

Mission Impact Through Unified Insight: Modernizing the Nonprofit Enterprise

Amplify Your Impact with Enterprise-Grade Platforms



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In this InfoBrief

This IDC InfoBrief examines how integrating key nonprofit operational functions into an AI-enabled enterprise resource planning (ERP) platform will unify data, enhance user experience, and provide actionable information that improves mission outcomes, program delivery, and financial sustainability.

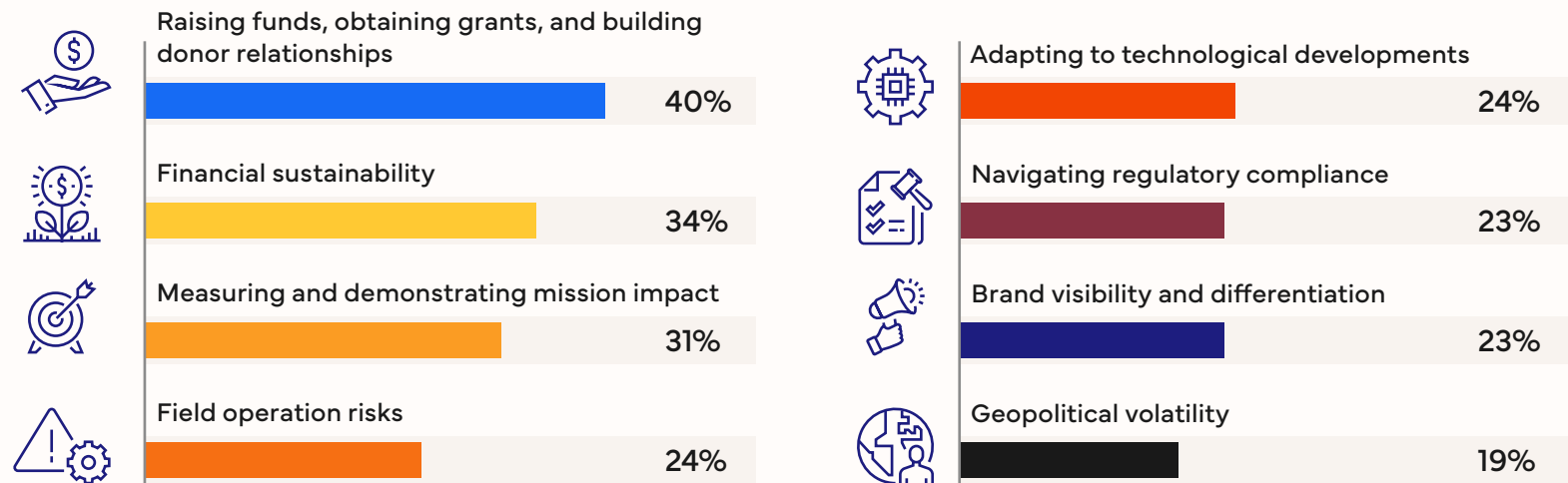
- ➔ This InfoBrief discusses how nonprofit organizations can make strategic and proactive decisions about integrating data from operational functions into an ERP platform to address key strategic and operational challenges.
- ➔ Nonprofits that provide global services have complex operations — from managing staff and volunteers and ensuring compliance within different country regulatory environments to tracking grants and donations. Typically, data about operations and strategic resources is housed in siloed systems and may still rely on manual processes. This results in a lack of insight into resources and operations, hindering the ability to track and manage funding and projects efficiently and effectively.
- ➔ A single source of truth is one of the most important benefits resulting from integrating functions into a connected ERP system and is the foundation for using AI and other tools to maximize resources. Advances in AI, automation, and data intelligence can drive decision-making and enhance the experiences of communities, donors, and employees across locations, particularly in complex compliance environments.
- ➔ This paper leverages data from secondary research, ongoing conversations with nonprofit organizations, and Unit4's *Nonprofit Sector Survey*, fielded by IDC in the Fall of 2025, which surveyed nonprofit organizations with over 250 employees with headquarters in North America and Europe.

Nonprofits operate in a rapidly evolving environment shaped by both opportunities and constraints.

- ➔ Nonprofit organizations are facing growing global demand for services due to humanitarian and environmental crises.
- ➔ Economic uncertainty, shifting donor behaviors, staffing shortages, and rising operational costs are adding financial pressures that impact programs, organizational growth, and long-term sustainability.
- ➔ Technology is providing opportunities to unify data and, with AI innovation, provide new user experiences, new levels of transparency, and deeper measures of impact.

The top strategic challenges reflect this reality.

What are your organization's top strategic challenges?



n = 70; Source: IDC's *European Nonprofit Sector Survey*, conducted for Unit4 in October 2025

Financial growth & management and mission impact are top strategic priorities for nonprofits.

Financial growth, fund management, program efficiency, and mission impact are fundamental to nonprofits.

These functions, along with the data and insights to support decision-making, enable nonprofits to respond to:

- ➔ New policies and regulations that often accompany grants and new funding
- ➔ Donor requirements for accountability and transparency
- ➔ Employee and volunteer expectations for upgraded work environments, especially those in the field or in demanding service positions
- ➔ Staffing and skills shortages in IT and specialized functions

Top Strategic Priorities

What are your organization's top strategic priorities?



Fundraising, financial growth, and diversification:

55% of European nonprofits and **49%** of nonprofits with over 1,000 employees



Improving delivery of our mission outcomes:

36% of all organizations



Growing our mission impact and outcomes:

33% of all organizations



Better funds management, tracking, and reporting:

40% of nonprofits with 250–999 employees



Improving project and program efficiency:

32% of nonprofits with 250–999 employees

n = 70; Source: IDC's *European Nonprofit Sector Survey*, conducted for Unit4 in October 2025

Siloed data and systems lead to inadequate oversight and observability.

Nonprofit organizations operate in an environment that requires careful resource management and financial stewardship to deliver services efficiently and effectively.

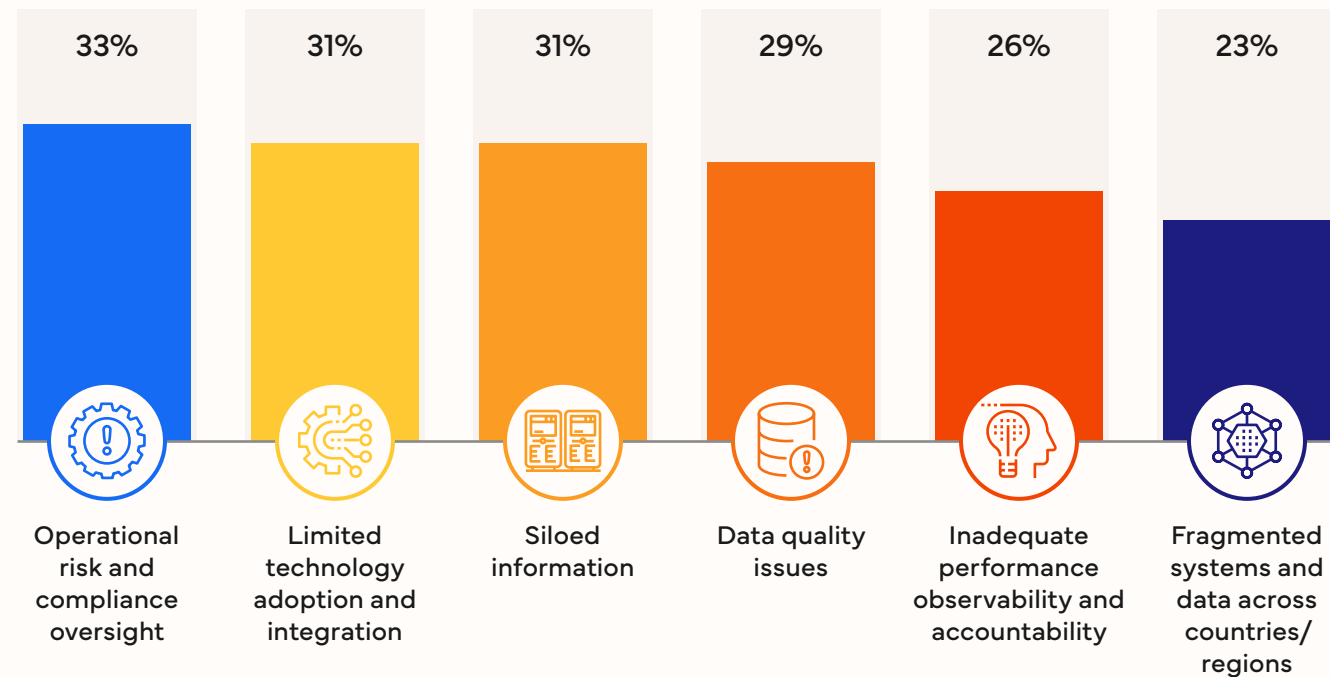
One-third of organizations lack the compliance oversight, technology, and data integration to meet these priorities.

39%

of all organizations report that gathering and reporting financial information is cumbersome.



Top Operational Challenges

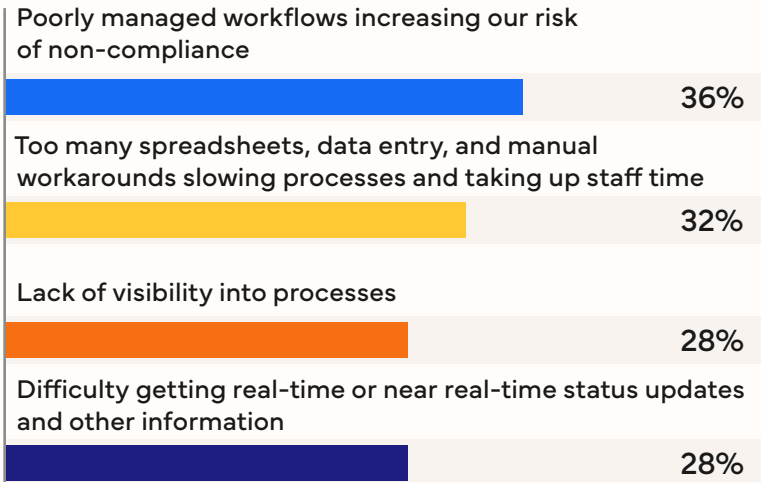
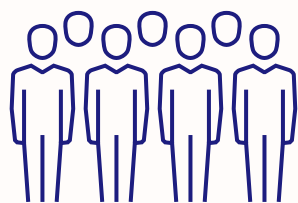


n = 70; Source: IDC's European Nonprofit Sector Survey, conducted for Unit4 in October 2025

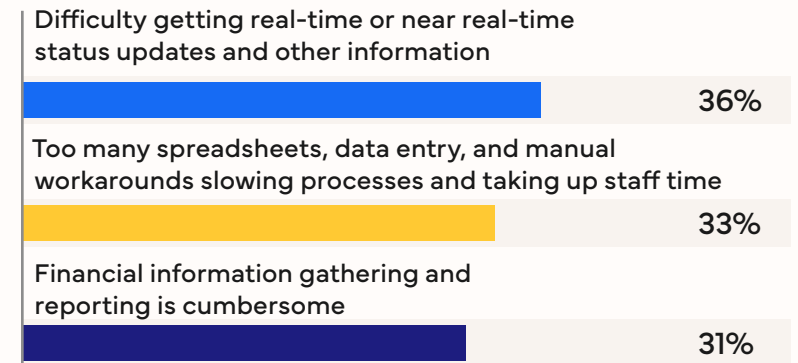
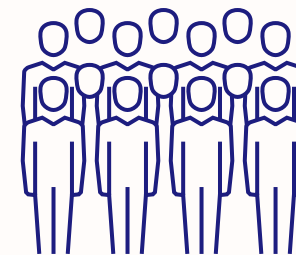
Cumbersome and time-consuming manual processes limit efficiency, responsiveness, and access to strategic insight.

Specific to accessing, using, and managing ERP data, what are your organization’s top challenges and/or significant frustrations?

Organizations with 250–999 Employees



Organizations with 1,000 Employees or More



n = 70; Source: IDC’s European Nonprofit Sector Survey, conducted for Unit4 in October 2025

Multiple disparate systems used to operate essential back-office functions contribute to operational challenges.

Organizations have begun to integrate finance and HR with ERP platforms, but 40–50% of organizations still use best-of-breed software for all other functions.



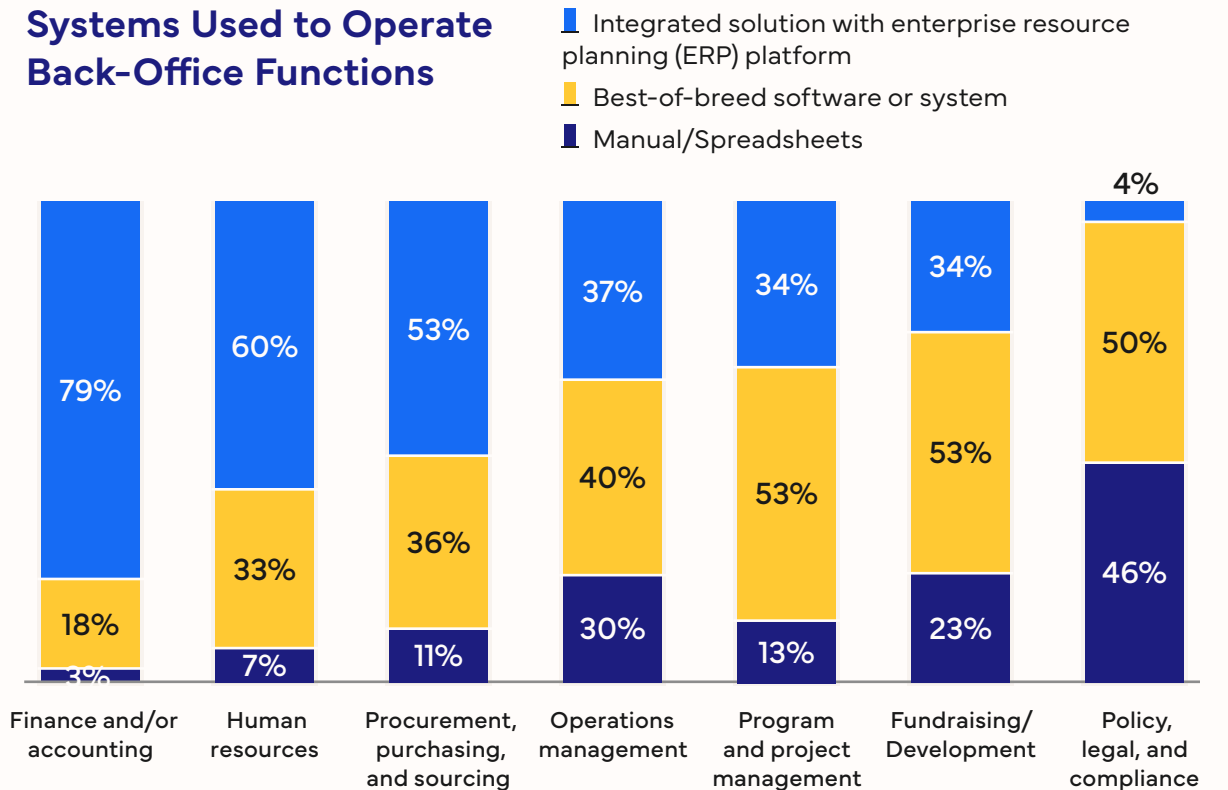
45% of organizations use manual processes for policy, legal, and compliance workflows.



Nonprofits recognize the value in integrating systems, and the majority are planning to integrate in the next 21–24 months:

- **100%** of organizations surveyed are planning to integrate finance & accounting and HR.
- Over **90%** are planning to integrate operations management and program & project management.
- **82%** are planning to integrate procurement, purchasing, and sourcing.

Systems Used to Operate Back-Office Functions



n = 70; Source: IDC's European Nonprofit Sector Survey, conducted for Unit4 in October 2025

Integrating functions into a unified ERP platform provides the foundation for better decision-making and increased automation and AI.

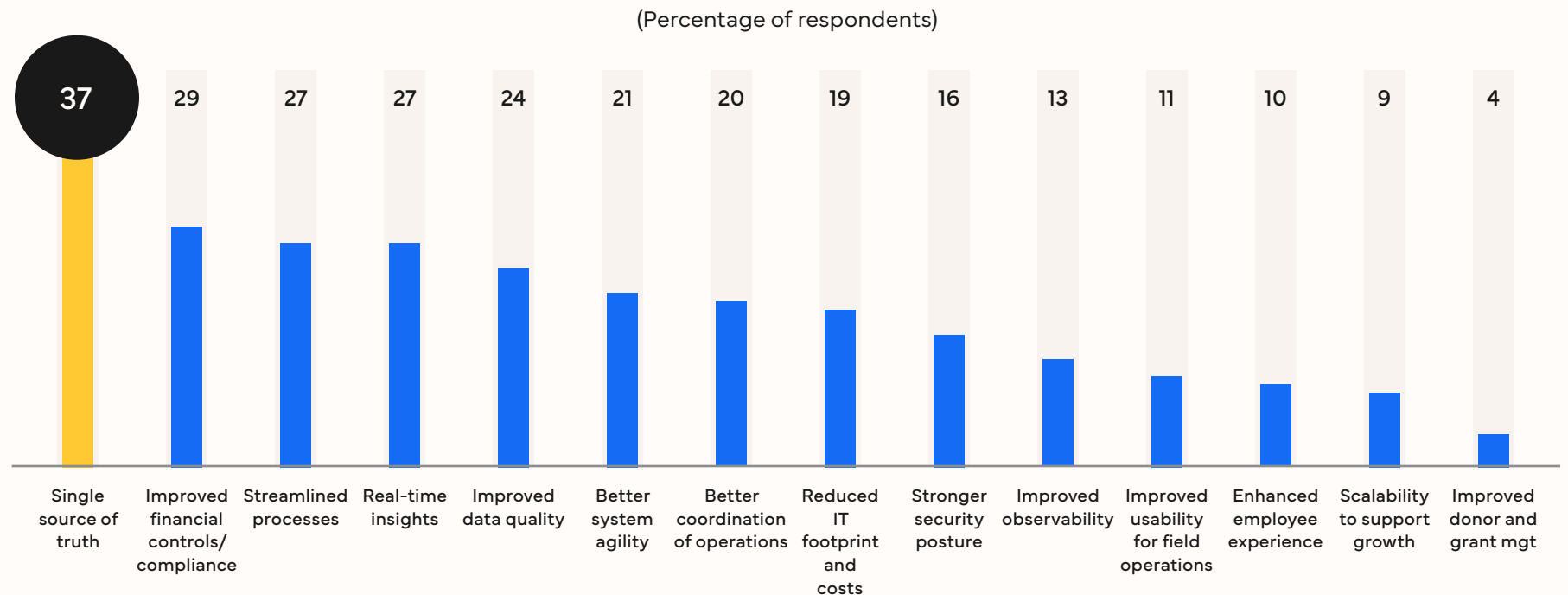
Connected and/or integrated systems support digital workflows that streamline processes and reduce errors from manual workflows.

An integrated system provides a single source of truth.

A single source of truth is the **number 1** benefit of integrating functions.

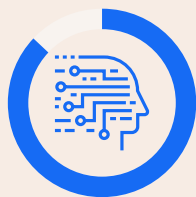
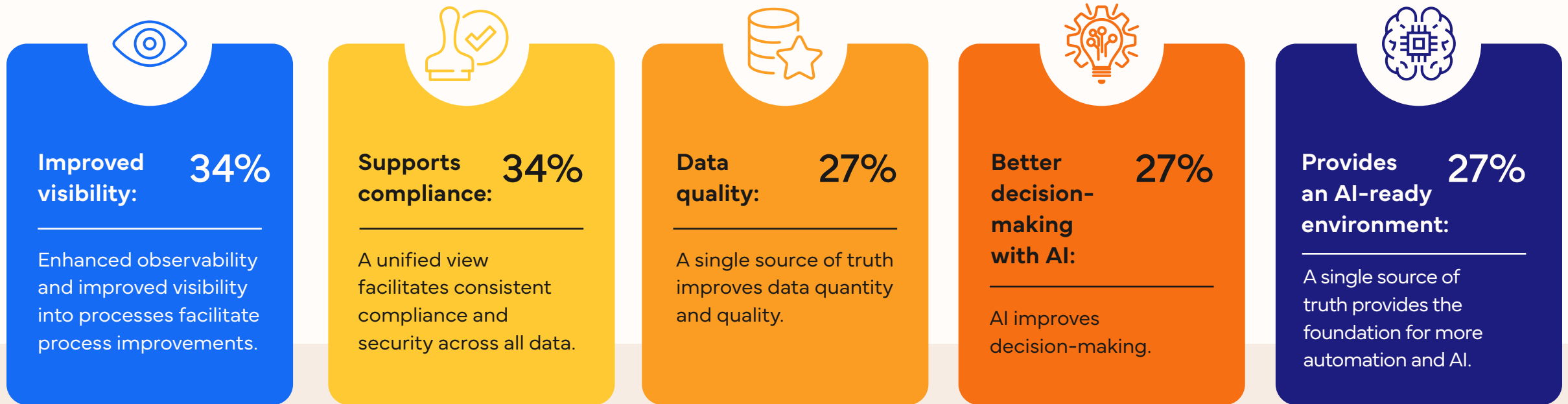
A common view enhances data quality, facilitates better coordination, and enables organizations to better manage projects, track spending, support compliance, and deliver improved services.

Main Benefits Achieved/Expected from Integrating Functions into ERP

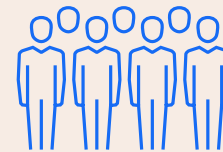


n = 70; Source: IDC's European Nonprofit Sector Survey, conducted for Unit4 in October 2025

A single source of truth provides benefits that address key challenges.



87% of nonprofit organizations with over 1,000 employees have an AI strategy "linked to their business transformation objectives."



Only 32% of nonprofits with 250–999 employees have such a strategy.

n = 70; Source: IDC's European Nonprofit Sector Survey, conducted for Unit4 in October 2025

AI will provide advantages in modernizing ERP and back-office systems across use cases.



83%

of nonprofit respondents have GenAI investment on their strategic road maps.

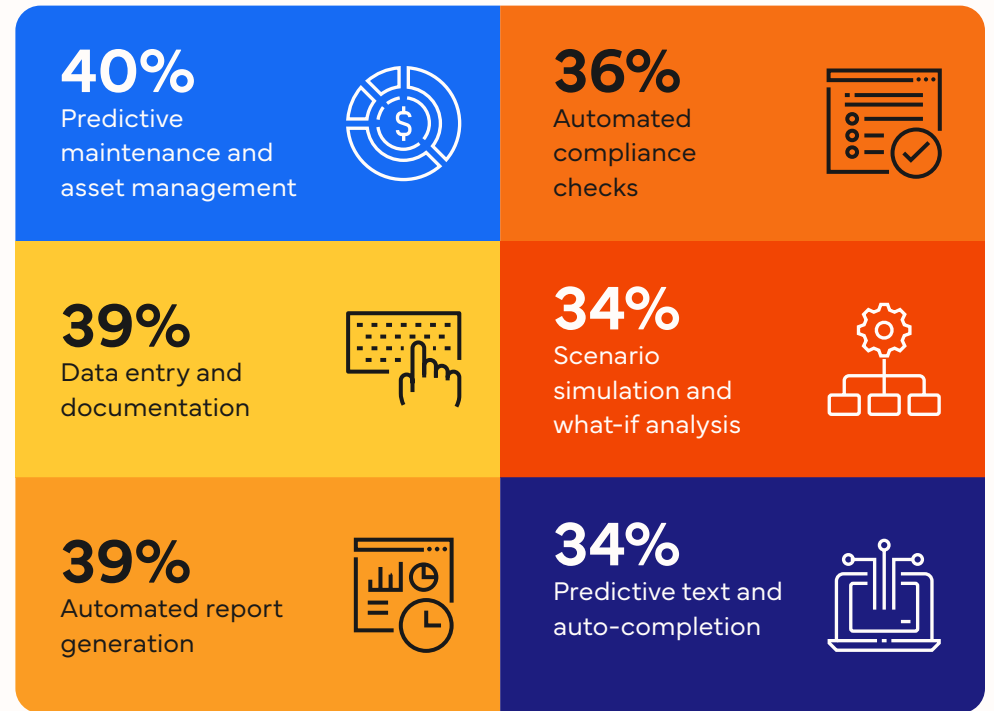
67%

of nonprofit respondents have predictive AI on their strategic road maps.

Nonprofits need to retain and recruit staff and volunteers. AI tools can help employees with daily tasks and provide a better user experience by:

- ✓ Enabling technology-led processes with AI for automation and productivity enhancements
- ✓ Reducing errors through automated checks
- ✓ Better engaging workers with higher-level tasks, enabled through routine work being offloaded

Systems Used to Operate Back-Office Functions



n = 70; Source: IDC's European Nonprofit Sector Survey, conducted for Unit4 in October 2025

AI will also be used to augment specific capabilities over the next 24 months.

- ➔ Nonprofit organizations are planning to use AI to augment specific capabilities across all primary operational functions.
- ➔ Respondents report investing in AI in finance & accounting, project management, procurement & sourcing, and asset management.

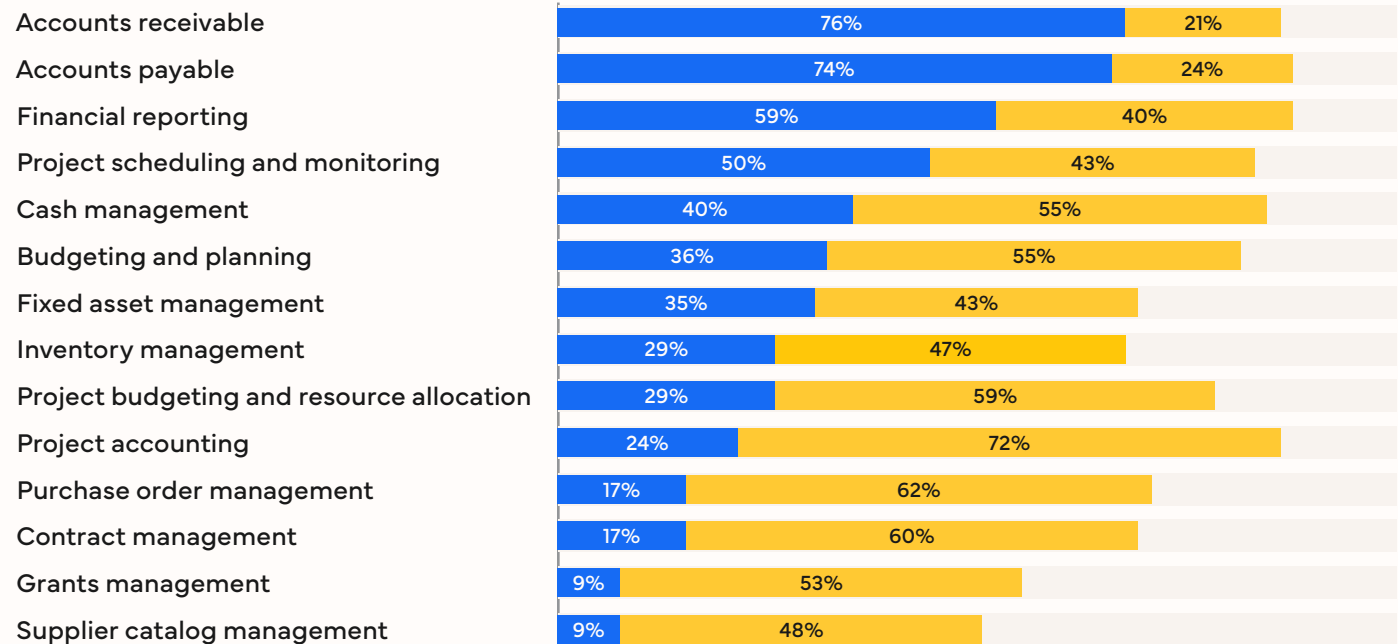
➔ **AI automation will focus on business outcomes like those for integrated ERP systems:**

The top two most important business outcomes will be real-time insights & reporting and automated workflows for reduced manual errors & rework.



AI Augmentation by Capability

■ Within the next 12 months ■ In 12–24 months



n = 70; Source: IDC's European Nonprofit Sector Survey, conducted for Unit4 in October 2025

Integrating back-office functions into a unified ERP platform and executing an AI strategy are key to managing constraints and capitalizing on opportunities.

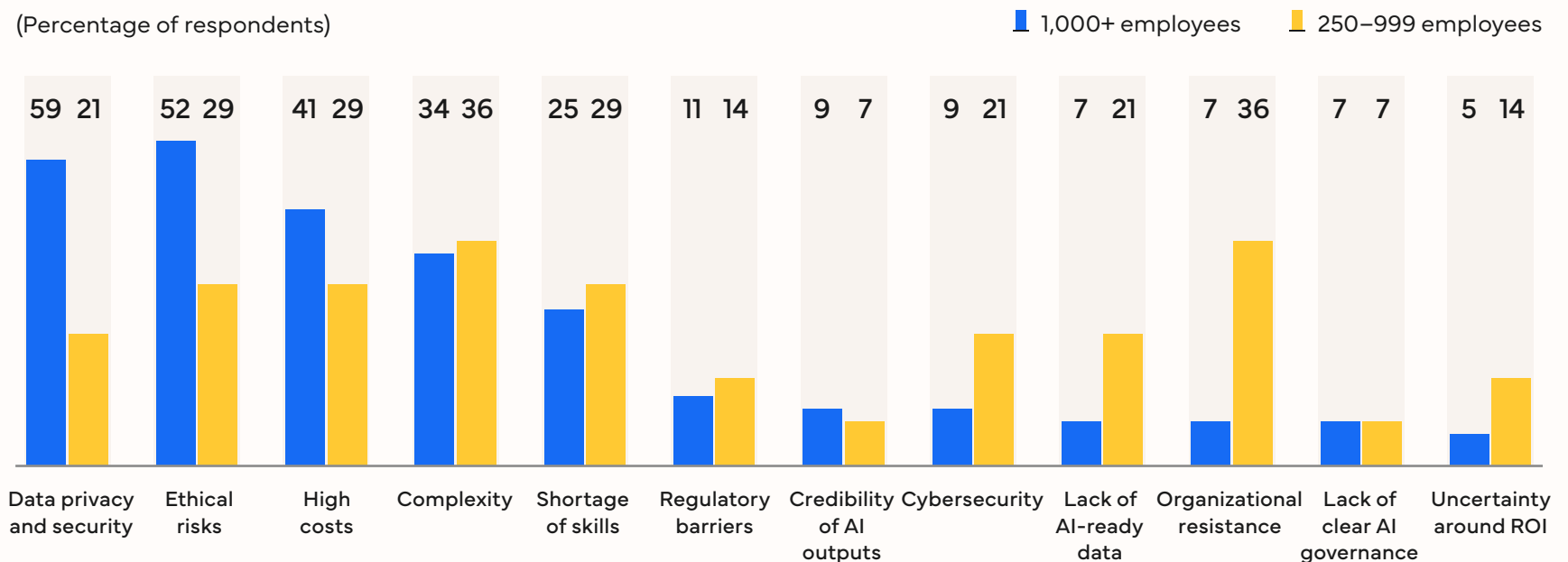
Support from executive stakeholders and vendor partners is critical to the adoption and execution of AI and integration strategies.

Vendors with knowledge of specific nonprofit workflows, data blueprints, and regulatory environments will be key partners in effective integrations.

CFOs, chief HR officers (CHROs), and program leads must manage change, address staff resistance and skills challenges, and mitigate cost and complexity issues when executing their organizations' AI strategies.

Main Challenges when Implementing AI Strategy

(Percentage of respondents)



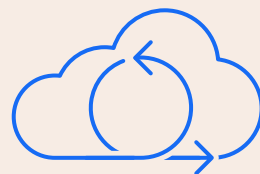
n = 70; Source: IDC's European Nonprofit Sector Survey, conducted for Unit4 in October 2025

Public and hybrid cloud are the preferred deployment models for back-office software.

54% of nonprofits prefer to deploy back-office software in the public cloud, and an additional 26% prefer a hybrid cloud approach.

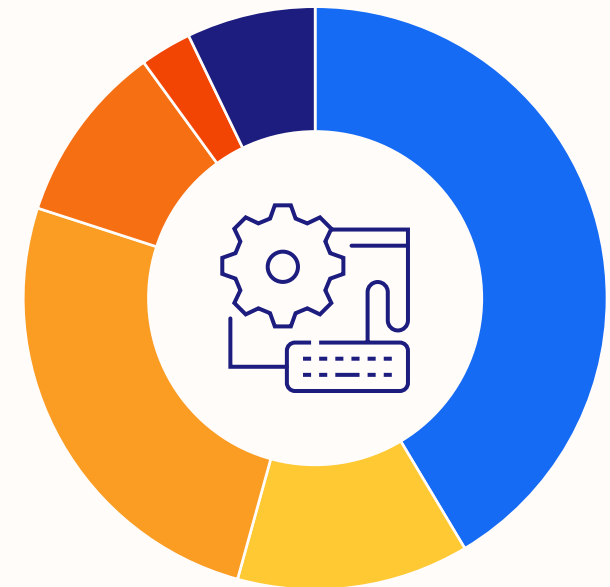
Cloud agility, pace of innovation, and scalability will help nonprofit organizations:

- ➔ Adopt back-office ERP platforms that are natively AI-enabled
- ➔ Ensure accessibility to a single source of truth
- ➔ Streamline processes across countries and for field operators who connect via mobile devices



Preferred Deployment Model for Back-Office Software

- 41% Public cloud
- 13% Public cloud with sovereign controls
- 26% Hybrid cloud
- 10% Private cloud, hosted
- 3% Private cloud, on-premises
- 7% Traditional on-premises



Key findings

- 1** Nonprofits face increasing pressure to deliver measurable mission outcomes amid financial constraints, evolving donor expectations, and workforce shortages.
- 2** Fragmented systems and manual processes hinder efficiency, insight, and compliance.
- 3** Organizations integrating finance, HR, and operations into unified ERP systems gain a single source of truth, improving data quality, visibility, and decision-making.
- 4** AI and automation are viewed as essential next steps to enhance productivity, enable predictive insights, and improve stakeholder experiences.
- 5** Successful execution requires CFOs, CHROs, program leads, and vendors with sector-specific expertise to align.



Considerations for nonprofit IT and business leaders



Unify data foundations

Prioritize integrating finance, HR, and procurement into a cloud-based ERP to enable real-time visibility and accurate AI-ready data. Look also beyond these functions to areas such as program and grants management.



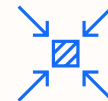
Leverage trusted partnerships

Work with vendors that understand nonprofit workflows, data standards, and compliance obligations to accelerate deployment.



Invest in AI for complex and simple workflows

Link AI initiatives directly to transformation objectives, targeting automation, reporting, compliance, and scenario planning.



Demonstrate impact

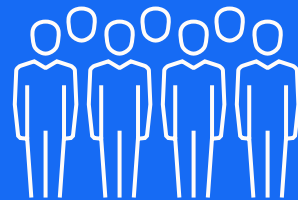
Use integrated analytics and AI tools to report transparent outcome-based metrics to donors, regulators, and communities.



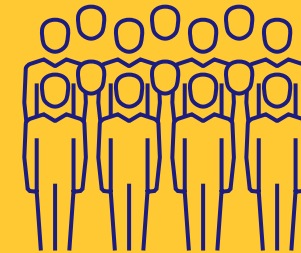
Forge relationships between IT and business functions around AI and data

Engage executive sponsors and cross-functional teams early to guide adoption, manage resistance, and upskill staff.

Survey respondent profiles



Organizations with 250–999 employees:



Organizations with 1,000 employees or more:

	Organizations with 250–999 employees:	Organizations with 1,000 employees or more:
Survey respondents	25	45
Geographic presence	68% present in 2–9 countries	96% present in 10 or more countries
Number of volunteers	96% with less than 2,500 volunteers	91% with 2,500 or more volunteers
Annual operating budget	84% with less than \$50 million	78% with \$50 million or more
IT budget	96% with less than \$5 million	71% with \$5 million or more

n = 70; Source: IDC's *European Nonprofit Sector Survey*, conducted for Unit4 in October 2025

About the IDC analysts



Ruthbea Yesner

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Ruthbea Yesner is the vice president of Government Insights at IDC. In this practice, Ms. Yesner manages the U.S. Federal Government, Education, and the Worldwide Smart Cities and Communities Global practices. Yesner's research discusses the strategies and execution of relevant technologies and best practice areas, such as governance, innovation, partnerships, and business models, which is essential for government and education transformation. Yesner's research includes analytics, artificial intelligence, open data and data exchanges, digital twins, artificial intelligence, the Internet of Things, cloud computing, and mobile solutions in the areas of economic development and civic engagement, urban planning and administration, smart campuses, transportation, and energy and infrastructure. Yesner contributes to consulting engagements to support K-12 and higher education institutions, state and local governments, and IT vendors' overall smart city market strategies.

[More about Ruthbea Yesner →](#)



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Massimiliano Claps is the research director for the Worldwide National Government Platforms and Technologies research in IDC's Government Insights practice. In this role, Claps provides research and advisory services to technology suppliers and national civilian government senior leaders in the United States and globally. Specific areas of research include improving government digital experiences, data and data sharing, AI and automation, cloud-enabled system modernization, the future of government work, and data protection and digital sovereignty to drive social, economic, and environmental outcomes for agencies and the public.

[More about Massimiliano Claps →](#)

Message from the sponsor



Unit4 ERP: Enabling Nonprofits to Deliver and Report Effectively on their Missions

Nonprofits face challenges in managing complex finances and coordinating operations across programs. But they do not need to be with Unit4 ERP, designed for mission-driven teams. Unit4 ERP integrates finance, HR, projects, and procurement into a unified platform, enabling faster planning and more efficient monitoring. Nonprofit organizations benefit from a cloud-native ERP that allows open integrations and seamless connections with field operations and logistics tools. This ensures frontline teams and central offices stay aligned and can respond quickly to changing conditions, while finance teams improve fund utilization, transparency, and compliance. By reducing administrative overhead and enhancing data visibility, ERP solutions like Unit4 enable nonprofits to focus more on delivering services and achieving impact.

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