## AI in Action: Transforming Nonprofit Efficiency and Impact with Benjamin Aase

[00:00:00] Welcome to Nonprofit Investment Stewards with Bob DiMeo and Devon Francis from Fiducient Advisors. Bob and Devon are passionate about helping nonprofit organizations prosper. Whether you oversee endowment, foundation or retirement plan investments, this podcast exists to help stewards improve performance, reduce costs, and discover strategies that enable your charitable organization to prosper and advance its mission.

[00:00:26] Now onto the show.

[00:00:29] Bob DiMeo: Hello, and welcome back to the Nonprofit Investment Stewards podcast. I'm Bob DiMeo, always great to be joined by co-host Devon Francis. Today we'll hear about a topic that's just everywhere, and that's artificial intelligence along with technology. Importantly, we'll approach the subject from the perspective of a nonprofit.

[00:00:49] That means we'll delve into how you nonprofit leaders can use tech and AI to improve your organizations. Our expert will share and help examine the landscape and [00:01:00] then also provide some really useful tips. Devon, hope things are going well. May I ask you to introduce our guest?

[00:01:06] Devon Francis: Absolutely. I am so excited today that we have Ben Aase with us.

[00:01:11] Ben is a principal with Clifton Larson Allen, and he's a member of the firm's national nonprofit leadership team. Over the course of his career, Ben has worked with a range of nonprofit clients focusing on the intersection of leadership, strategy, finance, technology, and operations. He currently leads CLA's nonprofit digital practice.

[00:01:31] Which brings the firm's data automation and software capabilities to their many nonprofit clients. Ben earned his BA in Economics from Colorado College and an MBA from the University of Minnesota. He serves as a board and investment committee member for the Cargill Foundation and has also served in many other volunteer capacities.

[00:01:51] Importantly, his wealth of experience in serving as the head of CLA's nonprofit digital practice make him the perfect guest for our topic today. [00:02:00] So Ben, welcome. Thank you for joining us.

[00:02:02] Ben Aase: Thank you, Devon, and thank you, Bob. I'm happy to be here with you this morning and, uh, just really excited to be a participant having, uh, listened to this podcast over the past couple of years.

[00:02:12] So thank you.

[00:02:13] Devon Francis: Great. So, Ben, why don't we start off with you sharing your story? Help describe your career path and how you ultimately ended up with a focus on using data and tech solutions to help nonprofit organizations.

[00:02:26] Ben Aase: Sure. Sounds great, Devon. Let's go ahead and unpack that a little bit. I think I go back, you know, in some ways a bit of credit to my parents.

[00:02:32] I think I'm the, the son of a public school teacher and my father, that was my mother's job. My father was a private college CFO and retired as a Chief Investment Officer. Um, you know, during college I grew up here in uh. Minneapolis, St. Paul area of Minnesota, headed out to Colorado out west

for undergraduate school, you know, and during college, um, I didn't necessarily do traditional internships.

[00:02:56] I, I worked landscaping gigs when I was back here during the [00:03:00] summer, you know, making money and, and working hard. When college ended, I had that first sort of fork in the road decision. Um, I was a passionate skier, debated the path of becoming a ski bum for a couple years and sort of deferring figuring the rest of life out, you know, or coming back home here, uh, and getting a, getting a job and starting that career.

[00:03:19] So I ended up finding a, uh, really, I think it was probably a financial analyst role within a small association management company back here in the Twin Cities. Um, and it was actually mid interview that I ended up pivoting. It was a young company and ended up pivoting to a different role, helping the owner think about how they could take their finance and accounting services to the K12 market here in Minnesota.

[00:03:49] So that was my first sort of gig out of undergraduate school. Kind of fell into this entrepreneurial opportunity, spent about five years basically getting kind of on-the-job MBA [00:04:00] and how to start a small business. And it was through that, that I developed a, a number of common clients, uh, and also mentors in common with, with CLA, the firm that I'm with now.

[00:04:12] So, you know, you mentioned my bio. I went to night school, picked up an MBA part-time in entrepreneurship. I kind of figured out along the. The CPA pathway wasn't where my passion really lay, uh, laid, and joined CLA in 2005. So I've been with the firm now for about 19 years. Kept one foot in that K12 world, but I kind of started to, uh, explore some adjacent industries.

[00:04:39] So higher ed nonprofit. Spent some time with our state, local government team and, you know, truth be told, growth just really kept creating opportunities for me here at CLA. So, kind of started squarely in finance and accounting, moved into operations consulting, did a lot of strategy work, mergers, acquisitions, [00:05:00] you know, fast forward to 2019 and our current chief solutions officer.

[00:05:08] Had gotten our boards buy-in and approval to really invest significantly in digital, in data and technology and, and not just for CLA, but also as a service to provide to our clients. And that was really based on, uh, you know, a couple of simple premises. Number one, most of our clients are sitting on a lot of data, but struggling to derive much insight out of it.

[00:05:34] And number two, uh, a lot of our clients wrestle with manual processes that could or should be automated. So, pretty simple premise. Now. just to kind of bring this full circle to today, it was really kind of a confluence of factors and decisions around 2021, 2022, which led our, our nonprofit industry leadership [00:06:00] team to really raise our hand and say, we're gonna put some, some leadership time and capacity, uh, and resource into really specializing that digital practice.

[00:06:10] So, you know, since then, just in the past couple of years, um. we've grown into that and have either grown from inside or hired externally folks who are in similar roles to the one that I'm in now, whether that's in, you know, maybe it's healthcare or state, local government, financial services, you know, retail, any number of other industries that our firm serves.

[00:06:34] So that's kind of the, the short version of the long arc of the past 20 years that, you know, really led me to this role here today.

[00:06:44] Bob DiMeo: Ben, that's actually a great segue into, uh, having you describe a little bit about the landscape and perhaps you can talk a little bit about pain points that nonprofit organizations are experiencing and, and then perhaps how data and [00:07:00] AI and just technology overall really can help mitigate some of those pain points.

[00:07:04] Ben Aase: Yeah, sure. That sounds great Bob. So I think what I'll probably do is, just to hit on kind of the top three is we're out talking to our nonprofit clients. Um, the three most common things that in conversation was, I hear them wrestle with when I ask them the same question that you asked me. What are you wrestling with as it relates to data?

[00:07:22] And so three things. Number one is probably lack of visibility, and so really timely accurate, insightful data. And that's for a host of reasons that we can get into further and you know, further in the conversation here. So that's probably number, number one. Number two, second most common I'd say is systems that don't talk to each other, right?

[00:07:44] So sort of absent an overall data strategy, maybe some policies, persistent procedures, some governance around use of systems and applications across a growing enterprise, you end up seeing lots of different systems in use and they don't always play [00:08:00] well together. So that's probably number two. And in the third, back to, um, my first comment around sort of the foundation of our practice, we just see a lot of manual process and staff time spent, um, trying to overcome.

[00:08:16] Really the first couple of system symptoms and challenges there, right? So nonprofit leaders, nonprofit personnel tend to be driven by passion, strong sense of mission, and they're actually willing to, you know, muscle through a lot of kind of day-to-day operational pain, whether that's struggling with Excel spreadsheets or, you know, trying to extract data out of PDF documents.

[00:08:40] You know, you then couple that with a lot of the labor shortage challenges and a lot of the labor inflation that we've been faced with the past few years, and there's just a real need for, and I think also an increasing appetite for automation for sure.

[00:08:58] Devon Francis: I mean, I, I [00:09:00] couldn't agree more with that statement, and not only in the nonprofit world, but one of the things that's perhaps a little more unique to the nonprofit world is that almost every nonprofit organization that we work with seems to be short staffed.

[00:09:13] So, the employees are stretched very thin. So, can you share any stories about how nonprofit organizations can take advantage of modern technology, including AI to help increase efficiencies?

[00:09:27] Ben Aase: Yeah, sure. Devon. Yeah, let's talk about just a few kind of use cases here. So I think a big one that, our clients wrestle with is really automated versus kind of manual reporting, right?

[00:09:40] Especially as you think about the amount of time that folks in nonprofit organizations also spend interfacing with governance, right? Whether it's committee meetings, board meetings, external compliance and regulations. There's just a lot of reporting that our clients are responsible for. So, if you [00:10:00] can really move from a place where, you know, let's say 80% of your reporting is kind of ad hoc, it's a little bit manual.

[00:10:09] Team members are spending a lot of time producing reports and maybe 20% of it is automated. If you can get that flipped around to a place where you know you're 80% automated and 20% ad hoc, that's a huge amount of time savings. You know, you're gonna get a lot better accuracy, less prone to errors. You can start to get to sort of real time versus episodic or inconsistent reporting.

[00:10:34] So that's probably, you know, that's probably one of the top use cases here. And I think from a story standpoint, I think of, uh, Gleaners Food Bank actually. So I think of Gleaners Food Bank down in Indiana formed in 1980, you know, really with the North Star of making sure that the 13% of people live in Indiana who are [00:11:00] food insecure or need access to food, that they get food assistance and food security.

[00:11:06] And you know, think about whether it's a food bank or the, or other types of nonprofits and the demand that they saw really spike during Covid, especially in the last three, four years here. And what

that means from being able to operate really the business side of the organization. 300,000 square foot warehouse, basically a transportation and logistics business, you know, with a food.

[00:11:32] Mission attached to it. And, uh, we were able to work with Gleaners food bank to, you know, build them a data warehouse and ultimately then layer on top of that, a lot of the real time reporting that enabled them to be able to, you know, make sure that the food was getting where it needed to be, that they were able to measure and really report out on, uh, outcomes.

[00:11:52] And again, basically just keep scale with, keep operations scaling with growth. As they really took off, uh, over [00:12:00] the past few, few years here. So that's probably, you know, number one. I guess as I sort of start to shift a little bit into the artificial intelligence realm, you know, for education institutions, organizations, whether that's private independent schools, you know, public schools on into higher education,

[00:12:23] Maybe it's using predictive analytics to really understand student matriculation patterns. Also, as you think about the, the pressures on the educational business model, you know, tuition, student financial aid, disruptions to overall higher education business models, if you can use artificial intelligence in some of that predictive analytics to be able to understand, you know, which students might be most at risk of discontinuing school.

[00:12:50] Leaving, you know, leaving the institution that can have significant impacts, both in terms of outcomes for the, the students and their lives. Um, and also outcomes [00:13:00] for, you know, the business model of the educational institution. Um, so we have worked with some clients and helping them develop some of those types of solutions.

[00:13:11] Devon Francis: Yeah, there's so much great potential really across the nonprofit landscape.

[00:13:15] Ben Aase: There is.

[00:13:17] Devon Francis: And of course, one of the most crucial functions of a nonprofit organization is the ability to fundraise. Can you think of a way that improved technology or AI can help with fundraising capabilities?

[00:13:29] Ben Aase: Yeah. Yeah, really good question, Devon.

[00:13:32] Thanks. Um. Particularly as you think about, um, you know, some of the trends in the last couple of years around, around giving, which, which I know have been a little bit challenging, certainly in certain pockets of our client base. And also, I guess just as, as anecdote, uh, a lot of the surveys that we see in, in, also just in, in direct communication with our clients, it's, it's interesting that fundraising and development teams, maybe not surprisingly, are often some of the biggest tech.

[00:13:58] Tech and sort of [00:14:00] data advocates inside an organization. probably just recognizing they need those tools to be able to engage with, with donors, et cetera. So, I think, you know, at its most basic, I think that some of the automated outreach and, um, again, kind of back to the student example, predictive analytics to be able to understand.

[00:14:22] Donor churn patterns can be a pretty powerful place to start. And so if I think back even to the Gleaner story, in that situation, we're able to help them put into place some tools that it seems simple, but can make a big difference to be able to prompt their fundraising and development, turn around when to maybe nudge a donor or when to nudge a volunteer.

[00:14:47] That's gonna have a pretty significant impact on, uh, increasing that data retention. So, I think for them, they were probably hovering around, you know, 30 to 40% recurring [00:15:00] donors year over year. And with some of those technology tools, and again, nothing that fancy, just some basic stuff, applied over a strong data set and they were able to nudge that retention rate up.

[00:15:10] Uh, I think north of about 50%. So that's one. I guess the second place where we're seeing AI really kind of come into prominence is, is just in tools to be able to help write grants, right? So, you know, most people, Have, uh, certainly I've heard quite a bit about ChatGPT or similar sort of GPT content creation using large language models to be able to, let's say, you know, get 80% of the way there in the way of work product.

[00:15:38] And then be able to use, you know, human intervention review customization for kind of that last 20% mile. We're seeing a lot of, um, both products, you know, coming out into the marketplace, specifically geared toward grant writing. And I think we're also starting to see conversely on the grant making [00:16:00] side, so using some AI and automation tools to be able to, you know, really kind of accelerate proposal review.

[00:16:07] Um, summarize key points, align them with programs. So that's the other place. I think we're really starting to see AI start to put some, some fuel in the engine of fundraising and development.

[00:16:20] Bob DiMeo: So Ben, those are great use cases and I think that can get nonprofit leaders excited, uh, about AI and technology and such.

[00:16:29] And it's funny. I saw or read a stat recently about how you have an organization that is basically using AI to model the world and weather patterns around the world and that they will in short order be able to increase the predictability of weather patterns by 3000%. Right? And you hear that and you get excited.

[00:16:52] But truth is like some people are excited about AI, some are intimidated about AI and, and related [00:17:00] technologies. What advice do you have for nonprofit leaders on that front?

[00:17:03] Ben Aase: Yeah. Yeah, that sounds good. I'll get to the AI part, but let's even just start with sort of some, some of those fundamentals.

[00:17:09] Mm-Hmm. Um, because it's easy to jump there, but the reality is you gotta crawl before you can walk before you can run. And, really to kind of make use of some of those, uh, tools, which are amazing to your example there. You gotta do a little bit to, to make sure that you got the house in order. The foundation is strong.

[00:17:25] So, I mean, number one, I, what I would tell leaders is number one, Be clear about what matters most and what you need to measure, because there's data everywhere. So getting clear about that, whether it's your KPIs or some other expression of that, just get clear about what matters most to your organization.

[00:17:45] I'd suggest find some way to sort of figure out your current state. So maybe that's getting a working group together could be cross-functional, not a bad way to engage some members of governance, if that feels appropriate. And [00:18:00] really just honestly start by taking an inventory of sort of current state.

[00:18:05] It's amazing how powerful just putting in front of an organization, you know, a catalog of their current data sources, where it's coming from, what it's for, who uses it, how powerful that can be to just sort of show, you know, what exists today in the organization. You know, map out where you'd like to get to one, two, you know, maybe three years out.

[00:18:25] That's likely gonna include the need to do a little bit of data hygiene and data cleaning along the way. And then I guess as it relates particularly to the AI front, um, because I would agree it's both exciting, it's also intimidating, it's difficult to make sense of. Um, be open about it. I'd say invite conversations among your team and your staff about it.

[00:18:49] Uh, the reality is that, you know, none of us know where this is gonna go over the next several years, so be open about it. I would encourage setting up some [00:19:00] testing environments for people to play with some of those tools. Obviously, be mindful of controls and policy and so on, but test it. Have fun with it.

[00:19:09] And I think lastly, I'd just say, you know, educate yourself too, right? So lifelong learners. Take the time to, to really educate yourself, about some of these tools. Because the, the information is out there, it's very accessible. But I also recognize it takes time and effort on the part of leaders to take advantage of that.

[00:19:31] Bob DiMeo: That's helpful, Ben. So if we were to think out 10 years from now on the tech and on the AI front, you know, what's your vision of the landscape as it, as it relates to nonprofit organizations and nonprofit leaders?

[00:19:43] Ben Aase: Yeah, yeah, definitely on the, I mean, starting with the tech and AI front, you know, obviously it's not going to go away.

[00:19:50] You know, the speed of growth is probably just gonna continue to, to kind of expedite. We'll always have that. Tension between controls and, and sort [00:20:00] of what's possible. I do think that, you know, if I look out 10 years. Maybe this is in part just a hope, but I think that we will start to see the, the mindset of nonprofit leaders really start to shift where, you know, data and technology are really viewed as a true kind of strategic driver of mission impact, within a larger proportion of organizations.

[00:20:26] So it's gonna keep going and that's what I'd probably, you know, say about that.

[00:20:35] Devon Francis: That, that's really interesting, Ben. Um, thank you for everything that you've shared with us. Obviously, this is a really important topic for nonprofit leaders to be aware of. Before we let you go and, uh, you know, get back to your busy day, let's learn a little bit about you as a person.

[00:20:52] So, where do you look to draw your inspiration and to fill your tank? Um, whether it's reading, [00:21:00] watching, or, or anything else.

[00:21:02] Ben Aase: Yeah, sure. Um, yeah, as I think about where I go to, you know, refill, kind of reenergize and get going, um, definitely any time outdoors and time outside that I can spend. Spent a lot of my youth, out in the woods camping.

[00:21:16] And I mentioned, you know, headed west for college. Skiing is a passion of mine. Fortunately, I've been able to pay that forward to my kids. Most of my outdoor time and activities in general are as a dad. I've got two young kids and a wife and uh, two dogs now having just added a puppy. So, lots of time outside for sure.

[00:21:38] I do love listening to podcasts like yours. Have introduced some yoga into my weekly routine about five years ago, which I've also found really beneficial. And then when I can, I did marry an English major. So I try to find time in there to make sure that I'm keeping up on, uh, you know, whether it's journals or some good fiction as [00:22:00] well.

[00:22:01] Devon Francis: That's great. You hit on everything that I love, the outdoors, puppies, and reading, so you get an A in my book. Well, thank you so much for your time today. This has been really wonderful and we appreciate your expertise and I know this is a topic we could talk about for hours, so maybe we'll have you on for a future episode.

[00:22:19] But in the meantime, thanks for having joined us today.

[00:22:23] Ben Aase: Sounds great, Devon. Thank you, Bob, Devon, for having me on here today. It was great to be with you.

[00:22:29] Bob DiMeo: Wonderful. Ben, it was great to have you on the show and we'll include a link to you and your organization in the show notes as well. Uh, so AI and the use of technology, obviously it has far-reaching impacts.

[00:22:40] Some of the topics that Ben touched on, they really intersect with prior episodes on the show. I'm thinking episode 69, where we talked program evaluation with Chari Smith. And then a little more recently, Altan Wuliji, uh, our colleague, was on episode 70 where he talked about trends and opportunities in AI from the investment [00:23:00] perspective.

[00:23:00] So check those out if you wanna dig a little bit deeper. To all you good stewards, thanks for investing time to help your nonprofits prosper. We'll connect with you soon on the next episode.

[00:23:11] Voiceover: Thank you for listening to the Nonprofit Investment Stewards podcast. Click the subscribe button below to be notified of new episodes and visit fiducientadvisors.com for more information.

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