Mind Your Own Business

When the software business is your business too

BY ERIC LELAND

Databases manage our most critical fundraising information, and software vendors manage the databases. When choosing fundraising software, then, it pays to take a look at the business side of the products you're considering. This article addresses how changes in the world of fundraising (or more broadly, "constituent management") software can affect your ability to get what you need out of your database and from your database vendor.

WHERE IS MY INFORMATION?

In the old days — that is, a few years ago — if you wanted a donor management or fundraising database you would buy software in a box and install it to work on your computer systems. The database company provided the computer software, you provided the computer host. The software was yours to maintain. Your data were yours and yours alone, offering the benefit that your information was in your possession.

However, the problems were yours as well. Horror stories regularly recounted catastrophic database crashes, virus infections, and subsequent data loss, along with problems upgrading programs as a nonprofit's needs grew, as well as getting help with questions large and small to make the program work at its best.

One response has been "Software as a Service" (SAAS) — software that exists on the web rather than in your computer, combined with web-based support services. Customers provide the broadband and Internet browser, SAAS vendors offer "hosted" or "on demand" applications that do not require installation and ongoing support from the customer.

Rather than buying a program, SAAS customers are more like renters, typically agreeing to regular payments to the vendor in return for the system and services. Nonprofits get the benefits of the software without many of the headaches of its maintenance and security. And for most nonprofits, their data are protected by a much more secure system than they could maintain or afford on their own.

With new configurations come new challenges, though. You need to know what services and guarantees an SAAS offers if your data are compromised on their systems. And what happens if the vendor goes out of business or is swallowed up by another vendor? Read on.

SOFTWARE FOOD CHAIN

During the dot-com heyday, there were an overwhelming number of startup online database management services. A top concern among nonprofit technology assistance providers — and their clients — was stability: What happens if your vendor collapses? Advice to the unprepared was to avoid being cut by the bleeding edge.

Over the last few years we have seen the same concern arise again with a rash of vendor consolidations. One example is Convio, a web-based service now providing Internet software to nonprofits for online fundraising, email marketing, advocacy, and event fundraising. When Convio acquired GetActive, GetActive and its services disappeared.

Although consolidation is natural and can even bring value to customers, some vendors seem more focused on growth through merger and acquisition than on client services. For example, Blackbaud, makers of the popular Raisers Edge fundraising system, has over the years acquired Fund-Master, Target Software, Campaign Associates, GiftMaker Pro and most recently, eTapestry. In most cases, Blackbaud has fully digested the acquired s ervice, discontinuing the old service entirely. Only eTapestry continues to exist, but it remains to be seen how long this lasts.

As a consultant, I dealt with several GiftMaker Pro clients who were surprised when they learned that Blackbaud was about to drop GiftMaker Pro and push its customers to a much more expensive Blackbaud system.

BlackBaud is not alone. Kintera, a fundraising, emarketing, and communications management service, has acquired more than a dozen companies since its inception in 2000 — including web development and applications

firms, a data screener, a calendar service, an online charity gift card system, and a facilities management system — to create a company with a broad array of services.

Mergers and acquisitions are not evil in and of themselves — the question is how they affect the service you depend on for your fundraising needs.

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For many nonprofit clients, these consolidations have led to reduced quality of service or the elimination of the service entirely, leaving them with a sudden and critical choice to make: take the service the vendor now offers at (often) a significantly higher cost or find another provider. While the field is in flux, with aggressive merger and acquisition strategies often eclipsing client service and satisfaction goals, "buyer beware" takes on new urgency.

INTEGRATION AND OPEN SORCERY

There's also an upside to the merger scenario: when companies acquire an expanded range of services, you may be able to expand what your software can do for you without having to migrate to a new system, which is a big plus. For example, we may be happy with our existing contact database but need a much better way to manage events than that system can handle. A system that allows us to share our contact information with, say, an event management module helps us maintain one central place with all people information linked to the information about events they attended.

This kind of integration immediately reduces duplicate information and the time-consuming process of generating and comparing different reports that occurs when these two systems are separate. Some vendors have specifically partnered to form more comprehensive solutions and work together to integrate various features. Others have focused on creating open frameworks — also called open source — which allow clients to add functions they need.

Open source solutions make all the code of the application available, so developers can benefit from the existing software to produce expanded applications for clients.

Although smaller nonprofits would not be likely to hire the services of a software developer to enhance their database program, many independent consultants and consulting firms are building solutions using open software frameworks — often resulting in quite advanced systems with much less effort than it would take to build an entire system from scratch.

SOME ASSEMBLY REQUIRED

Here's another solution for linking varying fundraising database management needs together without developing your own code. Say you have a great email marketing program but no central donor database manager, or perhaps you have a terrific website but no way to register people for events. You may be able to connect modules that accomplish all these tasks by using "open APIs" — Application Program Interfaces. These are sets of technologies that enable websites to interact with each other.

Open APIs enable developers outside the vendor's control some level of innovation. First you need to know whether your existing database management product can be integrated with other systems. Ask your vendor. Often vendors will have information about whether their database will connect with specific products and who you might contact for help.

Many vendors are implementing an open API strategy, as it allows more flexibility for clients to meet a range of needs. Convio, for example, now has its Open initiative, and Kintera has launched Connect — both are sets of APIs for clients to extend their solutions in ways that neither vendor has focused on. Salesforce.com has developed an effective API strategy, fostering a large community of developers and users who contribute their custom work back for other customers to use.

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The more robust set of APIs a vendor offers, the more possibilities open up for integrating with other applications or building out your own.

VENDORS AS PARTNERS

Software is complex, and harnessing it to its maximum potential can be quite difficult for organizations to achieve. With the time and effort it takes to get into a new system, nonprofits are justifiably not excited to switch vendors — or systems — very often.

The best bet is to build a relationship with your vendor. Most nonprofits find that new systems require some measure of configuration, customization, or creative thinking to employ the right mix of technology and process to get the jobs you need done. A strong vendor or consultant partner will be a valuable contributor to this process over time, not just at the point of sale or system delivery. This may be a long relationship, so build a strong foundation from the beginning.

HOW TO CHOOSE?

Evaluating first more commercially supported (and perhaps less open) solutions is a smart idea when choosing new software. These solutions are "ready to use" — they are more highly engineered and offer packaged training and support options, so if the features fit, the solution becomes sustainable and the costs predictable. (See articles by Robert Weiner and Maria Petulla in this issue for what to look for in selecting a "ready-to-use" fundraising database.)

Solutions that require configuration and customization will also require more substantial involvement for nonprofits to ensure they are getting what they expect. To find out what software options are out there and what experiences other people have had with them, ask around to peers and check with nonprofit technology support communities. Online resources such as techsoup.org, nten.org, and idealware.org have terrific discussions, articles, and reviews of technology for nonprofits.

Keeping up with fundraising software trends doesn't require you to become a fulltime techie or software business sleuth, but taking your time to make informed decisions when it comes time to purchase, upgrade, or update your fundraising software will save you a lot of headache later on. **GFJ**

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