

Introduction to Donor Databases

CompassPoint Nonprofit Services

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Agenda

Donor Databases:

- What are they good for?
- When to Change?
- How to Change?
- 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.

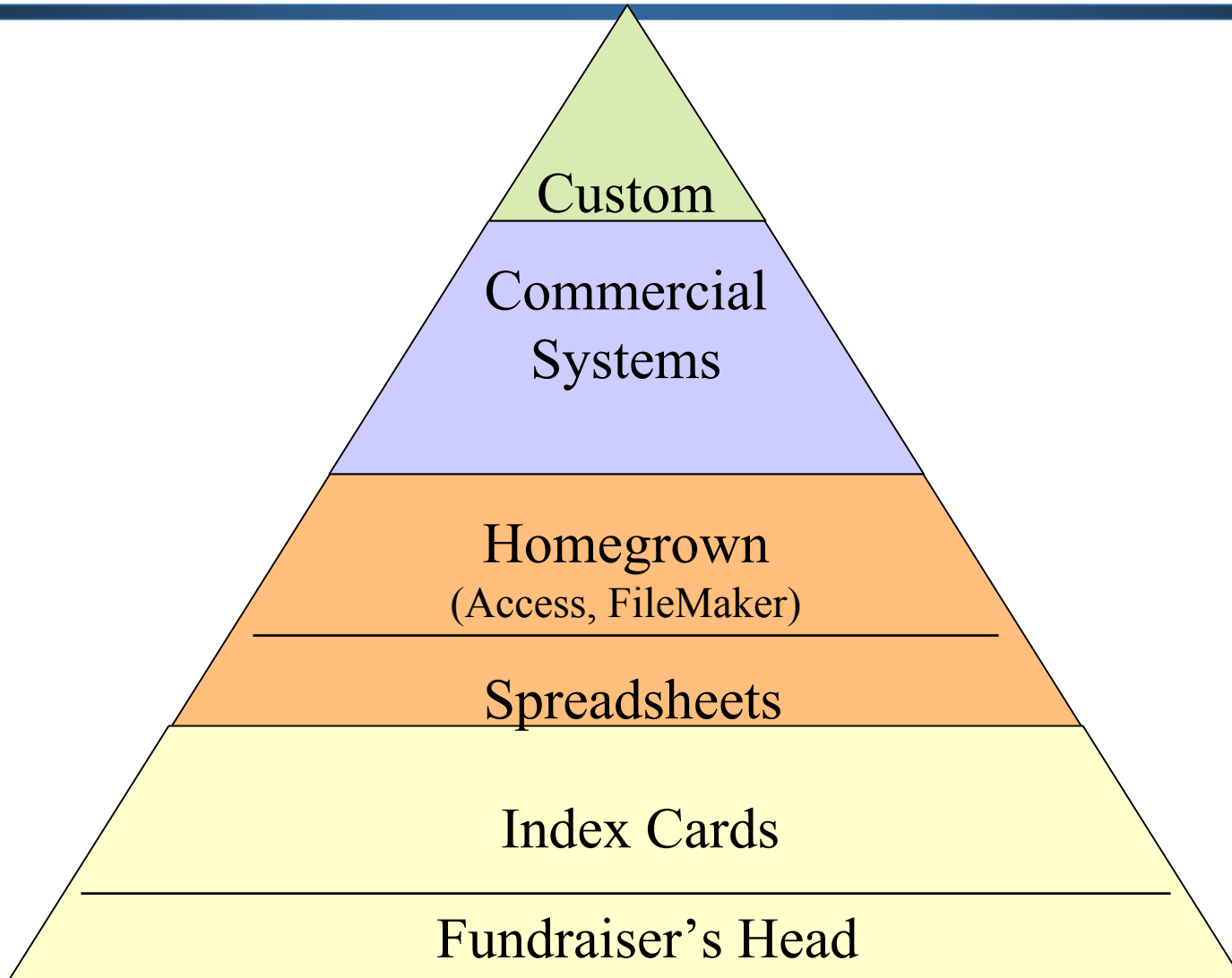
Common Mistakes

1. Letting Techies Make the Decision.
2. Wishful Budgeting.
3. Prioritizing Price above Everything.
4. Randomly Looking at Demos.
5. Falling in Love with Cool Features.

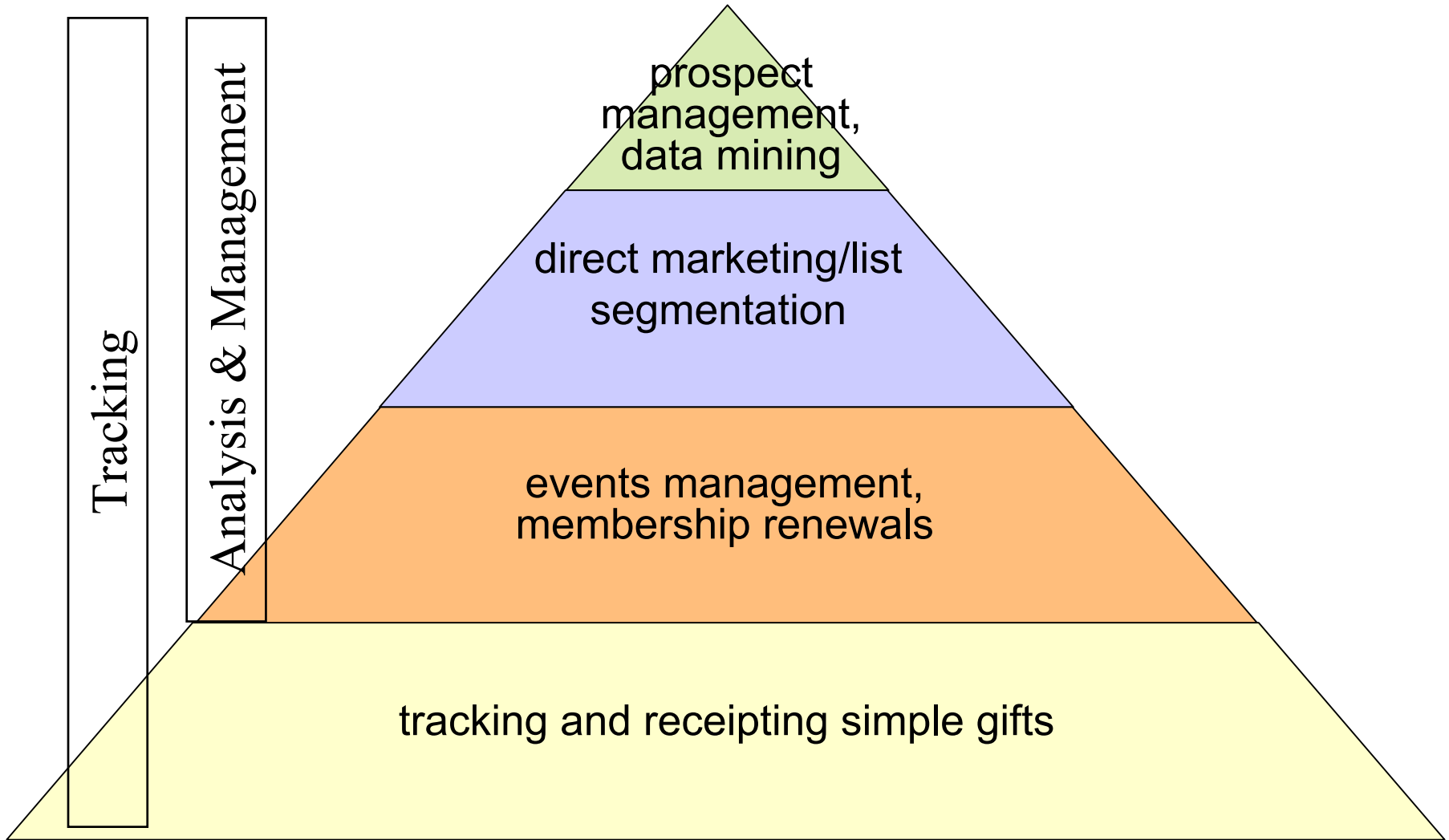
Common Mistakes (2)

6. Falling in Love with the Salesperson.
7. Buying More Than You Need.
8. Confusing Highly Functional Software with Highly Trained Staff.
9. Hoping the Database Will Install Itself.
10. Leaving the Database to Fend for Itself.

Levels of Tracking Donors & Gifts



Levels of Using Donor Data



What Should Your Database Tell You?

- Who gave?
 - How much, when, and and for what purpose?
 - How much have they given this year? Ever? Largest single gift?
 - Who are your biggest donors? Who are your most loyal donors?
- Who's interested in what (programs, events, advocacy)?
- Who knows whom?
- Who had the latest contact? What's the next step?
- Who should we invite to this event? Ask for a larger gift this year?

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?

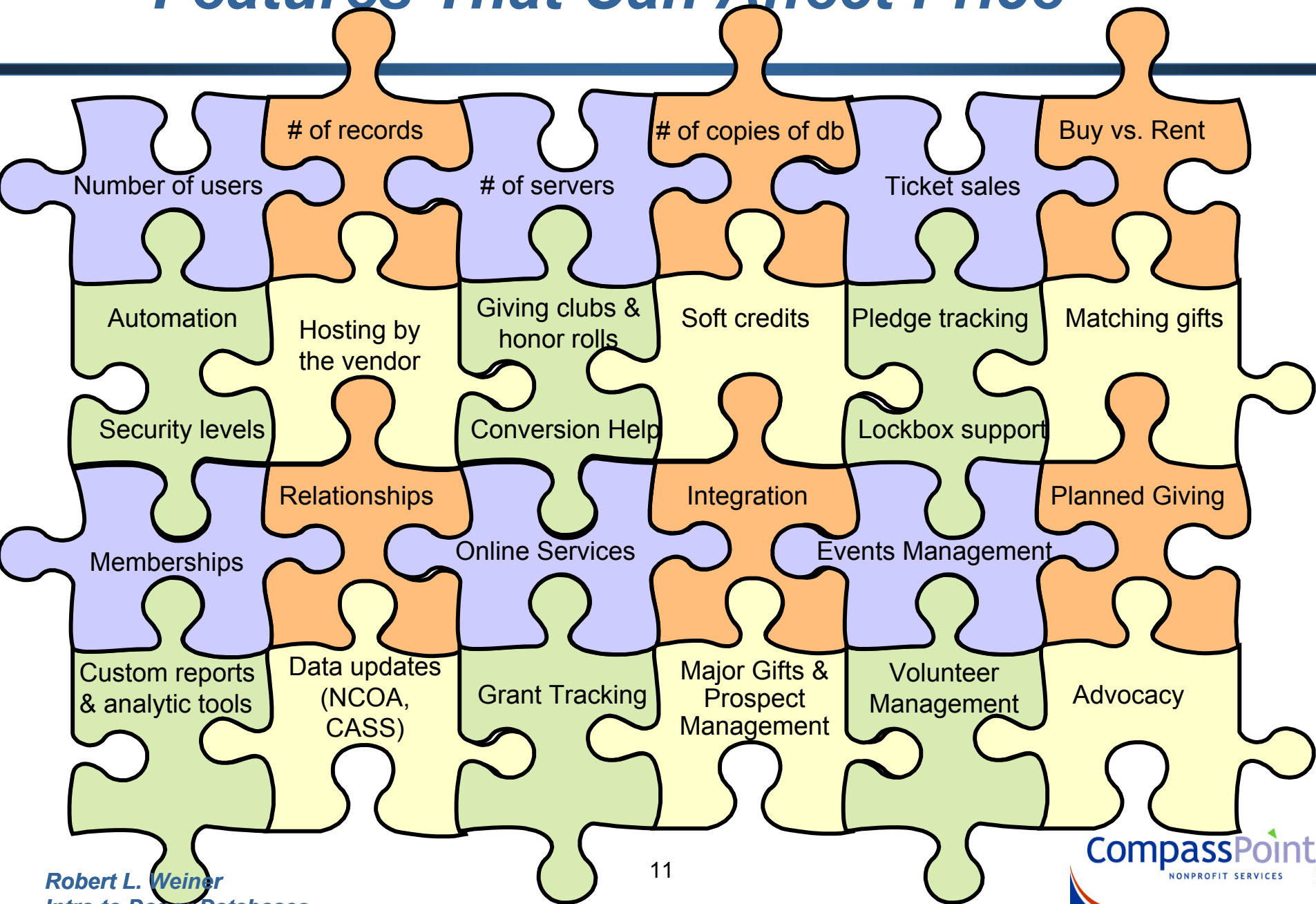
Why Not Build Your Own Database?

- Risk (how do you know it will work?).
- Distraction (fundraisers must 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?).

What Will It Cost?

- Software: prices range from < \$500 to \$\$\$\$\$\$
 - Also Open Source & Freeware, but many lack support, interface, good interface design.
- Hardware (server(s) and desktops)?
- Network upgrades?
- Implementation assistance?
- Training – will you need more than the standard?
- Customizations?
- Interfaces to other systems?
- Annual support: ~25% of retail price.

Features That Can Affect Price



What Will It Cost? (2)

- Ballpark starting price: ~0.25% to 0.5% of annual operating budget. \$1M budget = \$2,500 to \$5,000.
- Software is often a fraction of the total cost (see next page).
- Plan for additional modules, support, training, conversion, consulting assistance.
- Conversion cost will depend on how much help you need, what kinds of help you need (data migration, custom programming, business rules, report creation), and what shape your data is in.
- If you can't afford the maintenance or training, don't buy the software!

Sample 5 Year Budget

Item	Unit	Cost	Total
Software	1	\$5,000.00	\$5,000.00
1st Year Support	1	\$1,500.00	\$1,500.00
Staff training	5	\$750.00	\$3,750.00
Workstations	5	\$1,250.00	\$6,250.00
Shared Printer	3	\$350.00	\$1,050.00
Consulting	20	\$125.00	\$2,500.00
		Total Year 1	\$20,050.00
Support, years 2 - 5	4	1500	\$6,000.00
Ongoing Training	3	750	\$2,250.00
Workstation Upgrades	3	1250	\$3,750.00
		Grand Total	\$32,050.00

How to Change?

1) Needs Assessment

- What's wrong now?
- Where do you see the organization in 5 years?
- Is software the problem?
- What do you **really** need?
- What are your top priorities?
- What's on your wish list?
- What can you afford and support?

How to Change? (2)

2) Vendor Pool

- Goal is to identify a few vendors for demos.
- Ask similar organizations, as well as on lists like [TechSoup](#), [CharityChannel](#), [Information Systems Forum](#).
- Vendors must fit your culture, staffing, and budget, as well as meeting functional needs.
- Vendors should have demonstrated experience addressing your issues.

Software Demonstrations

- Goal: comparing “apples to apples.”
- 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.
- Try to get your hands on the software.

Demonstrations (2)

Sample scenario:

- Add a \$25 donor.
- Add a \$10,000 donor.
- Marry the two records and show joint giving.
- One spouse dies. Show the database process. Is the survivor still a major donor?

Another scenario:

- Create a mailing list of donors over \$250 who have attended at least 1 event and live in the 9 Bay Area counties.

Demonstrations (3)

- 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		

Reference Checks

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.

Reference Checks (2)

- 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?

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 for the right purpose.

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

Resources

Batchelder, Duff: *Evaluating & Selecting Fundraising Software*

www.techsoup.org/howto/articles/software/page1471.cfm

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: Selecting Donor Management Software

www.techsoup.org/howto/articles/databases/page2190.cfm

TechSoup: Donor Management Software Comparison

www.techsoup.org/howto/Files/donormatrix.pdf

TechSoup's Technology for Fundraising discussion forum

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

Weiner, Robert: *Ten Common Mistakes in Selecting Donor Databases*

www.idealware.org/articles/ten_common_mistakes_in_selecting_donor_databases.php

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

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