Part 1
Choosing Your Next Donor Database

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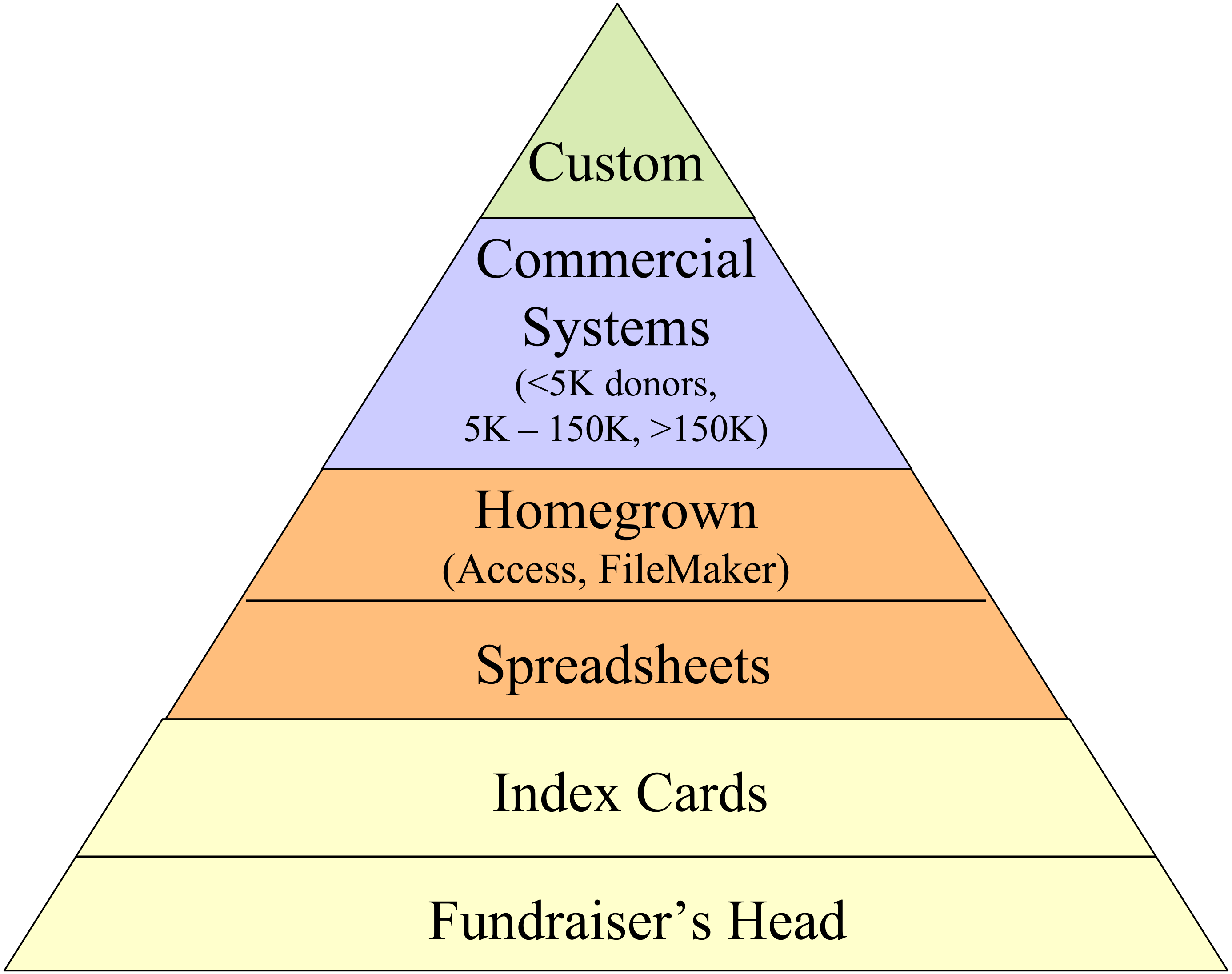
Agenda

- When to Change
- How to Change
  - Needs Assessments
  - Software Selection
- Resources
- Questions

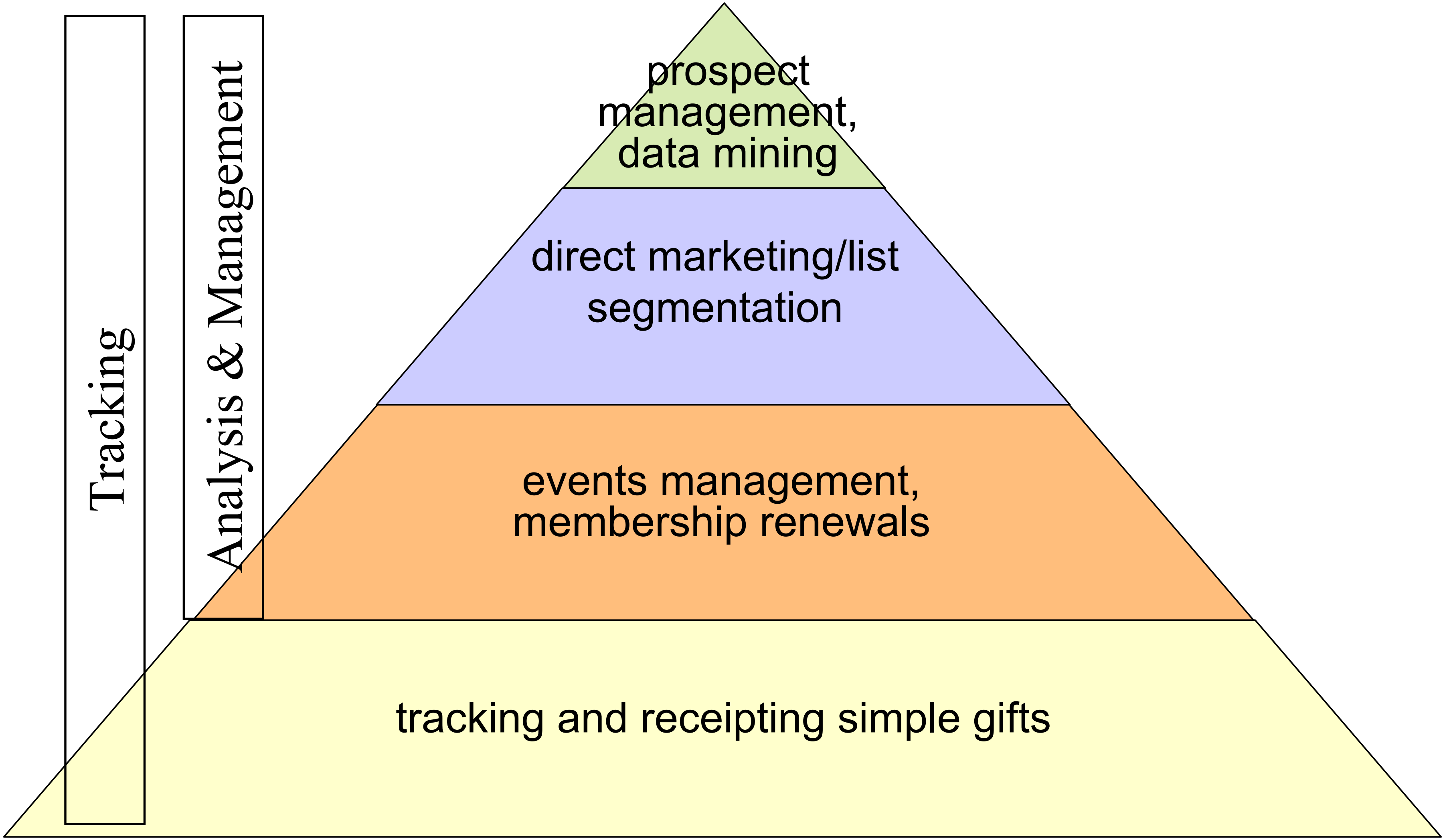
Principles

- There is no perfect database.
- First, decide what you're looking for.
- Buy-in is critical. Stakeholders must be involved in the decision.
- Structure software demos so you can compare "apples to apples."
- Make sure you understand all the costs.
- Trust but verify.

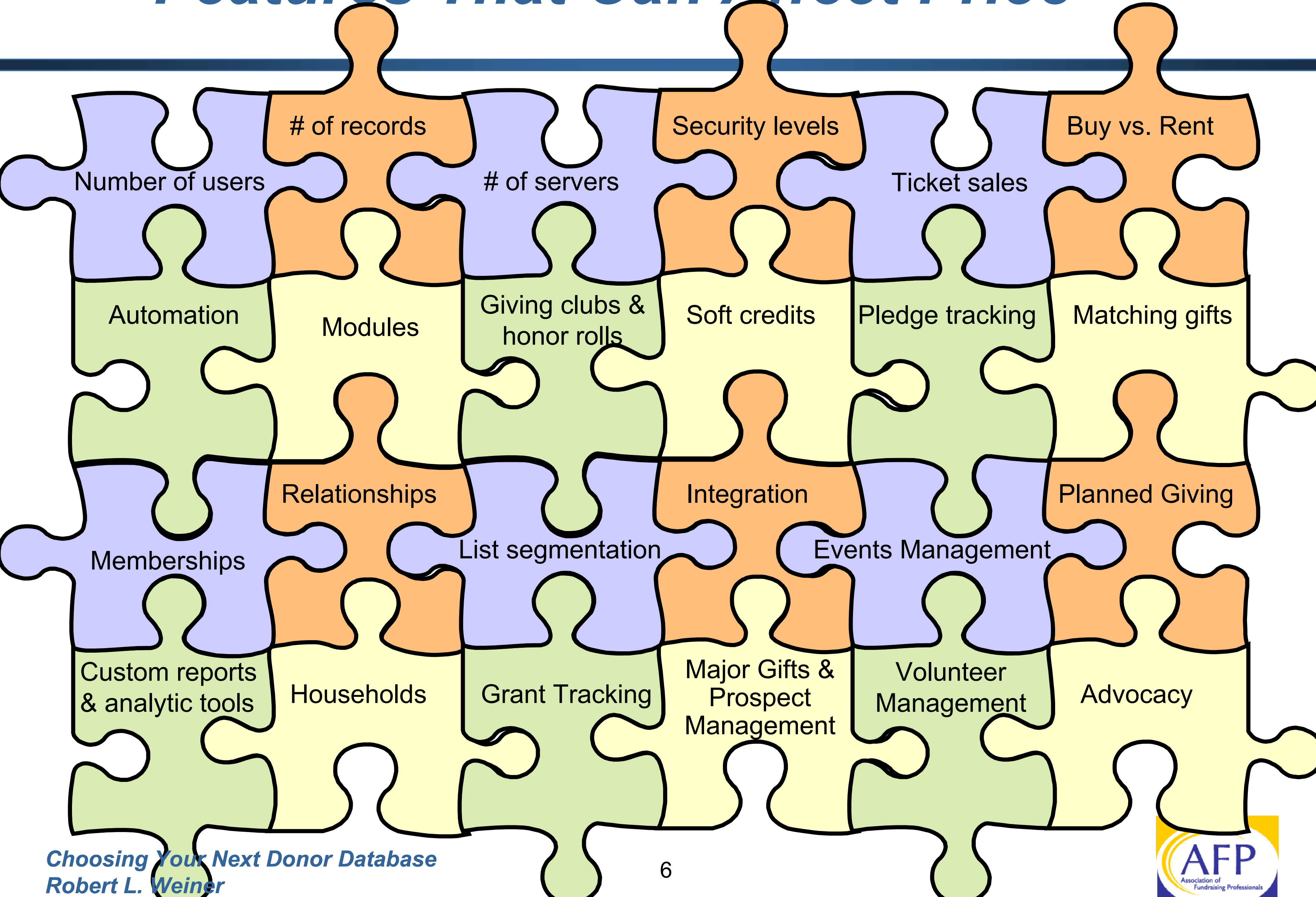
Levels of Tracking Donors & Gifts



Levels of Using Donor Data



Features That Can Affect Price



When to Change?

- More tech- (or data-) savvy fundraisers.
- Increased goals.
- Significant growth (donors, gifts, staff, locations, security or control needs).
- Unifying/integrating separate databases.
- Moving to a new type or level of fundraising:
  (Membership to Major Gifts, or a Capital Campaign)
- Bottom Line: Is your software as sophisticated as your fundraising?

Why Not Build Your Own Database?

- Risk (how do you know it will work?)
- Distraction (fundraisers become database designers)
- Support & Maintenance (who you gonna call?)
- Documentation (will there be any?)
- Training (a game of "telephone"?)
- User Community (there won't be one)
- Cost (how can you get a firm price?)

1) Needs Assessment

- Develop detailed requirements:
  - Interview key stakeholders.
  - Is software ***really*** the problem?
  - Help staff members envision new capabilities.
  - What do they **really** need**?**
  - What are their top priorities?
  - What's on their wish list?

Needs Assessment (cont.)

- What can you afford and support?
- Best of Breed or integrated package?
- Any special requirements?
- Vendor or technology restrictions?

- Will you use an RFP?
  - If so, requirements should be the basis of the RFP.

2) Vendor Pool

- Goal is to identify a few vendors for full demos. Mini demos via the web can help narrow the field.
- Vendors must fit your culture, staffing, and budget, as well as meeting functional needs.
- Vendors should be experienced with organizations of your type, size, and complexity unless you're willing to take risks.
- Will your current vendor (or IT group) be allowed to bid?

3) Request for Proposals *(optional)*

- First, decide how you will use the responses.
  - Only ask for details that you will use to evaluate proposals: “Can your system handle donations in $, ¥, €, and £?” ***not*** “Can your system print a receipt?”.
  - Focus on major, mandatory requirements that will differentiate systems.
  - The complexity of your requirements should determine the complexity of your RFP.
- Anything you ask for you will have to read and score!

Request for Proposals (cont.)

- Describe your project
  - What problems are you trying to solve?
  - Describe your situation (staff size, database size, constraints, special requirements).
  - Describe your desired outcome.
  - Operational details.
  - Technical details.

Request for Proposals (cont.)

- What you want to learn from vendors:
  - Whether they meet top requirements.
  - Their experience with similar projects.
  - Their general approach to projects.
  - Their recommended solution.
  - Their pricing.
  - References from similar clients.

4) Proposal Review *(if you use an RFP)*

- Have entire selection team review and rate responses:
  - Divide by functional & technical areas.
  - Has the vendor met your mandatory technical and functional needs?
  - Does their solution fit your budget and staffing?
  - Do they have appropriate experience?
  - Do they inspire confidence?

5) Demonstrations

- Goal: comparing "apples to apples."
- Make vendors show what you need to see.
- Try to get your hands on the software.
- Use on-site demos when possible.
- Either use scenarios for demos or tell vendors which areas you need to see.
  - Demos must cover the most critical functions identified by your needs assessment.

Demonstrations (cont.)

- Sample scenario:
  - Add a $25 donor.
  - Add a $50,000 donor.
  - Marry the two records and show joint giving.
  - One spouse dies. Show the database process. Is the surviving spouse still a major donor?
  - Oops – we need to resurrect the dead donor.

- At big organizations, consider separate demos by department, each with its own scenarios.

Demonstrations (cont.)

- Make sure key stakeholders can attend demos.
- Invite all interested staff.
- Collect input from everyone.

AREA	RATING	COMMENTS
Data Entry		
Membership Mgmt.		
Prospect Management		
Events Management		

6) Due Diligence: Reference Checks

- Talk to previous similar clients.
  - Was work delivered on time and on budget?
  - How is ongoing support relationship?
  - Caveat: try to distinguish client implementation & support issues from vendor problems.
  - Try to visit client sites.
  - Attend User group meeting?

Reference Checks (cont.)

- Sample Software Reference Questions:
  - How long did it take for you to “go live” on the software?
  - How many of your staff worked on the project?
  - How was the project organized?
  - What assistance did the vendor provide?
  - Did you use consultants or other 3rd parties?
  - Were you happy with the training provided by the vendor?
  - What would you do differently next time?

Due Diligence: Costs

- Make sure you understand all the costs:
  - Software (vendor modules and 3rd party tools).
  - Hardware (server(s) and desktop).
  - Network upgrades.
  - Implementation assistance.
  - Training – will you need more than the standard?
  - Customizations.
  - Interfaces.
  - Annual support: ~25% of retail price.

Databases don't raise the money

- The right database can assist with:
  - Prioritizing and segmenting lists.
  - Prospect management and tracking.
  - Stewarding your current donors.
  - Identifying future donors.
  - Time-management.
  - Measuring and forecasting.
  - Asking the right person for the right gift at the right time.

- This is only possible if data is captured and made available to appropriate staff.

Resources

Batchelder, Duff: *Evaluating & Selecting Fundraising Software:*

www.techsoup.org/articlepage.cfm?articleid=359&topicid=10&btcfile=articlepage359

Battin, Tom: *Should Nonprofit Agencies Build or Buy a Database?*

www.techsoup.org/articlepage.cfm?ArticleId=377&cg=searchterms&sg=custom%20database

Grantsmanship Center: *A User's Guide to Selecting Fundraising Software:*

www.tgci.com/magazine/02summer/soft1.asp

Mills-Groninger, Tim: *Build, Buy, or Rent?*

www.nptimes.com/May01/sr.htm

TechSoup's Technology for Fundraising message board:

http://www.techsoup.org/forums/index.cfm?fuseaction=list&forum=2022&cid=117

Weiner, Robert: *Why Building Your Own Database Should Be Your Last Resort:*

http://nten.typepad.com/forecast/2003/10/why_building_yo.html

Weiner, Robert*: Buying and Implementing a Development System:*

www.rlweiner.com/case_handbook_chapter.pdf

More resources are posted at www.rlweiner.com/resources.html