

Charity Technology Leaders Report

2024

From January to March 2024, we conducted our annual survey of **charity technology leaders** to understand the sector's priorities, risks, challenges and opportunities around IT.

This report summarises the key findings, draws out the main themes and trends, and compares how things have changed since our 2023 survey.

Who took part?

- The average income size of the organisations that completed the research was **£30m**.
- The respondents were mostly **Heads of IT, Directors of IT, Finance** or **Operations**.
- The average internal IT team size was **5 people**.

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Executive Summary Key Insights:

The AI Era

A big theme to emerge this year, unsurprisingly, is Artificial Intelligence (AI), with a ten-fold increase in those either considering or trialling it.

Large language models (LLMs) and tools such as ChatGPT and Microsoft Copilot have driven a sharp rise in the number of charities now looking very seriously at how this rapidly evolving technology could affect, benefit and present risks to them.

Some charities have already jumped in, and whilst this is still a small percentage, the survey results indicate this will grow significantly throughout the year.

The need to accelerate existing strategies

With AI technology having moved on so rapidly, IT leaders have identified the need to accelerate infrastructure, security, and data strategies to ensure IT environments are ready to safely and efficiently gain maximum value from AI tools:



Optimising

Maximising existing toolsets, improving operational efficiency and digitisation.

+20%

rise in focusing on increasing pace/urgency



Securing

Cyber security has risen even higher up the priority list compared to last year.

20%

of respondents do not feel confident in their security posture.



Governing

Charity leaders are aspiring to raise IT's profile and obtain strategic investment in technology.

+13%

rise in responses wanting to raise IT's visibility within the organisation.



Resourcing

Reactive issues taking IT staff away from projects or improvements was the biggest challenge IT leaders reported.

+25%

of respondents now have hybrid / co-managed IT models in place.

The AI Opportunity

This time last year,

60%

of respondents were not considering AI

and only 3% were conducting any form of trial. Fast forward to 2024 and only 34% are not considering it, with

24%

now doing some type of pilot or trial.

The survey shows that IT leaders are now prioritising AI strategies, containing the delivery of projects that lay the groundwork

for AI value realisation. Likewise, 75% of charity leaders answered that AI and Machine Learning were not priorities for them last year. This year the number not considering it dropped by almost 50%, with a quarter piloting the technology.

In the case of Microsoft Copilot, there are two phases Microsoft recommend to get ready for Copilot:

- 1. Foundational** – auditing and housekeeping security permissions in areas like Teams, SharePoint and OneDrive, to make sure users cannot ask the AI to find information they should not be able to access.
- 2. Advanced** – cleaning up your data, implementing data retention (to remove out of data files), and tagging & classification. These all help the AI work more effectively, because it only “sees” relevant and up-to-date information

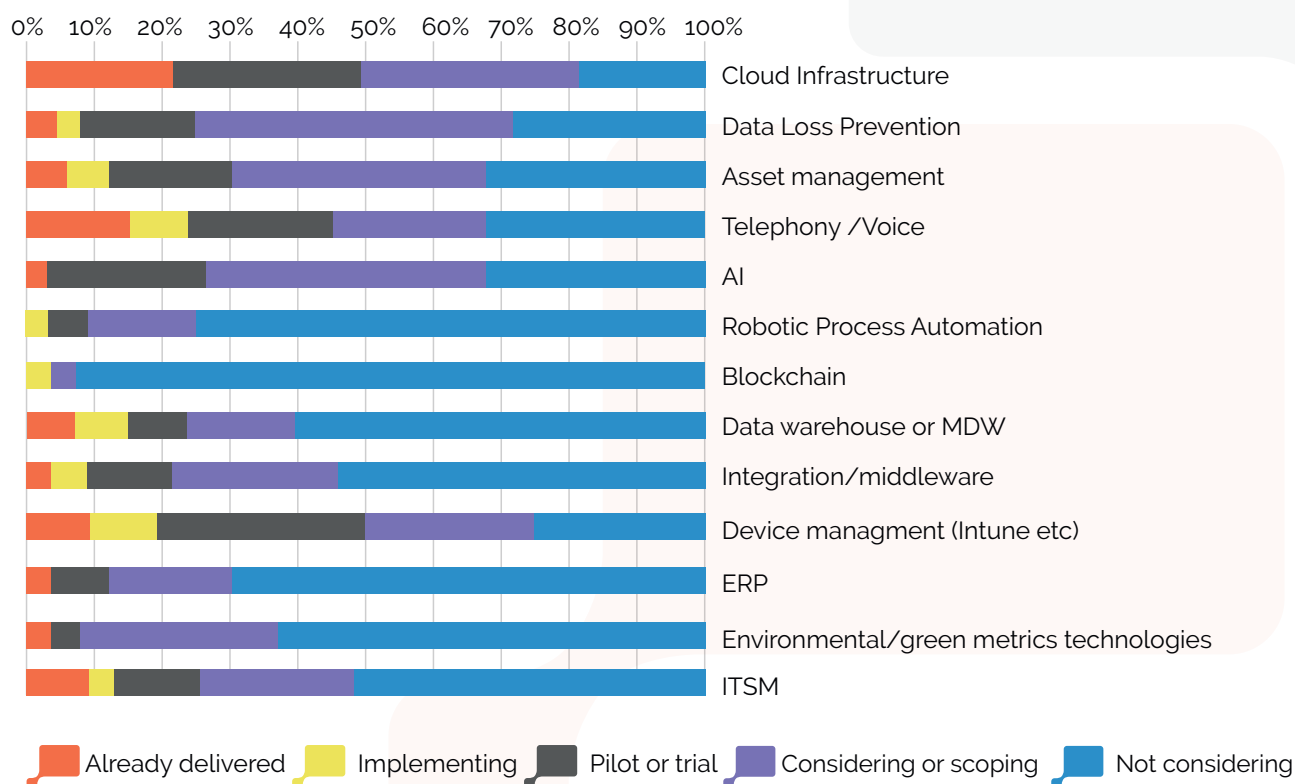
50%

of respondents in the survey are also actively considering Data Loss Prevention (DLP);

an increase of over 20% compared to 2023. DLP, together with document tagging and retention policies, are all levers to improve the quality and value that AI can deliver once in use across the organisation.

As AI takes the focus, technologies such as Crypto and Blockchain have now dropped off the list of priorities, with 95% not considering either of these.

What types of technologies are your priorities in 2024?



Optimising

Improving operational efficiency and digitalisation remain top priorities for nonprofits. 'Transforming and digitising the organisation's operations' was the second highest scoring area of focus for the year ahead in our 2024 survey.

With charity IT budgets remaining stretched, getting the most out of existing toolsets and platforms like Microsoft 365 and Azure are once again popular themes.

The results have shown some variation to last year.

66%

see transforming, digitising and optimising as a top priority in 2024.

In our 2024 survey, when asked to rank priorities for the year ahead, 'transforming and digitising operations' and 'operational efficiency' were the second and third highest scoring options. Minimising costs was lower down the list of priorities, coming third to last.

In your role as a charity technology leader, please rank the below areas in terms of priority areas of focus for the year



These results correspond to an ongoing trend and appetite for consolidating tools, removing duplication of functionality, and simplifying the IT estate to make it easier to manage.

Many charities we speak to are rationalising areas like cyber security into the Microsoft Defender suite, and/or replacing traditional firewalls and VPNs with Azure Gateways and Windows Always On VPN to remove reliance on 3rd party applications and their associated costs.

Securing

Cyber security came out as the top focus area again in 2024. 'Ensuring cyber security' was the most popular option when asked to rank IT priorities in order.

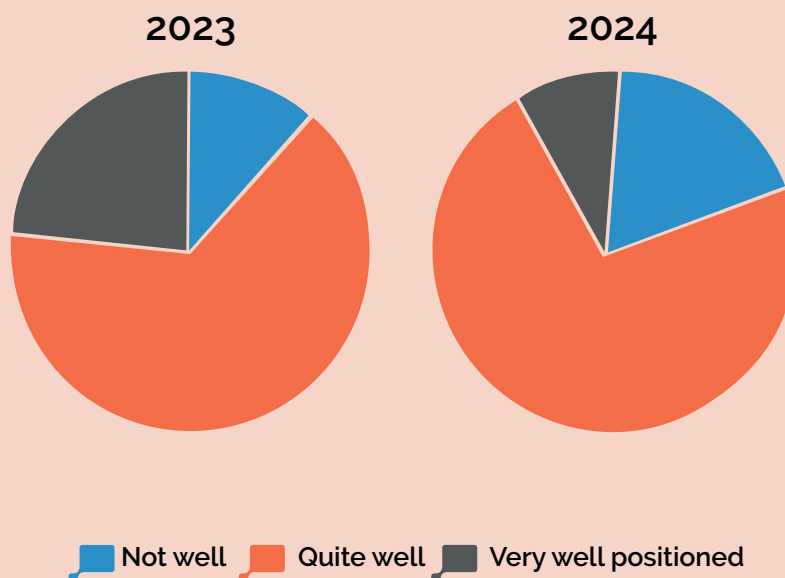
There was a

15%

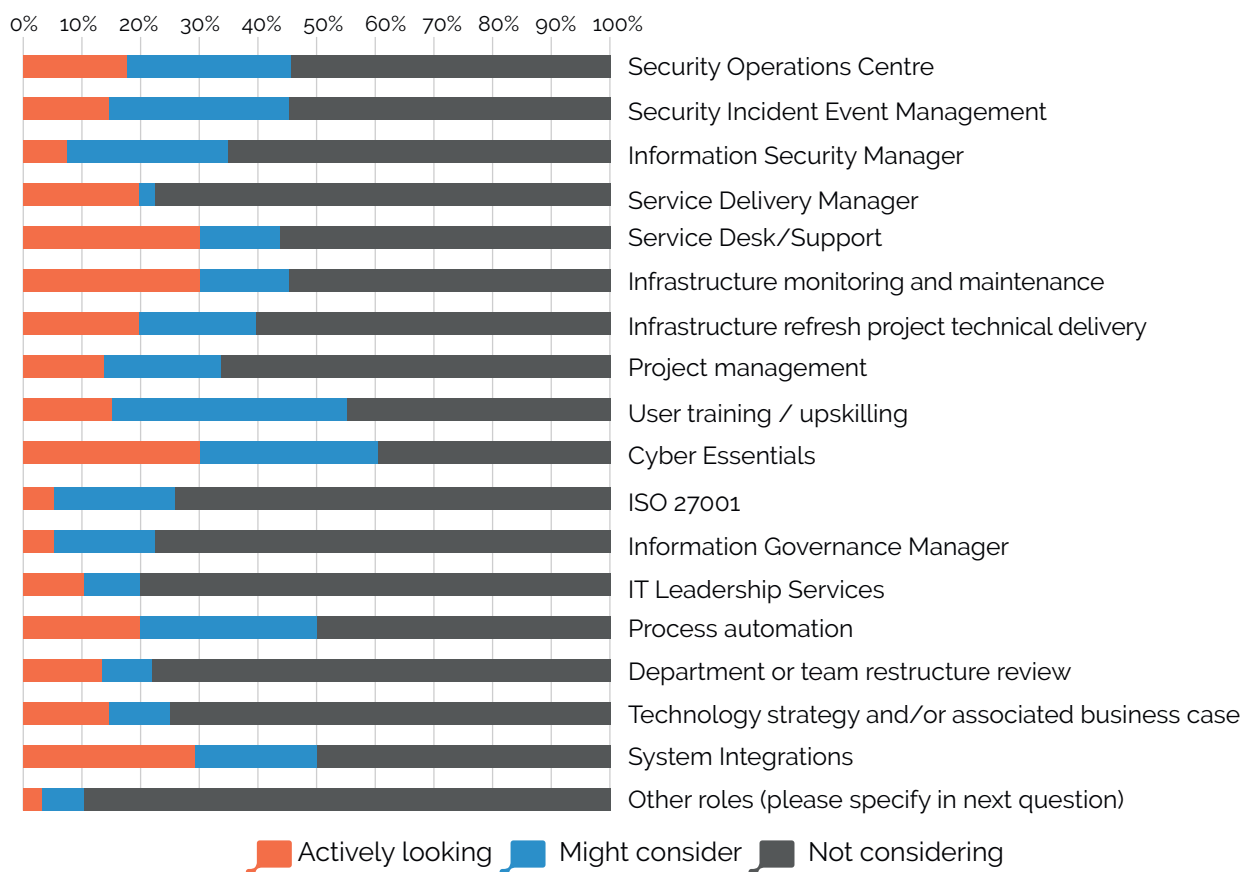
decrease in the number of respondents

who said they were 'very well' positioned to identify and deal with current and near future IT cyber attacks combined with a stark increase in the number of people who felt they were 'not well' positioned to deal with a threat: now 20% up from only 12% last year.

To what extent do you feel your organisation is positioned to identify and deal with current and near future IT security/cyber attacks



Which components of the IT function are you considering using a partner to deliver?



Strategy & Governing

This year saw an increase in appetite for aligning IT's direction of travel to the overall strategy of the business. This highlights a growing trend in technology teams; shifting focus to business enablement, with less time needed on infrastructure management.

Linked to this, 'better enabling supporter strategies/goals' saw a

10%

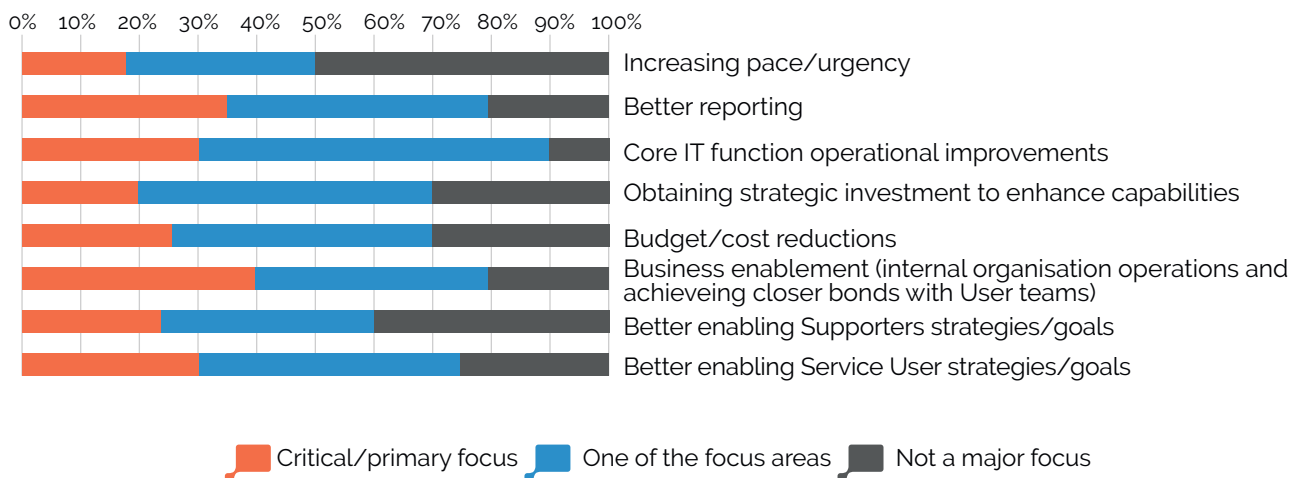
increase in respondents who see this as a critical focus for 2024.

It is clear that there is a growing desire to make projects happen quicker.

+20%

uplift in respondents who see 'increasing pace/urgency' as a critical focus area in 2024.

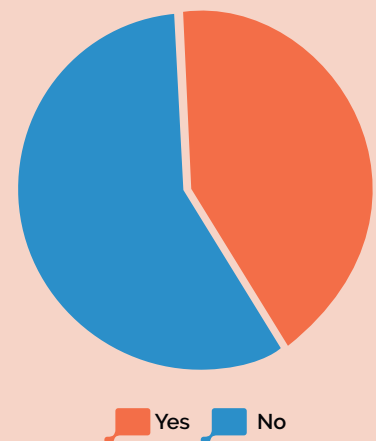
What are the key areas you are focusing on for improvements?



Somewhat counterintuitively, there has been a 15% decrease in the number of respondents who say they (as IT Leaders) are on an Executive Team or Board.

Connected with this, the third biggest challenge reported by IT leaders is that IT is not championed as a business priority, underlying the case for having IT represented at the top table.

Does IT have representation at board level at your organisation?



Resourcing / Team Structure

Reactive issues taking IT staff away from projects or service improvements was the biggest challenge respondents face with their team, with 35% placing this in top spot. Following closely

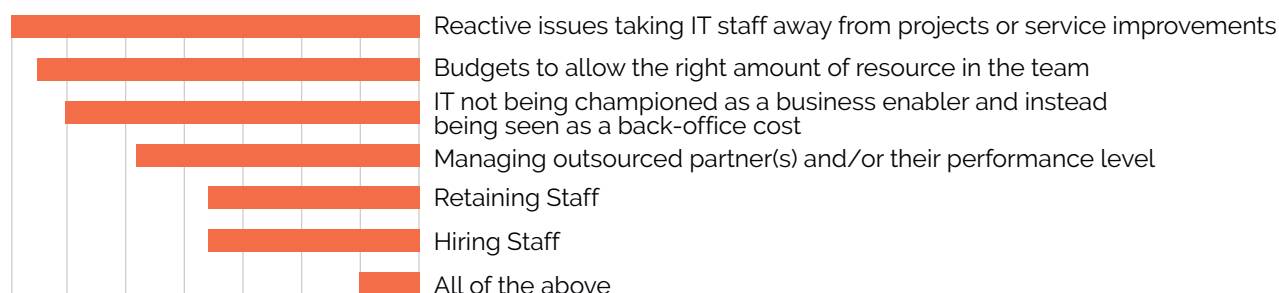
behind in second place was 'budgets to allow the right amount of resource in the team.'

Attracting and retaining in-house IT staff remains a constant challenge for charity

IT leaders, especially at a time of wage inflation, a general IT skills shortage, and attractive corporate salaries that nonprofits cannot compete with.

What has been your biggest challenge with your team structure or roles

35 30 25 20 15 10 5 0



51%

of respondents have an in-house IT team,

and the remaining 49% are either fully outsourced or use a hybrid model. The data shows

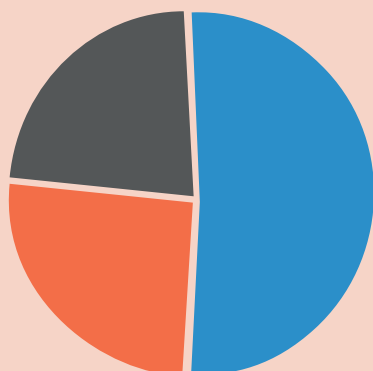
a growing trend towards hybrid / co-managed IT structures; these blend internal staff with outsourced partners to provide a broader and deeper mix of expertise and resource.

Having robust IT Service Management (ITSM) in place is one way for IT teams to reach further, and there has been a 10% increase in those considering ITSM compared to last year.

Over 50% of charity IT leaders confirmed they are now considering a partner to deliver IT Training and Digital Upskilling to their staff.

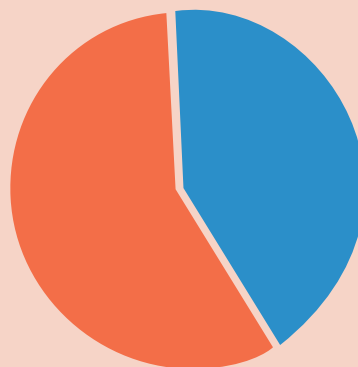
Despite the focus on increasing pace and urgency, Business Analysts and/or Project Managers are still not placed within IT teams for the most part (60%).

How is your IT function structured?



■ In house ■ Outsourced ■ Hybrid

Do you have business analysts and/or project managers in the IT team?



■ Yes ■ No

Closing Remarks

The impact of Artificial Intelligence on how organisations increase productivity cannot be understated, and from this year's survey we can see that IT leaders within charities understand the risks of being left behind.

The "Big 4" themes from last year are even more of a focus going into this year, with IT leaders needing to deliver these strategies urgently. To achieve this, there will be a focus on leveraging the investments and tools already in place, seeking to continually mature and improve cyber security, and increase the speed at which projects are delivered, with assistance from specialist partners, complimenting in-house teams.

The year ahead promises a wealth of opportunity for technology teams. The charities that can unlock the opportunity that AI presents will achieve the greatest productivity gains. The role of technology teams has never been more important.

Get in touch

If you would like to discuss any of the topics covered in our report in more depth, or to speak to us about how we can help you improve IT at your organisation including cyber security, IT outsourcing, cloud migration, or anything else, please get in touch with one of us below:



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