working with their operational colleagues to make data-driven, evidence-based decisions that support the delivery of growth and impact.

### About The CFO Centre:

The CFO Centre is the world's number 1 provider of part-time Chief Financial Officers to SMEs with over 800 CFOs operating out of 70+ offices across 5 continents. Our Superstar CFOs help ambitious entrepreneurs of £1m – £50m businesses scale faster, increase valuation and get out of the day-to-day, by providing high-calibre CFOs on a part-time basis.

# Digital transformation causes concerns around change

Digital transformation can radically improve services and procedures, but it can be a complex and daunting process. Getting there involves the buy-in of all employees, yet many respondents in our study had concerns and a level of apprehension around the impact this would have on their role.

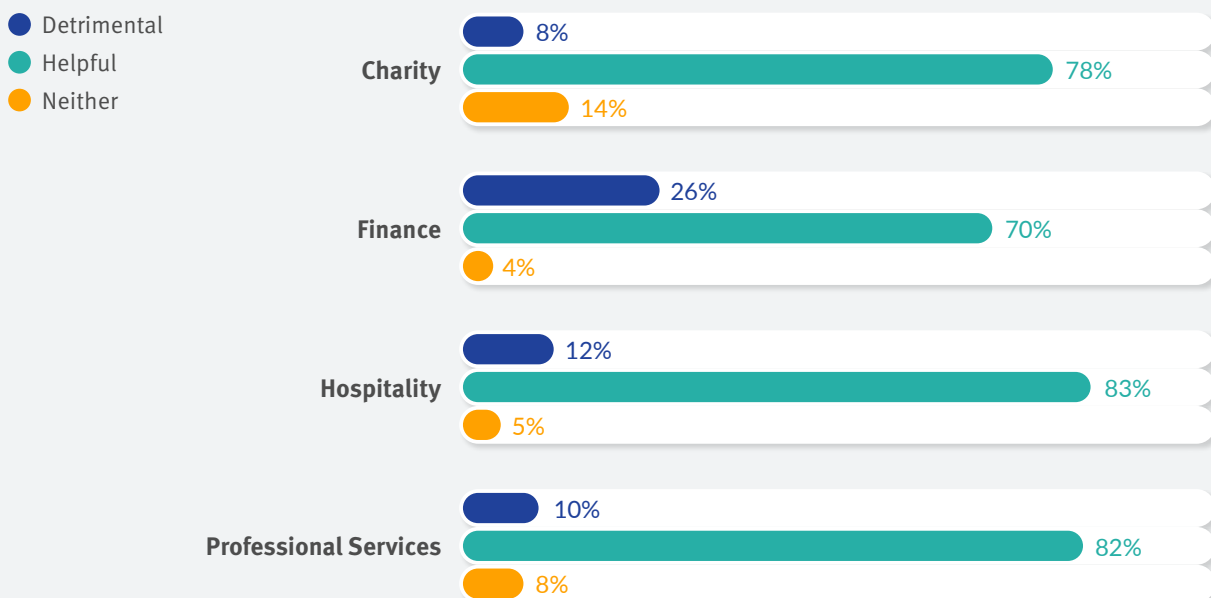
**31% of respondents in charity organisations stated that digital transformation causes them concern because the tools they currently have are familiar.** This seems to be a common theme across sectors with the same amount of respondents in financial services (31%), 32% in professional services and 33% of practice accountants also stating this (see figure four on next page).

## Most charities understand they need to evolve digitally but many still haven't

It seems much of the finance function within the charity sector appears to be in a state of flux, caught between the need to digitally transform and an apprehension to change that is restricting progress in this area.

Only 8% of accountants in charities view digitalisation as detrimental in the face of recession. In fact, digitisation is seen as a helpful prospect for the majority (73%) of finance professionals in our study. Yet, 30% of charities still have less than half of their finance function digitised. Less than half (47%) have undergone or are currently undergoing a digital transformation project.

Figure three: Do you think digitisation would be detrimental or helpful in light of a possible recession? (Sector comparison)



### Hang-ups around short-term losses sacrificing long-term gains

Perhaps it’s a fear of change or concern around the negative effects on productivity and processes, albeit in the short term, which is holding back some finance processionalals in the charity sector.

This was highlighted in the research. Over one-fifth of charity respondents (22%) stated concern that a long changeover period could cause problems, delays, backlogs, and productivity issues. The level of concern here is slightly higher across other sectors (36% in financial services, 35% in hospitality and 32% in professional services).

Figure four: Does digital transformation give you concerns about being able to perform your role to its full potential? (Tick all that apply. Sector comparison)

- Yes, we're used to what we have/it's familiar

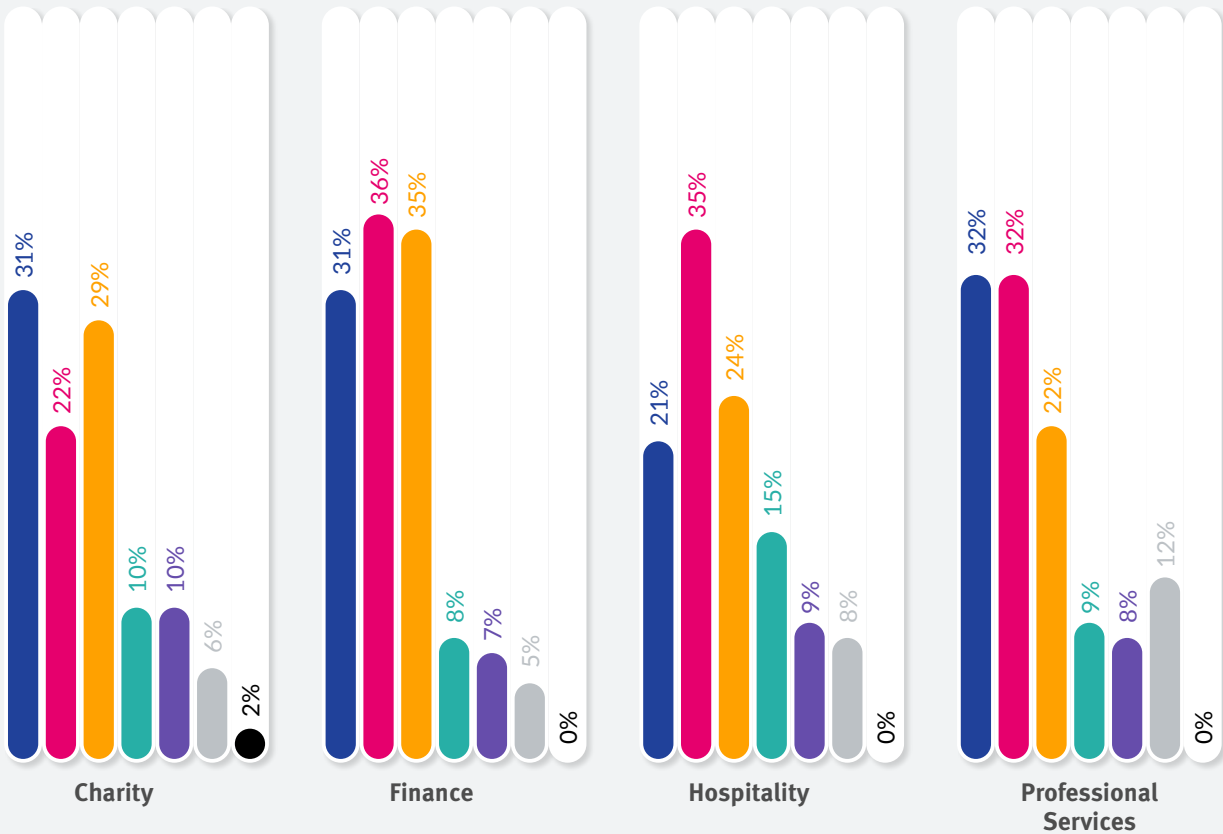
● Yes, a long changeover could cause delays/backlogs/productivity issues

● Yes, but I don't fully understand the impact it'll have on jobs

● No, but we need to ensure we have the right product/vendor

● No, but we need to ensure the right business processes are implemented too
- No, we welcome change

● No, other, please specify



**INSIGHT**

This concern isn't unfounded. The process of changing financial and/or ERP systems isn't without its challenges and it can be a time-consuming process. Yet, the business benefits of doing so are endless in the long term. A reticence around change can manifest into an inability to adapt and can lead to stagnation.

**Potential change fatigue among employees**

We must also consider the likelihood of change fatigue among employees. [Gartner suggests](#) that the tolerance of most employees for further disruption has already been stretched to the limit. In 2022, the HR Consultancy also found that the more change they had experienced, the more their willingness to embrace it plunged.

Often, it's the attitude of 'don't fix what isn't broken' that gets in the way of implementing systems that address manual and inefficient processes and routines.

The solution may come down to a deep understanding of the challenges that the finance team are facing and the level of support received by a provider when going through such a transition. The research demonstrated that one in ten (10%) in the charity sector said that they weren't concerned about digital transformation, but only if they have the right product or vendor.

*Digitalisation is seen as a helpful prospect for the majority (78%) of finance professionals in our study. Yet, 30% of charities still have less than half of their finance function digitised.*

# 22%

*Over one-fifth of charity respondents stated concern that a long changeover period could cause problems, delays, backlogs, and productivity issues.*



**Tim Wright | Head of Operations, Xledger UK:** “All projects involving digital transformation affect the company’s and employees’ ability to be productive. This is particularly true for something as complex as transitioning to a new operational and financial system. Vendors can really help to support through the decision-making and eventual change process. The first step is to clarify needs, goals and decision criteria and to manage any expectations around areas that may be time-consuming and complex with the best practices for solving them. It’s important that customers get a clear understanding of the possibilities and how a solution will actually work in daily operations. Only when customers understand the process ahead of them can they make an informed decision on their digital transformation strategy.

“To enable customers to achieve their ambitious goals, in terms of growth, development and improvement of the organisation, the vendor should then support customers all the way until they are self-sufficient.”

**An important change for finance teams is the shift from cost control to driving profit realisation through the development of the business model. This requires new technology, and it involves new processes where project management and knowledge of digital transformation are necessary. Here, consultancy from a trusted vendor is critical.**

### **Responsibilities and pressures on financial teams are increasing**

While the apprehension from finance professionals is understandable, the challenges facing finance teams mean that a failure to capitalise on digital investments to streamline operations and aid data-driven decision-making will cost more in terms of both finances and productivity.

According to [Xledger’s Future CFO study](#), conducted in 2021, we found that 91% of senior finance decision makers felt that the evolution of their role has put more pressure on them.

**A [report from Accenture](#) shows that these five trends are currently changing the everyday life of a CFO:**

- More demands and expectations from the board, top management and the organisation in general.
- Changes that come faster and are more fundamental.
- The requirements to contribute to growth and greater profitability are consistently increasing.
- Tremendous growth in data volumes requires new features to leverage insights.
- Greater and more numerous needs for enhanced control, and many new rules and guidelines. This is driven by both authorities and customers themselves.

*The first step is to clarify needs, goals and decision criteria and to manage any expectations around areas that may be time-consuming and complex with best practices for solving them. It’s important that customers get a clear understanding of the possibilities and how a solution will actually work in daily operations.*



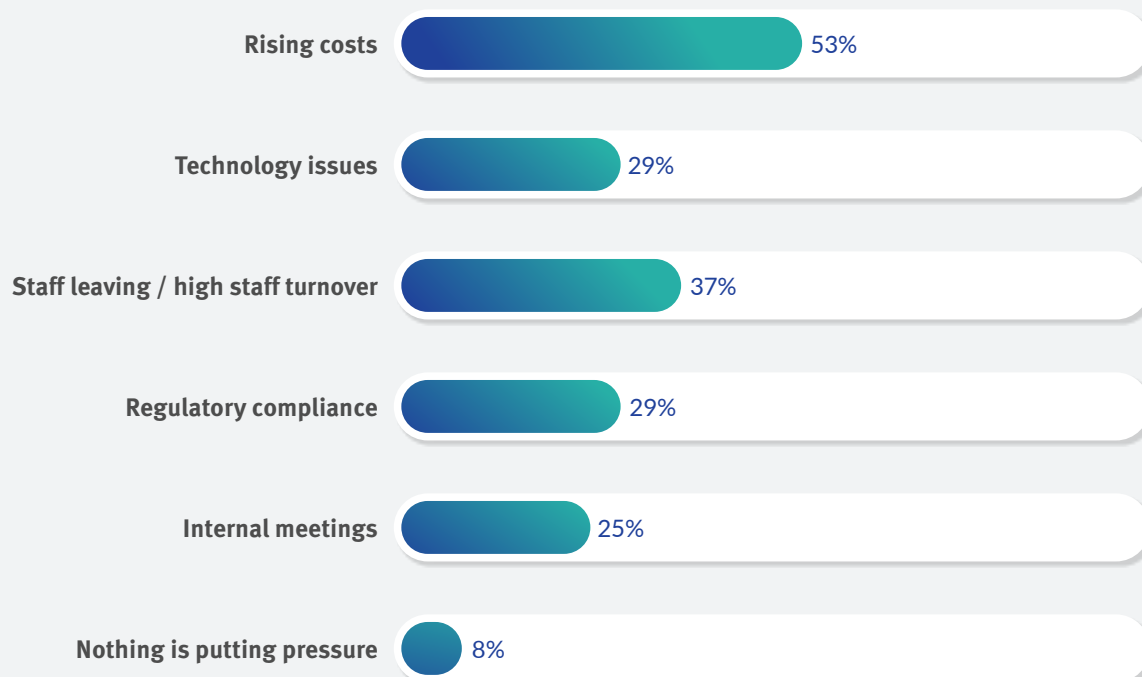
**Tim Wright**  
Head of Operations, Xledger UK

Our latest research has found that the following issues are putting pressure on charity finance professionals and taking them away from their day-to-day function and more pressing strategic activities; rising costs (53%), high staff turnover (37%), technology issues (29%), regulatory compliance (29%) and internal meetings (25%).

#### INSIGHT

In an uncertain macroeconomic future, it is critical that short-term measures do not hinder the ability to succeed in the future. Therefore, apprehension of change and change fatigue are important challenges to address. After all, a digital transformation journey is as much about the people and processes as it is the technology. Getting all staff on board is critical if finance teams are to address the pressing challenges facing them today.

Figure five: What (if anything) is putting pressure on your day-to-day function and taking your attention away from the bigger picture and more strategic activities? (Tick all that apply).





## EXPERT INSIGHT

## Paul Sypko, Partner Adapta Consulting

**In today's fast-paced environment, the ability to smoothly navigate the financial landscape is crucial. The right tools can serve as a compass for many organisations: avoiding unseen obstacles and seizing opportunities. Staring into an ocean of data is one thing; pulling meaningful insight from it is another.**

This is of course where digitisation of the finance function comes in, bringing processes and technology together and providing numerous benefits for the 'bottom line'.

In the not-for-profit sector, where resources are often limited, any staff member can access real-time financial data, facilitating potent decision-making – crucial for targeted income generation and optimal resource allocation.

By automating repetitive tasks and streamlining financial processes, workflow tools can reduce the scope for error, consolidate employee training and free up time.

Cloud-based finance solutions eliminate the need for costly on-premises infrastructure, reducing IT expenses and using limited budgets creatively.

The cloud enables collaboration between geographically dispersed teams of staff and volunteers. It enhances trust and accountability within an organisation as well as supporting new ways of working by encouraging people to work together more closely and providing greater visibility of data, and workflows.

The economist John Maynard Keynes wrote in 1936 that most business decisions are made due to 'animal spirits' rather than 'as the outcome of a weighted average of quantitative benefits multiplied by quantitative probabilities'. In short, decisions are often based on 'gut instincts' rather than a thorough analysis of data.

**Yet, times change; with the smallest charities now able to benefit from software the world's largest companies couldn't have bought a decade ago – we're now truly able to 'work smarter'.** While timely access to relevant data doesn't itself guarantee an organisation's success, it undeniably tips the odds in its favour – and, particularly right now, every advantage helps.

### About Adapta Consulting:

Adapta Consulting is a specialist consultancy which helps not-for-profit organisations to meet the challenges of change: processes, people and technology. Adapta's consultants bring a combination of deep systems knowledge and wide experience, gained over many years working at senior levels in the sector, to help our clients plan for change and then go on to a successful implementation.

# Those utilising technology are seeing the benefits

The right tools can show how to avoid the rocks below the surface and how to best navigate sharp turns – to see and take advantage of opportunities. Access to data does not ensure survival, but it does help to increase the odds.

## Digital transformation is needed for strategic insight

Mid-market businesses often face challenges in gathering data and the insight required to scale their business at pace and to remain competitive. Our research highlights that digital transformation enables businesses to meet this critical objective.

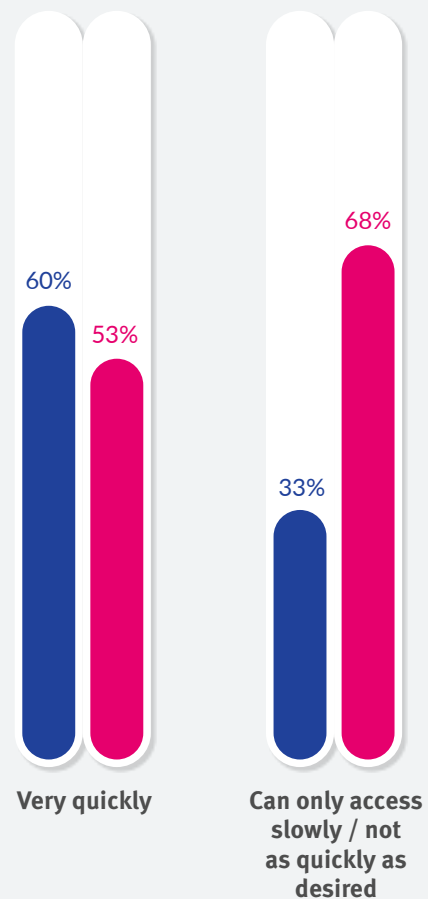
Unfortunately, whilst the charity sector recognises a need to digitise and create efficiencies, the findings of this year's [Charity Digital Skills Report](#) mirror what our research study has found. In its study, 38% of charities stated that getting better insights from their data continues to be a priority. The biggest challenge faced by 48% of charities, is to use data to inform strategy and decision making, but only 18% are delivering more of their work and services using digital tools. It found that 3 out of 10 overall are spending less money on digital tools.

# 68%

*of charities that have not implemented cloud computing can only access data 'slowly', or not as quickly as they would like.*

Figure six: How quickly can you access the data you need in real-time?

- Have implemented cloud computing
- Have not implemented cloud computing



## Those who have embraced technology are reaping the benefits

The majority (60%) of charities that have adopted cloud computing can access real-time data 'very quickly'. The same goes for the majority (61%) of those that have embraced AI and machine learning. **In comparison, 68% of charities that had not implemented cloud computing technology can only access data 'slowly', or not as quickly as they would like.**

**Ian Halliwell | Sales and Marketing Director, Xledger UK:** "The findings prove technology has the potential to make a real difference. Finance professionals need to be given the means to utilise automation and real-time data analysis to enable them to develop a forward-looking view to identify potential risks and capitalise on every possible revenue opportunity for the business. Once digitised, the finance system, with numbers and facts, becomes the lever that makes the finance function one of the most important advisors in the company, moving up the strategic value chain as advisors to other departments."

### INSIGHT

McKinsey estimates that 40% of financial activities can be automated. Expediting this process will become more of a priority for many finance teams dealing with soaring inflation.



# Charities face a digital skills gap

The role of the finance professional is shifting drastically. As new generations enter into roles, finance professionals within the charity sector can now plainly see that there is a digital skills divide within their sector.

The [Charity Digital Skills Report](#) has found that it is impacting the sectors' ability to embrace technology that could transform it, such as AI. For example, 52% want to look into AI more but are constrained by a lack of time, resources, and skills, whilst 42% are trying to get colleagues to engage.

*The perception of over half (55%) of finance professionals in the charity sector is that a skills gap exists due to having multi-generational teams.*

## Multi-generational teams, a factor holding back digital transformation

In our study, the perception of over half (55%) of finance professionals in the charity sector is that a skills gap exists due to having multi-generational teams. This highlights another factor holding charities away from realising digital transformation strategies. More than a third (35%) believe that the skills gap is due to a lack of training, echoing the Charity Digital Skills report.

*Once digitised, the finance system, with numbers and facts becomes the lever that makes the finance function one of the most important advisors in the company.*



Ian Halliwell

Sales and Marketing Director, Xledger UK

Figure seven: To what extent do you feel there is a digital skills divide between the generations across your team?

Yes, there is a digital skills divide due to having multi-generational teams

55%

Yes, there is a digital skills divide due to a lack of training for some team members

35%

No

12%



EXPERT INSIGHT

## Gail Seamark, Senior Manager, Business Advisory Team, **Evelyn Partners**

**The cost-of-living crisis is having a major impact on charities in a variety of ways. Fundraising is more challenging as people have less disposable income, resulting in charities being forced to reduce the services they offer.**

The sector is also facing a significant talent shortage as the industry is often seen as less attractive to people seeking jobs with higher salaries. Charities therefore often have an older workforce that may not have grown up with technology in the way that younger people have, meaning there is a lack of adoption of innovative software. Increasing costs means that charities do not always have funds available to spend on digital and relevant training.

I believe Artificial Intelligence (AI) will present a range of opportunities as well as threats to the charities sector in the coming years. Its rise across all industries holds huge potential, for example: in relation to advice given by online chatbots, AI-summarised data for people struggling to find information, AI data processing to identify grant sources, and looking at trends to reach potential donors or beneficiaries, to name just a few.

However, the skills gap means that many charities are not ready to confront the challenges that AI can pose, such as the potential for increased cybercrime, a lack of understanding and trust, privacy concerns and technical difficulties. Smaller not-for-profits, in particular, are also unlikely to have the resources necessary to develop an in-house AI capability.

### **About Evelyn Partners:**

Evelyn Partners is the UK's leading integrated wealth management and professional services group, created following the merger of Tilney and Smith & Williamson. They offer charities an unrivalled range of services. This includes tax and accountancy expertise, financial planning, and investment management.

Talent shortage

**Organisations need to accommodate their staff, not the other way around. Whilst implementing cultural change is challenging for any business, the charity sector, like any other sector, must accept and adopt the ‘modern’ way of working in order to recruit and crucially, to retain staff.**

Alarmingly, 85% of finance professionals in the charity sector feel they are currently experiencing a talent crisis. 33% see a shortage of skills as their biggest hiring concern over the next five years. 63% cited the quality of applicants as a reason for the talent crisis, with 51% citing a reduction in the quantity of candidates.

There is a clear trend within the accounting talent crisis – the majority of accountants do not think applicants possess enough quality. The question then must be asked, what does quality look like? What are senior-level decision makers actually looking for?

Despite their varying stages of digital transformation, a large proportion of finance professionals in the charity sector understand and predict that digital skills will be some of the most sought after for finance professionals.

*Alarmingly, 85% of finance professionals in the charity sector feel they are currently experiencing a talent crisis.*

Figure eight: To what extent do you feel you are currently experiencing a talent crisis?

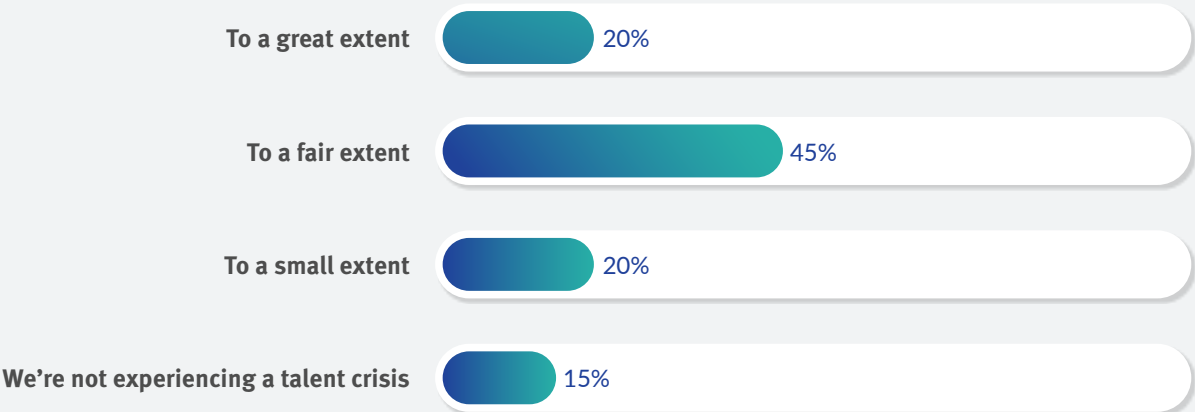
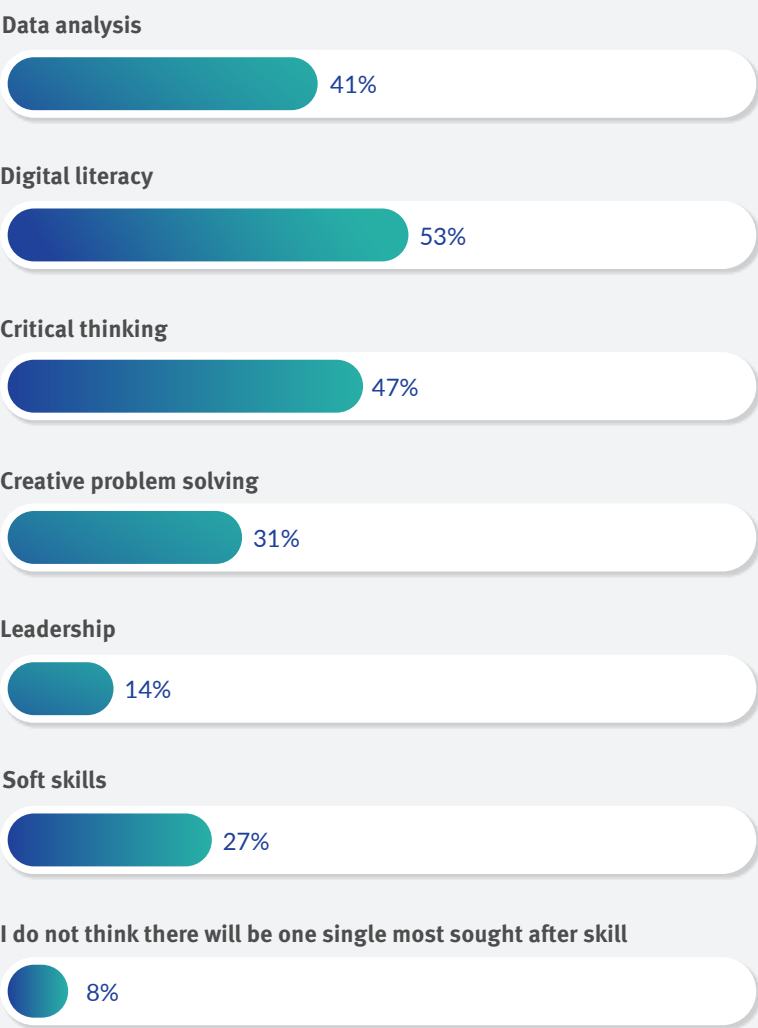
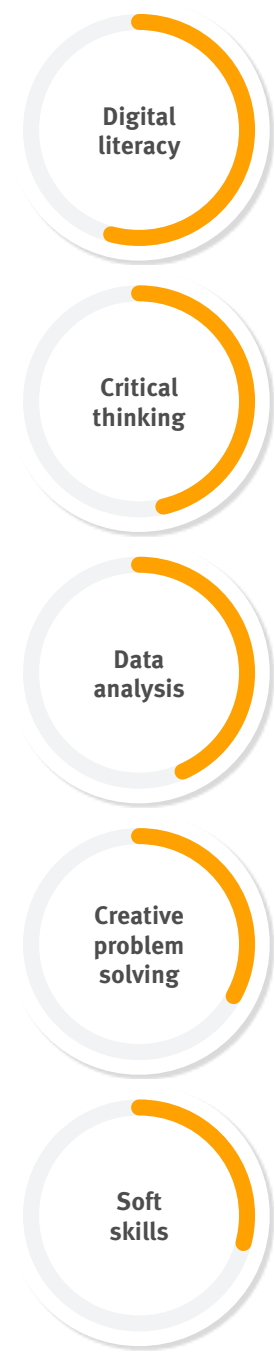


Figure nine: What do you predict will be the most sought-after skills of the future for finance professionals? (Tick up to three answers)



The top five digital skills rated by charity professionals were:



So, whilst many accept that there is a digital skills gap, the majority recognise that skills that fall under the digital subheading will be seen as the most sought-after skills in the future to employers. This paints the picture of a significant shortfall in the digital skills required both now and in the future.

### Strong leadership is needed for digital transformation

[The Charity Digital Skills 2023](#) report found that digital leadership, or a lack thereof, could be part of the problem. Concerningly, it found that just under a third of charities (28%) don't have anyone in charge of leading their digital progress.

A similar number (29%) want leaders to understand the investment needed for digital transformation, as well as get a better understanding of data (27%). A similar finding in the 2022 and 2021 reports show that some leaders have still not developed these skills.

**The gaps in digital leadership, lack of training and recruitment challenges means that not only is the charity sector struggling to catch up on implementing the digital tools it needs, it is also contending with a shortage of skilled talent and data know-how. In a cost-of-living crisis where automation could also save a huge amount on operating costs, investing in digital tools could ensure that charities keep their doors open and the lights on.**

# 29%

*want leaders to understand the investment needed for digital transformation, as well as to get a better understanding of data (27%).*



# Conclusion

**Digitisation is becoming increasingly important for finance departments to keep pace with demand. It's a challenging time in terms of the economic and geo-political landscape. Having a strong digital strategy can help charities navigate the complexities, find opportunities amid a cost-of-living crisis, and come out stronger.**

Yet, there is a reticence to change which needs to be addressed with 31% of respondents in charity organisations stating that digital transformation causes them concern because the tools they currently have are familiar.

In the face of economic uncertainty, a period of upheaval as a result of digitising the finance function is worrying finance professionals in the sector, with over one-fifth of charity respondents (22%) concerned that a long changeover period could cause problems, delays, backlogs, and productivity issues.

Charity organisations recognise that they need to evolve but report that they do not have the necessary skills to meet the growing need.

Yet, those utilising technology are seeing the benefits. Those that have 'fully adopted' cloud computing were the only set of respondents in the charity sector that saw a majority (60%) who were able to access data 'very quickly'.

**Overall, digitisation is seen as a helpful prospect for the majority (78%) of finance professionals within charities, but some may be confused about where to start.**

**Ultimately, finance teams need to get to the point where getting accurate numbers is easy and fast so that they can plan, and do more, to strengthen financial results. With quicker access to real-time data, finance teams can focus on producing accurate analysis and strategic recommendations faster, helping the organisation to navigate challenging market conditions with agility.**

**By improving efficiencies and bringing automation into finance processing more effectively with modern finance systems, the charity and not-for-profit sector would benefit from greater visibility, quicker and more accurately.**

## A modern finance system should cover the following five elements on a digital strategy checklist:

### 1 AUTOMATED PROCESSES

From procurement and workflow to fund accounting and donor management, automation capabilities for consolidating and processing financials help free up time and remove the risk of human errors with minimal or no manual effort.

### 2 EASY ACCESS TO ACCURATE REPORTS AND MANAGEMENT INFORMATION

A cloud-based finance system provides access to real-time data. Coupled with a good selection of pre-defined reports and dashboards, the ability to grant access to budget holders and key decision makers to up-to-date insight allows organisations to create efficiencies and better transparency across teams.

### 3 COMPOSABLE SYSTEM

Having a finance system that delivers on the complex needs of the organisation and the finance function is key to success. The evolution of system integration technology means that businesses don't have to compromise on the systems they use and can easily access consolidated business insights such as financials, payroll, time management, HR data, providing a 360-degree view of the situation in the organisation.

### 4 SCALABLE SOLUTION

Choosing the right finance solution saves organisations money in the long run, but choosing the wrong one can result in wasted investment. One of the most important considerations is whether the system is able to develop in line with the business needs and ambitions without requiring major changes. The cost of a system based on usage gives businesses the freedom to scale up or down. Adding new business entities easily and quickly is also possible with a flexible configurable setup, without the need for additional technical development or customisation.

### 5 SMART TECHNOLOGY

A system that is 'born' in the cloud has no old technology that needs to be updated. This means that all customers are on the latest version of the system at any given time without the reliance on costly and time-consuming upgrades.

If you would like more information on the latest technology trends or are looking for a finance system, please get in contact with us at Xledger UK by emailing [info@xledger.co.uk](mailto:info@xledger.co.uk)



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