

Enterprise Nonprofit CRM Evaluation Guide



Your fundraising software and database is the backbone of your nonprofit.

As your primary tool to prioritise outreach to prospective donors, cultivate existing relationships, and grow your supporters' impact, your CRM also helps you automate processes to work more efficiently.

When it comes to selecting a new fundraising CRM, you are about to make a big investment—not just a financial one, but also an investment in the future of your nonprofit, the loyalty of your donors, and the mission you serve. And your organisation has a lot of options.

So, where do you start? How do you narrow the list of options? What features will enable your staff to best serve your donors and track the entire donor journey?

In this guide, you'll find:

- Insight on how to identify the right priorities and which stakeholders to include
- Checklists of features and functionality as well as underlying technology considerations
- Tips on evaluating vendors and which questions to ask
- Considerations for understanding the total cost of ownership and pricing models
- Steps to take in preparation of moving your data to a new database

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Identifying Requirements and Stakeholders

Before you get started, it's critical to fully understand the problems your organisation is trying to overcome. Defining your priorities allows you to clearly state what you need from a solution, and, more importantly, how it will help grow your organisation. It also gives you an opportunity to take a step back to evaluate your current processes, and identify where there's room for improvement.

Consider this question as you're defining your unique needs: Are these the necessary steps to complete a process, or could there be a simpler way to achieve the same (or even better) outcomes?

Your requirements should reflect a holistic view of the organisation, not just one department. Take the time to meet with internal teams to define their needs and expected outcomes. This will help you obtain buy-in from all impacted teams and avoid unintended disruptions.

LIST OF REQUIREMENTS

Here are the key categories to focus on in the preliminary stages of your search:

Current and Future Goals

- Consider anticipated growth and trajectory based on current YOY numbers
- Determine which added efficiencies can impact that trajectory and how
- Set realistic expectations on the cost of status quo (staying with current systems) versus upgrading systems

Budget

- Conduct online research to understand the market
- Define a range that makes sense to your organisation (see cost considerations on Page 6)
- Seek insight from stakeholders and peers who may have migrated systems recently or in previous roles

Resource Requirements

- Determine IT requirements
- Identify any internal infrastructure limitations, such as your server and/or data storage capacity (unless data is to be hosted by the software provider)
- Determine personnel bandwidth and/or staff limitations which might hinder change management
- Consider necessary customisations, upgrades, or integrations with current systems

Time Frame

- Establish a realistic time frame for the evaluation
- Identify any internal roadblocks (upcoming events, campaigns, stakeholder approval, etc.)
- Determine an ideal go-live date, and work backwards to allow proper time for evaluation and implementation phases

Functional Requirements

- Evaluate existing tools you might be able to combine for easier use and vendor management
- Determine the shortcomings of your current technology stack and identify your biggest opportunities for growth based on current metrics

HOW TO ESTABLISH REQUIREMENTS

- Include stakeholders early and often
- Define current processes
- Identify gaps
- Map out the ideal state
- Prioritise your wish list
- Gauge your team's technical capabilities
- Always tie back to your organisation's goals
- Conduct ROI research

STAKEHOLDER MANAGEMENT

A stakeholder is defined as an individual, group, or organisation that is impacted by the outcomes of a new fundraising solution. This includes your donors, fundraising staff, executive leadership team, board of directors, etc. It is important to understand their needs and expectations to gain alignment in evaluating new software.

The best way to accomplish this is to ask each stakeholder: “What are your top three challenges today?” This becomes your pain or problem list, detailing the barriers to levelling up and meeting your strategic goals. Once the list is made, everyone can vote on the 8-10 problems that they feel are most important to solve with new technology. This approach also achieves alignment with your stakeholders more quickly.

Lastly, you might need board approval for a new software budget and a sign-off on the vendor you ultimately select. We have you covered with a ton of resources you can leverage at your next board meeting.

Functionality Checklist

After you’ve identified your organisation’s requirements, it’s time to create your must-have, nice-to-have, and love-to-have functionality checklists. This is where it’s important to unite your teams and consider functionality for IT administrators, database administrators, marketing and events teams, gift managers, frontline fundraisers, and department heads.

As you build out your priorities, try to organise the features and functionality according to the outcomes you’re seeking to achieve.

An example of a simple checklist is on the next page.



Functionality Checklist

OUTCOME: Operate More Efficiently

- Cloud-based mobile access
- Unlimited users
- Role-based work centres and portfolio management
- Automated workflows
- Action-triggering needs-attention tags
- Notes and action/communication tracking
- Out-of-the-box reports surfacing key fundraising metrics
- Performance dashboards and benchmarking
- Security controls
- Training, support, and community resources
- In-product help
- Robust customisation and configuration options
- Orchestrate data between other systems and your CRM

OUTCOME: Reach and Engage New Supporters

- Integrated online and offline communication tools
- Native crowdfunding and P2P fundraising platforms
- Online donation forms and payment processing
- Send and track emails directly from the database
- On-site event management tools
- Program management
- Traditional (paper) mail tracking tools
- Segmentation empowering multi-channel campaigns

OUTCOME: Expand Relationships with Donors

- 360-degree view of constituents including preferences, associations, and all interactions
- Wealth and propensity-to-give ratings
- Major donor prediction
- Moves management and stewardship capabilities to expand and nurture major donors
- Suggested ask amounts
- Data health assessments
- Automated updates of contact information and donor active/inactive status
- eReceiving and Gift Acknowledgment
- Extensible revenue and recognition models
- Integration with business intelligence and data analytics



Pricing / Total Cost of Ownership

Total cost of ownership (TCO) is a financial estimate intended to help buyers and owners determine the direct and indirect costs of owning a product or system. TCO includes the costs of owning an asset, going beyond the purchase price to look at the true investment required. Like buying a car, you must consider all incurred expenses of an asset, such as repairs, insurance, and fuel.

If you think the board wants to talk numbers during the initial meeting, then return on investment (ROI) is what you want to focus on. Think of ROI as a justification for the investment, and the total cost of ownership (TCO) as the bottom line cost. The ROI belongs in the first meeting; the TCO shines in the second.

For example, the return can manifest itself in solving operational shortcomings. Perhaps you keep member data in your finance system, an Excel spreadsheet, and in an online member directory. You can show the ROI of a new system by profiling these inefficiencies and showcasing the pain caused to your members. Be specific, and have the numbers to back up your case.

Arriving at the TCO is where you will spend the bulk of your time at meetings with the board. This shows the outcome of your selection process, and where you define your requirements, determine the upfront investment, and outline the ongoing operational costs.

As outlined in the first section of this guide, there are several factors that go into determining the TCO, and it is best to get as close a direct comparison as possible with competing systems.

Each vendor's prices are based on different factors, so it can be hard to formulate direct comparisons. The best way to compare prices is to determine the software configuration from each vendor that has all the components your organisation requires and identify set-up versus subscription costs. If one vendor's offer is missing a needed function, identify another way you'd provide this functionality, usually through an additional point solution vendor. Add that to the costs when you consider Vendor A.



We know this is a lot to process. We outline typical cost of ownership categories on the following page.

It's important to add up all the one-time costs for each solution, including software licensing, any needed hardware, implementation and/or integration work, and primary staff training.

Then total the additional years of the ongoing costs for each solution over the course of the contract. This is likely to be mostly licensing subscriptions and any projected supplemental training for advanced or new staff. By looking at the one-time and ongoing costs over several years, you can begin to understand the total costs to your organisation.

COMMON COMPONENTS OF SOFTWARE CONTRACTS

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DATA CONVERSION	This is the cost for filtering and aligning data from your old system into your new software. Variables include the source, format, and age of the data in your incumbent system.
IMPLEMENTATION SERVICES	Similar to data conversion costs, these are typically costs associated with setting up your new system. Sometimes this item on a proposal includes the data conversion in addition to any needed customisations. Be sure to ask what is included.
SOFTWARE LICENSING	This is the cost of using the software. This is usually a monthly or annual subscription.
TRAINING	Training can be delivered in a variety of ways—in person, live online, or through recorded videos. Weigh the preferred mode with its associated costs. Typically, the more hands-on and tailored to your organisation's specific needs, the greater the cost.
TECHNICAL / PRODUCT SUPPORT	Technical support no longer means a phone number for technical assistance. Many vendors now offer a wide variety of delivery systems (phone, email, chat, online knowledge bases) to help customers. Be sure to understand what each vendor provides and what costs extra.
MAINTENANCE	Some solutions require maintenance services and fees outside of a subscription cost. Ask about any ongoing requirements.
CONSULTING	Consulting fees include professional advice on the best way to support your needs in your new system to ensure you're set up for success within the system and across your business processes.

Vendor Evaluation

Selecting fundraising software can be overwhelming, but it doesn't have to be! Your approach to evaluating potential software partners should match your needs. With that in mind, every organisation's evaluation process will differ depending on:

- Organisation complexity
- Workflow complexity
- Risk exposure
- Level of investment

ASK THE RIGHT QUESTIONS

As you begin the discovery process, be sure you're asking sales representatives questions relevant to your unique needs—not just listening to their spiel! Here's some food for thought:

- How long has your company been in business?
- What is your experience with developing fundraising solutions for nonprofits?
- What tools do you provide clients to follow industry best practices?
- What awards or recognition has your company received?
- Is the software solution cloud-based and mobile accessible?
- How many users can we have?
- Is your software customisable?
- How are payments processed?
- What does implementation include? How long does it take?
- Does your company provide any training to enhance the use of the platform?
- What type of support will we receive?

HIGH-LEVEL VENDOR EVALUATION PROCESS

- Conduct your own research by consulting vendor websites, trade publications, and peer review sites
- Identify top candidates and notify vendors of your interest
- Schedule requirement discussions and discovery calls (prior to demo)
- Schedule demo with key stakeholders
- Follow up to get stakeholders' feedback
- Score each vendor using a scorecard
- Select a finalist

PREPARE FOR VENDOR DEMOS

Following your discovery conversations in which you've communicated your requirements and restrictions, conduct a demo. These can be done online in a self-guided format, or delivered one-to-one by a sales representative. While both can be insightful, the latter typically provides more value and allows you to ask questions as you see the software in action.

Be sure to include the right people from your organisation, including relevant department directors, IT staff, end users (especially power users and administrators), and final approvers.

SELECT A FINALIST

Based on all the factors we've laid out in this guide, it's time to select your new fundraising software. The evaluation process has many moving parts, but if you've done your due diligence, you'll choose the right fundraising partner who can ensure your organisation exceeds its goals and champions your mission!

About Blackbaud

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