



GroundWork group Case Study

A Nonprofit



Nonprofits traditionally face the most difficulty not in forward-
ing their mission, but in maintaining access to effective technology
solutions that enable them to deliver their services successfully and
efficiently. In a survey of nonprofits of all sizes and sectors across
the Central Ohio region, nonprofits reported that they felt chal-
lenged in maintaining eight out of nine core business functions
efficiently. 100% of the nonprofits surveyed said that they were challenged by the cost of fundraising,
service delivery, and access to training and education. Strategic planning and day-to-day operations
were troublesome for two-thirds of the nonprofits. When it came to technology, marketing was the
only business function that the majority of nonprofits felt confident about. ^[1]

Very few nonprofits consider technology in their strategic plans and even view technology as an
operational expense rather than a strategic investment. ^[1] However, the proper technology can save
nonprofits a tremendous amount of time and money that can then be spent advancing the mission
of the organization. For example, nonprofits struggle with training and education, making employee
turnover particularly costly and difficult. In addition, they often use basic office productivity tools to
deliver services, with little focus on their ability to deliver services continuously in the face of adver-
sity. Furthermore, many organizations still use insecure applications like Excel and Access to manage
millions of dollars of contributed support, making sensitive data vulnerable.

The Problem

About GroundWork group

Access to cost-effective solutions and a trusted advisor that understands the nonprofit sector can
mitigate many of the challenges that these business tasks present to nonprofits. GroundWork group
(GWg) was organized in 2003 in response to research conducted by the United Way of Central Ohio
(UWCO), which indicated that the top barrier to growth for nonprofit organizations was technology.
GroundWork group's goal is to assist the nonprofit community in understanding, embracing and lever-
aging technology so that it becomes a strategic asset. It offers affordable and sustainable information
technology solutions that enable nonprofit success. It strengthens the impact of nonprofit organizations
by enhancing their ability to manage their business operations and achieve their missions through sus-
tainable and affordable information management, education, and technology solutions. ^[2]

GroundWork group is a social enterprise that offers a unique line of services to help increase the capacity of
nonprofit organizations to serve their clients. GroundWork group's service delivery model aims to improve
the operational success of nonprofits by identifying how they can use technology more effectively to support
all of their core business functions. As a nonprofit, the group understands how critical it is to make sure that
operational challenges are minimized in the most cost-effective manner so that its nonprofit customers can
focus on serving their core missions. Its shared services model drives costs down for users, while its funding
strategy combines contributed support with earned revenues to achieve financial self-sustainability. ^[2]

Through its partnership with Connect Ohio, GWg offers free basic computer literacy training and replacement of old equipment at a fraction of the regular cost. For technology needs, GroundWork group offers local server and network support, IT infrastructure assessments, business and technology reviews, strategic IT planning, and technology grant proposal reviews. For education, they offer office application classes, online business and technology courses, quarterly workshops, lunch & learns, and nonprofit board training for IT professionals. GroundWork group's information management services include cloud-hosted event registration and donor management solutions, website integration, and constituent management systems. ^[3]

Legal Structure

When GroundWork group was being conceptualized by its two funders, the United Way of Central Ohio and the Tony R. Wells Foundation, the goal was to exclusively serve nonprofits in the Central Ohio area. There was extensive conversation during the formative stages about whether the organization should be incorporated as a nonprofit or a for-profit organization with a social mission. As a nonprofit, they could pursue donated products from the software industry and pro-bono support from the local IT community. However, it would require five years of financial support before enough earned income would be generated to cover operating expenses. As a for-profit, GroundWork group could offer services to other for-profits at a higher rate while subsidizing lower fees charged to nonprofits.

After seeking advice from nonprofit and philanthropic leaders the answer became clear: nonprofits didn't want to work with GroundWork group unless it was a nonprofit too. All parties wanted a trusted partner focused on the community's social mission and weren't convinced that for-profit-made money would be reinvested back into the nonprofit sector. In order to build a collaboration of trust with its nonprofit clients, GroundWork group would have to be one of them, becoming an asset for the whole community.

Funding

The initial funding for GroundWork group was a combination of contributed support from the United Way of Central Ohio and the Tony R. Wells Foundation, plus a \$150,000 Program-Related Investment (PRI) in the form of a line of credit. The line of credit was converted into a twenty-four month term loan after it was extended once. One of the contributing factors to success in securing funding was GWg's sustainable business model and plans to staff the organization with an experienced manager from the Information Technology industry. The business plan was built on three years of research supported by two hundred volunteers from the nonprofit, business, IT, and government community.

Today

GroundWork group has been a tremendous success, growing from a new organization to serving over 230 nonprofit organizations in Central Ohio, California, Michigan and Virginia. GWg engages hundreds of IT professionals, business leaders, funding representatives and community volunteers locally, regionally and nationwide. Through their efforts, nonprofits are using sophisticated tools to manage constituent relationships with high quality data. They now have reliable networks, centralized data, marketing plans, and are using the web as an effective marketing tool to reach their audiences. They have dramatically increased their electronic communications and continue to grow in their usage of advanced email devices and social media. Many sectors of the local nonprofit industry are doing a better job of leveraging technology tools to build their fundraising capabilities. ^[2]

[1] http://www.groundworkgroup.org/c/document_library/get_file?uuid=2cb10f06-369f-4f7f-a3a5-3da7ad646513&groupId=65251

[2] <http://www.groundworkgroup.org/gwg-history>

[3] <http://www.groundworkgroup.org/member-benefits>