Choosing Software & Vendors:

10 Easy Mistakes and How to Avoid Them

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Robert Weiner
Robert L. Weiner Consulting
robert@rlweiner.com www.rlweiner.com 415.643.8955

1) Letting Techies Make the Decision

- Include techies on the selection team, but don't let them make the decision alone.

- Functional experts (fundraisers, program officers, finance) should drive the decision making.

- Include the real users in the process (data entry, report creation, managers).

- The decision should be based on input from all affected parties.

- Clarify team's role at the start:
  - advisory, majority rule, or consensus.

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2) Wishful Budgeting

- Software is often a fraction of the total cost.

- Plan for additional modules, support, training, conversion, consulting assistance.

- Software price may be negotiable … if not, try for free training, discounted additional modules, etc.

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2b) Sample Budget

Software	1	$10,000.00	$10,000.00
Data Conversion	1	$3,000.00	$3,000.00
1st Year License Fee	1	$2,000.00	$2,000.00
Staff Training	5	$750.00	$3,750.00
Workstations	5	$1,250.00	$6,250.00
Shared Printer	1	$2,000.00	$2,000.00
Consulting	40	$150.00	$6,000.00
		Total Year 1	**$33,000.00**
License Fees, yrs. 2 - 5			$8,000.00
Ongoing Training	3		$2,250.00
Workstation Upgrades	3		$3,750.00
		Grand Total	**$47,000.00**

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3) Prioritizing Price above Everything

- Know your needs. Don't fall in love with a vendor that doesn't fit your requirements.

- Buy the product that meets your top needs, fits your resources, *and* offers the best price.

- Accept a donation (whether software or services) only if it fits your selection criteria.

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4) Randomly Looking at Demos

- Start with requirements – reports, needs by module, integration, technical constraints….

- Distinguish mandatory needs from wish list.

- Identify possible vendors.

- Optional: Request for Proposals (RFP).

- Invite a few vendors to present scripted demos, using *your* data if possible.

Avoiding Software Selection Mistakes
Robert L. Weiner

4b) Randomly Looking at Demos

- Compare complete cost proposals.

- Consider what worked at your last job only if the needs and organizations are similar.

- Feel free to accept input from board members, donors, volunteers, or the boss, but make an educated, collaborative decision.

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5) Falling in Love with Cool Features

- The VENDOR is the single most important decision factor; if they disappear, you'll have to do this all over again.

  - The right vendor will keep up with changing technologies.

  - The right vendor will provide good training & support.

  - The right vendor will provide usable documentation.

- Plan for the future, but make sure you can use it *now*.

6) Falling in Love with the Salesperson

- You're not buying the salesperson.

- You might never see the salesperson again!

- Focus on features, vendor viability, support, cost, maintenance, Total Cost of Ownership, degree of risk, etc.

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7) Buying More Than You Need

- Don't buy a Ferrari if you only need (or can afford or maintain) a Civic.

- Consider number of users & modules needed; start small and add as needed.

- Caveat: underbuying can be an equally serious mistake.

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8) Confusing Highly Functional Software with Highly Trained Staff

- Un/under-trained staff, lack of communication, and poor management will not be solved by new software. In fact, the problems may get worse.

- Higher-end software requires *more* computer skill among users, not less.

- Complex software must be properly configured. This may require help from the vendor or a consultant.

- Look at people and procedures *before* you look at software. What can be fixed without a new system?

9) Hoping the Database Will Install Itself

- Who will manage the project? Who else needs to be involved?

- How will it impact the daily workload and other priorities? Will you need more staff?

- How much cleanup will your data require?

- How will you integrate with other systems?

- Run "parallel" as a LAST resort; invest the time/money in testing.

10) Leaving the Database to Fend for Itself

- Who will be responsible for quality control?

- Who will provide ongoing training?

- How will daily operations change?

- How will job duties change? Will you need more staff?

- If you can't afford the annual maintenance (~20 - 25% of retail price), don't buy the software.

- If you can't afford to train your staff (now and in the future), don't buy the software.

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RESOURCES

Batchelder, Duff: *Evaluating & Selecting Fundraising Software:*
www.techsoup.org/learningcenter/software/page1471.cfm?CFID=17988585&CFTOKEN=47732553

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

TechSoup & NPower: *Donor Management Software: Increase your donations while reducing frustration:*
www.techsoup.org/learningcenter/databases/page2190.cfm?CFID=17988585&CFTOKEN=47732553

TechSoup's Technology for Fundraising message board:
www.techsoup.org/forums/index.cfm?fuseaction=list&forum=2022&cid=117

Weiner, Robert: *Why Building Your Own Donor Database Should Be Your Last Resort:*
nten.typepad.com/forecast/2003/10/why_building_yo.html

Weiner, Robert: *Looking for Databases in All the Right Places:*
www.rlweiner.com/articles/weiner_npq_article.pdf

Weiner, Robert: *CASE Handbook of Institutional Advancement: Buying and Implementing a Development System:* www.rlweiner.com/case_handbook_chapter.pdf

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

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