

# newID

## DISCOVERY REPORT

# 2024

Research carried out by ProMo Cymru

Newid delivered by:



Funded by:



Supported by:



# INTRODUCTION

Newid promotes good digital practice across the Third Sector in Wales. We do this by providing training, support and information. It is a partnership between WCVA, ProMo-Cymru and Cwmpas, supported by The Centre for Digital Public Services, and funded by the Welsh Government.

What Newid delivers is based on the needs of the Welsh Third Sector and the communities it serves. These needs continue to evolve, therefore we have carried out an updated discovery to ensure that our delivery changes in line with these needs.

Our most recent discovery has uncovered some positive ways in which the language and understanding around digital is changing in the Third Sector. There are some additional challenges that have arisen since our last discovery linked to increased service demand and the complexities of applying for and managing funding. We have also identified some shared digital challenges around common digital systems where Newid could be well positioned to provide systemic support.

Through our research, we aimed to:

- Discover our users current understanding of digital.
- Learn what language will most resonate with our audience to help us talk about digital in an accessible way.
- Understand what challenges Third Sector Organisations in Wales are currently facing that digital could help with.
- Understand what barriers are preventing organisations from engaging with digital.

Ultimately, through our research, we wanted to learn more about how Newid can develop to support Third Sector Organisations in Wales to understand and use digital to be sustainable, responsive and effective to best serve the needs of the people they support.

# OUR APPROACH

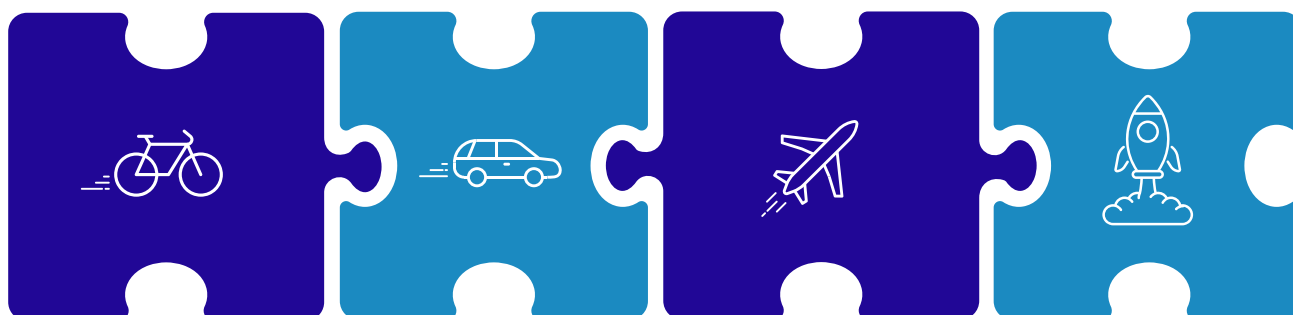
We conducted 11 semi-structured interviews with Welsh Third Sector Organisations.

It was important that we had a cross-section of responses and we purposively recruited different types of Third Sector Organisations, ranging from micro to large, with different levels of digital maturity, covering all parts of Wales working across a range of sectors including Health and Social Care, Disability, Homelessness, Ethnicity, Youth, Refugees and Asylum Seekers, Third Sector Support and Employment Support.

We spoke to leaders, and senior managers, specifically engaging with those who participate in the decision-making and planning within their organisation. We wanted to speak to people who understood their organisation's direction, plans, needs and challenges.

We purposely avoided mentioning digital during the recruitment process, as we didn't want that to influence the answers people gave. We wanted to have open, honest conversations with the aim of learning more about the sector's mindset and needs in relation to digital.

We asked organisations for their size, sector and to rate their digital maturity using the Charity Digital Skills Report\* categories.



## CURIOUS

We might have some digital basics in place, such as social media, online meetings, and recognise we could do more.

## STARTING OUT

We're starting to engage more with digital, but it's still a small part of our organisation's work.

We're developing our skills, but still lack confidence in using digital tools.

## ADVANCING

Digital is part of how we work, but we haven't fully embedded this yet.

We're investing in technology and developing our skills.

## ADVANCED

Digital is integral to our organisational strategy and embedded in everything we do.

\* The Charity Digital Skills Report, is an annual survey of digital skills, attitudes and support needs across the UK Third Sector: <https://charitydigitalskills.co.uk/>

## Digital Maturity



■ Curious   ■ Starting Out   ■ Advancing   ■ Advanced

## Size of Organisation



■ Less than £10,000 (micro)   ■ Between £100,001- 1 million (medium)  
■ Between £1001- £100,000 (small)   ■ Between 1 million and 100 million (large)



# What **challenges** are Third Sector Organisations in **Wales** currently facing?

We asked organisations to tell us about their current challenges in relation to how their organisation operates and delivers services.

Organisations told us about ongoing challenges with securing funding, especially funding that extends beyond one year and funding core costs.

*"Funding is always challenging. It's just the nature of the beast."*

*"Nobody wants to pay for core costs."*

*"Sustainable funding is a key problem."*

We heard about the difficult circumstances that services and service users were facing due to the current cost of living crisis. We heard that for some organisations, it was a challenge **"keeping enough money to pay the bills."**

*"Poverty, transport costs, transport links, buses. There is terrible poverty."*

Staff from smaller organisations emphasised the personal stress they felt in being the person responsible for finding funding whilst leading the daily work of the organisation. One participant from a micro organisation used the word **'hell'** to describe the pressure of continuously looking for funding, whilst running her group, with the pending threat of closure.

It's common for micro organisations to have one or just a few paid members of staff. They may write policies, manage volunteers, do the fundraising, shopping and cleaning. People shared concerns about not having effective communications, no IT department and increased demands on them such as GDPR. They expressed the huge responsibility felt by being the person responsible for all these things.

*"Doing all these things is a massive challenge."*

We heard that services in general are oversubscribed, resulting in third sector staff supporting service users with a growing range of needs, that are not being met elsewhere.

A housing association described their staff as having to **"do the work of the other services"** (support workers, police, children services).

An organisation that supports volunteering said **"People tell you stuff and that's really difficult because there's very little that we can do to support them with housing and employment or drug abuse or alcohol addiction"**.

Two organisations mentioned the decline in the mental health of their volunteers and staff.

*"Mental health and financial situations have an effect on how people treat each other."*

*"There is an increased prevalence of poor mental health among young volunteers, potentially linked to the pandemic."*

We were told about some specific challenges related to volunteering. One organisation told us that they noticed shifts in volunteer trends, with an increase in community volunteers during the pandemic, but a subsequent decline as students return to university life.

*"Volunteer commitment is a concern... We're seeing a real shift in numbers and why people are volunteering."*

*"We're competing for volunteers."*

**We asked organisations to think about their operations and what (if anything) was slowing them down and taking time away from supporting service users or beneficiaries**

We learnt about the huge administrative burden that organisations face due to outdated systems, poor processes and reporting requirements.

*"All administration is a challenge."*

*"A lot of our staff get frustrated with administrative tasks and when digital goes wrong."*

In particular, people spoke about non-existent, outdated or not fit-for-purpose CRM (Customer Relationship Management) systems.

***"If we can find the right volunteer management platform, the amount of time that would free up with regards to staff time would allow us I think to probably take on a minimum of two new projects, maybe even up to five depending on the project needs."***

One infrastructure organisation shared that the CRM platform they had to use was 'clunky' and unadaptable. The system didn't allow them to put the additional work they do on there, so they had to duplicate data in multiple places to accurately record how they are meeting their outcomes. They described this system as being **"one of the major headaches"** and very time intensive.

***"We spend more time imputing data than spending time with our service users. If we could find a way of simplifying, that would be great."***

Organisations recognised that these systems were slowing them down. The systems often don't work well together meaning people are recording the same information in multiple places. It was recognised that there was a better way to do things.

***"If only there was a way for the CRM to talk to more platforms."***

Aside from mentioning inefficiencies, it was also linked to a cause of staff frustration and impacted wellbeing.

***"I've never seen the team so excited about a potential platform and how it might save them time. Though I think for their wellbeing it would also in the future, make a happier staff team. That's not saying that mine aren't, they generally are, but at this period, particularly indexing is really stressful for them."***

Monitoring, reporting and evaluation was mentioned multiple times as being time consuming and inefficient.

***"There are different requirements for different funders."***

***"Staff spend a lot of time doing admin tasks for the sake of it to meet funding requirements."***

# We asked organisations if they'd identified any areas where digital could help

The reason we asked this question was to gain an understanding of what organisations were considering or prioritising in terms of digital. It's important to note that these are not necessarily the right solutions for them, but instead indicate the types of things they are identifying.

The most common area that organisations felt digital could best help them was in improving their internal systems and processes, specifically in relation to how they collect, store and use data.

***"We want a database to be able to see who our clients are, and where they are from. We could be more efficient and save time by streamlining stuff we are already doing."***

Two organisations suggested the need for investment in the creation of a CRM for the Third Sector in Wales, designed specifically around the needs of Third Sector Organisations, staff and service users.

One organisation cited a concern with using a generic CRM:

***"Unless you create a bespoke one for your organisation, it's like putting a square peg into a round hole."***

A few organisations wanted to explore whether AI or automation could help:

***"Streamlining our grant assessment process. Can we integrate AI?"***

***"It would be helpful to be able to auto transfer data from one place to the other as a way to populate reports."***

***"Being able to collect data on our newsletter to see how far people are reading and use it to improve the newsletter."***



A couple of the organisations we spoke to used paper based methods for data collection and they had identified the need to digitise their data.

***"Having all the registers digitally. It's in a big pile of forms. If I had a work experience person, they would be able to help with this."***

Another key area organisations spoke about in terms of where digital could help was improving their online delivery. For nearly all the organisations we spoke to, it was common practice to use video conferencing platforms to deliver workshops, events and training sessions, which is a notable shift since Covid. However, we were told about some challenges with using these platforms, particularly around participant engagement.

***"Training is becoming more useful when it's online. But it's got a weak side where we like to be able to ask questions and talk to each other - which you can't always do with a video course."***

One person spoke about the negative impact on the trainer when participants turn their cameras off.

***"Turning up to training sessions and talking with completely blank screens that are all blacked out and the sound was off is really disturbing...Is anyone even there, or am I just speaking to myself for the next hour?"***

Despite the challenges, organisations recognised the benefit of being able to deliver online and some specifically mentioned wanting to learn more about making online sessions more participative.

***"Conversations are important... There's plenty of options for digital to be more participative though."***

One organisation spoke about the benefit of expanding services beyond their geographical location.

***"Being able to deliver more services outside of office hours when people want to access something."***



Linked to delivering online training, was the desire to improve how hybrid meetings are run. One organisation spoke about having to pass a laptop around the room to accommodate for colleagues joining remotely and two people mentioned the need for better equipment and technical support during the meetings.

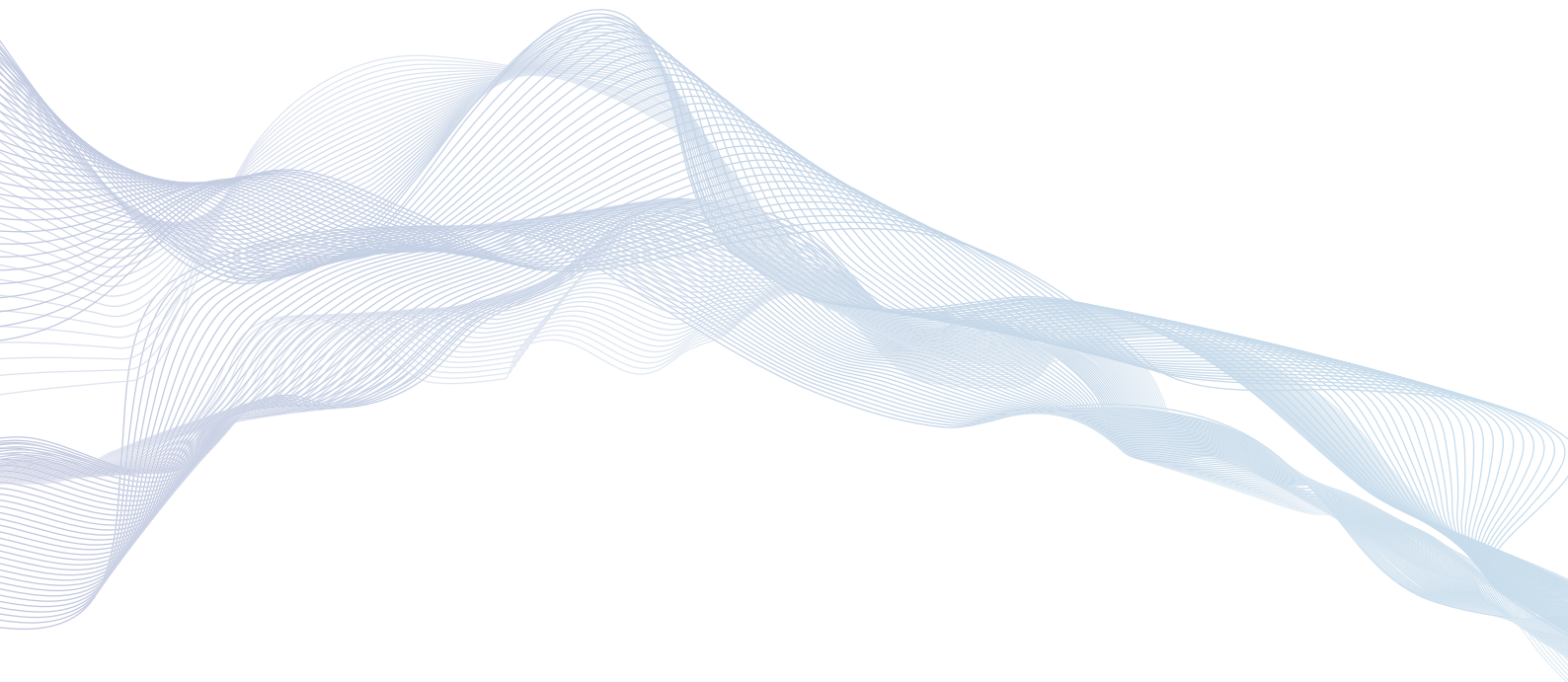
***"I think you need different equipment and you need someone to do the IT as well as someone chairing the meeting."***

For a few at the lower end of the digital maturity scale, digital seemed too overwhelming. There was simply not enough time in the day to think about it, and they didn't have the skills to implement digital solutions. These organisations shared their frustration about knowing there are better ways to do things, but they lack the confidence, skills and capacity to develop.

***"There are definitely things and systems in place that I am still nervous to access, so I will show you my diary (holds up a diary), the rest of the world does it digitally, but I'm nervous of doing it digitally."***

***"I just really would love actual systems that when people come on board, the systems are already set up, so as people join, it's all there. It's something that the organisation needs, and our service users...to effectively communicate with them too, and let them know what's going on."***

***"I need somebody to give me an exact example of what will work for me."***



# We also asked about **challenges** they felt **digital** could not help them with

Organisations spoke passionately about the importance of face to face engagement and how vital it is to consider those who are digitally excluded. We were told about the importance of building relationships and trust and the opportunity to spot hidden needs.

***"Because our service users are so isolated, the only way we can engage is a slow process of developing trust. Working with these families is face to face. It took two years knocking on their doors. The only way I might find out about them is when their landlords are throwing them out and that's when I see they are living in terrible conditions and have lots of needs."***

The same organisation later shared that, out of all the digital communication methods they'd tried, they had found WhatsApp to be an effective way to communicate with their service users. They said that once trust had been built through face to face engagement, WhatsApp was a good way to share information quickly.

Another organisation shared ***"The difficulty we've got is our clients aren't on social media. We don't share so much now as the people we work with are isolated and don't have digital literacy"***.

In particular, we found that organisations working with vulnerable and isolated individuals, such as those facing illness, disability, and poverty, believed that social media or other digital engagement methods were not an effective way to reach them. They wanted to highlight that the best way to support these families and communities was through funding support groups and improving transport links.

***"Transport and infrastructure. The most isolated people are isolated because they're isolated."***

However, even for these organisations, they were all able to identify areas where digital could benefit them. With one saying ***"Digital can't remove this face to face contact, but it can help catapult your work to another level"***.

The general consensus was that although digital did not replace face-to-face work, it had lots of potential. The idea that digital can help organisations be more efficient and free up more time for engaging directly with service users seemed to resonate.

# We asked organisations about their approach to building services

The most common terms we heard in the majority of the interviews were 'user led' and based on 'need'.

*"User led every time. A response to need - it's the way we work."*

*"Whatever the community says is a need is where we try and focus."*

*"Quite simple really. Go out and meet families. Actively listen to people and what they say and then take actions... The hard part is then developing a service around that need and getting the appropriate resources."*

We also heard that they built services around their mission and values.

*"We've got to stay true to our mission."*

One organisation recognised the need to build services through responsiveness to community needs, however, felt the lack of capacity and flexibility within funding created a barrier. "We're not set up well to respond to the issues and don't currently have the staff capacity to effectively gather young people's views and let them be heard."

Two organisations spoke about filling the gap:

*"We don't try to compete with any other organisation, it's about complementing and supporting what's there. Based on communication, speaking to our members."*

Methods mentioned included feedback forms and engagement events and one organisation spoke about service user involvement on their management committees.

One of the more digitally mature organisations told us about how they analysed data from their projects to make improvements. For example, they noticed that more women access their courses, but there are primarily men who access their working groups. This data helps them to adapt and shape their services.

Only one organisation said that there wasn't really an approach. It tended to be that a senior manager or staff member would have an idea and they would go with it. **"Sometimes it's more luck than reason"**. There was a recognition that this could be why some projects are not as successful as others.

# Understanding our users' current understanding of digital. **What's their mindset?**

We asked organisations about their understanding of digital in an organisational setting. We received a broad range of responses about the different ways digital plays a part in an organisational setting. Systems, processes and operations, better use of data, service delivery, accessibility and communication were all talked about.

*"Digital is our internal systems, how we communicate with staff, how we keep records, photos, how we report back to our funders, how to keep accountable. Easy access to prove what we've done."*

*"Moving to digital is about smarter use of data, saving on process."*

*"We are trying to update and replace old systems that were set up 10 years ago."*

Two organisations spoke about moving from paper based to digital and the environmental benefits of that.

*"Moving towards, not have paper-based systems anymore and the environmental impact of that...being carbon zero."*

Many spoke about service delivery and communicating effectively. Interestingly one mentioned the term 'service user journey'.

*"It's about making services work more effectively. Service user journey being one which is more satisfying for them, they're getting what they want in a smoother way."*

*"Being able to communicate with people, deliver services not face to face."*

A few mentioned building accessible and inclusive services.

*"It's looking at digital and how we use technology to be more inclusive and accessible. And that's why it's important."*

There was also mention of hybrid working and automation.

Interestingly, there was less mention of social media, marketing, and websites than we expected. Prior to the discovery work, one of our assumptions was that organisations often focused on websites and social media when they spoke about digital. Through this research, we found the understanding to be much broader, especially among the more digitally mature organisations.

# Was there a difference between organisations of different levels of digital maturity?

Prior to the interviews, we asked organisations to rate their digital maturity based on the Charity Digital Skills categories: curious, starting out, advancing, and advanced.

In comparing the responses across the different digital maturity levels, there were some differences that emerged. Those in the 'curious' user group expressed a lack of confidence and basic digital skills, sharing:

***"This is not my skill, it is all a nightmare to be honest."***

***"Some staff don't know how to utilise Teams."***

***"We would love training in 365 so we can become more efficient to deliver things differently."***

***"Being able to connect to a printer would be a real help, two years I've been sat by that printer and haven't been able to connect to it."***

Despite the lack of confidence, there was an eagerness to learn and improve. This group had sought help from volunteers or digital programmes, attended training and explored online resources. However, time was referenced as the main barrier to trying new things.

Enhancing communication, websites, and social media presence was a common priority for both the 'curious' and 'starting out' groups. Additionally, concerns about GDPR compliance were more prevalent among these users than among the more digitally advanced.

***"I need help with communications and also the GDPR surrounding that, I mean, I've done a lot of work, as much as I can on duty, but it's still nice to be reassured because it is a minefield."***



As organisations move up the digital maturity scale into 'advancing' and 'advanced', they demonstrated a more sophisticated adoption of digital solutions and strategies. These users spoke of investing in technology, experimenting with new tools, and improving digital service delivery.

***"We're very open for staff to be using stuff like ChatGPT. We make sure our policies are in place to protect staff using this tech as well."***

The development areas identified by these groups were improving processes and systems, embedding digital within their strategies and getting more buy-in from the board.

***"There is some work to do strategically, to embed digital."***

***"Strategically we need a push. We need to demonstrate to our board how this will benefit us as an organisation."***

***"Would be great to have integration across all our IT."***

Only one organisation we spoke to rated themselves as digitally advanced. This 'advanced' organisation spoke about investing in digital roles and digital infrastructure. They integrated digital approaches into their service delivery and decision making processes and indicated that the pandemic had been a catalyst for rapid change.

***"If someone said to us five years ago, we need to put all of our services online, we'd never have believed them. But over Covid we managed it and now much of it continues."***

Their experience highlighted the transformative potential of prioritising digital initiatives, as they swiftly adapted to a hybrid model during lockdown and have continued to innovate for enhanced accessibility and effectiveness.

***"Half our courses are online, half our activities are online. It's part of our strategy."***

They started with user needs, they were open to experimenting with new ways of doing things, and they measured the effectiveness of what was working.

# We asked organisations what they thought their organisations may look like **digitally** in 5 or 10 years

We wanted to learn more about digital ambitions and whether there was anything organisations were aiming for. We again heard about streamlined processes, going paperless and better communications. Organisations also visualised fully hybrid or digital services, automation, enhanced technology and digital being integral to their strategy.

*"We would be fully hybrid. Have an online portal where we can share and support organisations with best practices. It's quite achievable - all the systems are there. AI and automated systems can play a huge role."*

*"We'd be far more efficient with our time. Give a more person centred approach. No matter what day of the week you call you can get through to us."*

*"Staff have tech that works, refreshed regularly. Work at more locations."*

A housing association shared that they would like to continue to develop their digital services so that tenants would be able to access as many services digitally as possible. They said **"Some solutions are happening in pockets, but it would be good to embed these practices across the organisation"**.

There were a few mentions of improving engagement and communications:

*"We'd be better at digital storytelling."*

*"We'd be engaging with a broader range of people."*

One organisation mentioned wellbeing: **"We'd be far more efficient. Staff would be relaxed & wellbeing increased."**

One organisation found it challenging to visualise the future, saying:

*"I haven't got enough information to visualise what we can do digitally in the future. We've got no plan nor strategy. We need other groups that have done a lot with technology that we can copy."*

When we asked organisations if they could think of an example of something they'd seen another organisation do well that inspired them, they found it difficult to think of anything from the third sector.

***"I can't think of anyone from the third sector. Monzo is a great example, but it's hard to apply this to our sector as we don't operate like a bank."***

***"Amazon - they are delivering parcels by drone. That's forward thinking and will save them a fortune. It's not mind blowing, it's just meeting your customers' needs."***

***"I find a lot of stuff around digital in the charity sector is very basic. Lots of stuff I've attended I didn't go away learning anything new. In my own development, I tend to look at outside the third sector for digital, looking at what's there for private sector."***

Someone mentioned the Insight App by Innovate trust (a safe space app) as a good example and another person was inspired by the way Charity Excellence incorporates AI into their website.

***"Tech at its best - inclusive and accessible."*** (in reference to the Insight App).

# CONCLUSION

The purpose of conducting this user research was to deepen our understanding of the potential users of the Newid service so that we can best provide the digital support and resources that are right for them. We wanted to find out:

1. What is our users' current understanding of digital?
2. What language will most resonate with our audience to help us talk about digital in an accessible way?
3. What challenges are Third Sector Organisations in Wales currently facing that digital could help with?
4. What barriers are preventing organisations from engaging with digital, and how might we help people overcome these barriers?

## **1** What did we learn about our users' understanding of digital?

A central aim of Newid is to build and develop understanding throughout the Welsh Third Sector on digital. We have learnt that a lack of common understanding of digital can result in a failure to adopt digital ways of working across the sector. This lack of clarity about what we mean when we talk about digital, can lead to confusion and a lack of direction or digital strategy.

When we asked organisations about their understanding of digital in an organisational setting, we found the understanding to be quite broad. Prior to Covid we often found digital conversations would centre around social media and websites, whereas in this research the participants discussed systems, processes, better use of data, service delivery, accessibility and communication. Promisingly, it seems the conversation has shifted from digital being limited to social media and websites to a much broader understanding of how it can help run more effective, accessible and streamlined organisations.

That said, those at the lower end of the digital maturity scale were more likely to prioritise enhancements in social media, websites and communication than those at the higher end.



## 2

# What language will most resonate with our audience?

Common terms we heard, in the majority of interviews, were user-led, based on need, accessibility, streamlining processes and efficiency.

This can help us to consider how we frame our discussions on digital. Focusing on the benefits to service users, improving accessibility and the concept of freeing up time may help Third Sector Organisations contextualise the relevance of digital technology.

We also observed that participants could only provide limited examples of good practice from within the third sector to inform their digital aspirations. This affirms the importance of sharing good practice and capturing real stories of how Welsh Third Sector Organisations have adopted digital ways of working as a way to inspire others.

One organisation we spoke to was initially fairly cautious and somewhat negative about digital adoption. They advocated passionately about the need for face to face work and were concerned that too much focus on digital delivery could mean further isolation for people who are already experiencing loneliness and exclusion. However, later in the conversation after we'd asked the question "what's getting in the way of you being able to deliver your core work with beneficiaries?" they positively related to the concept that by becoming more efficient in how the organisation operates, this would free up time to do the vital work in supporting people in the community.

Our research suggests that to effectively communicate about digital topics with our audience, it's essential to use language that is clear and accessible and to use examples that are relevant to their experiences and needs. Additionally, emphasising the value of user-centred design and freeing up time to spend with service users can help contextualise digital concepts in ways that align with organisational objectives and priorities.



# 3

## Challenges facing Third Sector Organisations that digital could help with

Organisations face increased demand for their services, compounded by the current cost of living crisis and rising needs of service users. This strain is exacerbated by limited resources and oversubscribed public services. We were told about deteriorating mental health, people becoming increasingly isolated, fewer volunteers and a lack of sustainable funding. The micro and small organisations in particular emphasised the personal stress they were under having to do the fundraising, shopping, admin, socials as well as delivering impactful front line work.

When we asked organisations what was preventing them from being able to deliver their core services, this revealed a worrying trend of organisations feeling they are spending a disproportionate amount of time on administration. Outdated systems, inefficient processes, and reporting requirements contribute to a significant administrative burden on organisations. In particular, we were told that inadequate CRM systems hinder productivity and require duplication of efforts. This leads to staff getting frustrated and increased efficiencies were linked to staff and volunteer wellbeing.

There is a huge opportunity here to leverage digital technologies to support organisations to streamline operations, improve efficiency, and ultimately free up time.

When we asked our participants if they had identified any areas digital could help with, their immediate priorities were to streamline processes, go paperless, improve communications, make online delivery more participative, develop e-learning and provide more accessible services.

# 4

## Barriers to Digital Engagement

Not having the time to innovate or rethink things, was the most commonly shared barrier to change. In smaller organisations, they lacked staff capacity and or skills to implement the right solutions and in larger organisations they suffered from multiple systems, over-complicated processes and duplication of data. Most organisations recognised there was a better way of doing things (which added to the frustration), but they didn't feel they had the time, space and in some cases skills to implement change.

Linked to this, funding constraints result in limited capacity to invest time and resources in digital transformation. Organisations struggle with securing sustainable funding, especially for core costs. There is little funding available to help organisations to do the internal work needed to improve and rethink their systems and service delivery.

Digital skills and confidence are also barriers. The organisations who rated themselves at the lower end of the digital maturity scale used words like 'nervous' and 'terrified' to express their feelings about engaging with digital. These organisations shared they lacked basic digital skills such as using Teams, online calendars or connecting to a printer.

Despite these challenges, there was an appetite and eagerness to learn and embrace digital. The user researchers felt humbled by the open and honest conversations, the incredible stories and the genuine passion to keep delivering transformational work.

Due to the current context people are working in, it's vitally important to provide advice, guidance, support and solutions that are relevant to Welsh Third Sector Organisations.

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**Thank you to all the people who gave their time to participate in this research.**