Choosing A Donor Database

Network for Good

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Agenda

- Why Bother?
- Common Mistakes
- When to Change
- Build vs. Buy
- Needs Assessments
- Costs
- Identifying potential vendors
- Testing systems

Why Are We Here?

- "After people, data is your most important resource." — John Kenyon.

- A database is your institutional memory.
    - It allows the organization to survive staff turnover.

- A good database helps you work smarter.

What Should You Expect From A Database?

Your database should help you:

- Track your activities and assets (donations, events, solicitations).

- Monitor and forecast performance.

- Focus your efforts and work strategically.

- Report to your board, donors, funders, public.

Buying A Database

1) Convene the right team.

2) Specify your needs and priorities.

3) Secure funding.

4) Identify a pool of potential vendors.

5) Test vendors against your needs.

- RFP/RFI
- Scripted demos
- Usability testing
- Reference checks
- Site visits

1.0 Convene The Team

- Convene a selection committee of functional experts (direct mail, major gifts, grant writing, gift entry, *and* IT). They should drive the decision-making.

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

- IT should advise on standards, and might manage the process.

- Get input from the real users.

- The decision should be based on input from all affected parties. However, some needs will be most important, and some may not be achievable.

2.0 Needs Assessment

- What's wrong now? What works well?

- Is software really the problem?

- Where do you see the organization in 3 to 5 years?

- What do you **really** need?

- What are your top priorities?

- What can you afford and support?

2.1 Prioritize Your Needs

Features	Priority	Comments
0 = not needed, 10 = mandatory		
Donor Management Features		
Records Administration		
Global change feature to allow mass update of a certain field based on records returned from criteria.	5	
Tracks updates to records	5	It would be nice to know who last edited the record and when it was last edited.
Addressee/mailing name and salutations can be auto-created based on a prefix and a last name.	5	
User can set up data entry defaults.	5	
Multi-level security.	8	
Duplication Check / De-duplication Utility	8	
Separate recognition names	5	

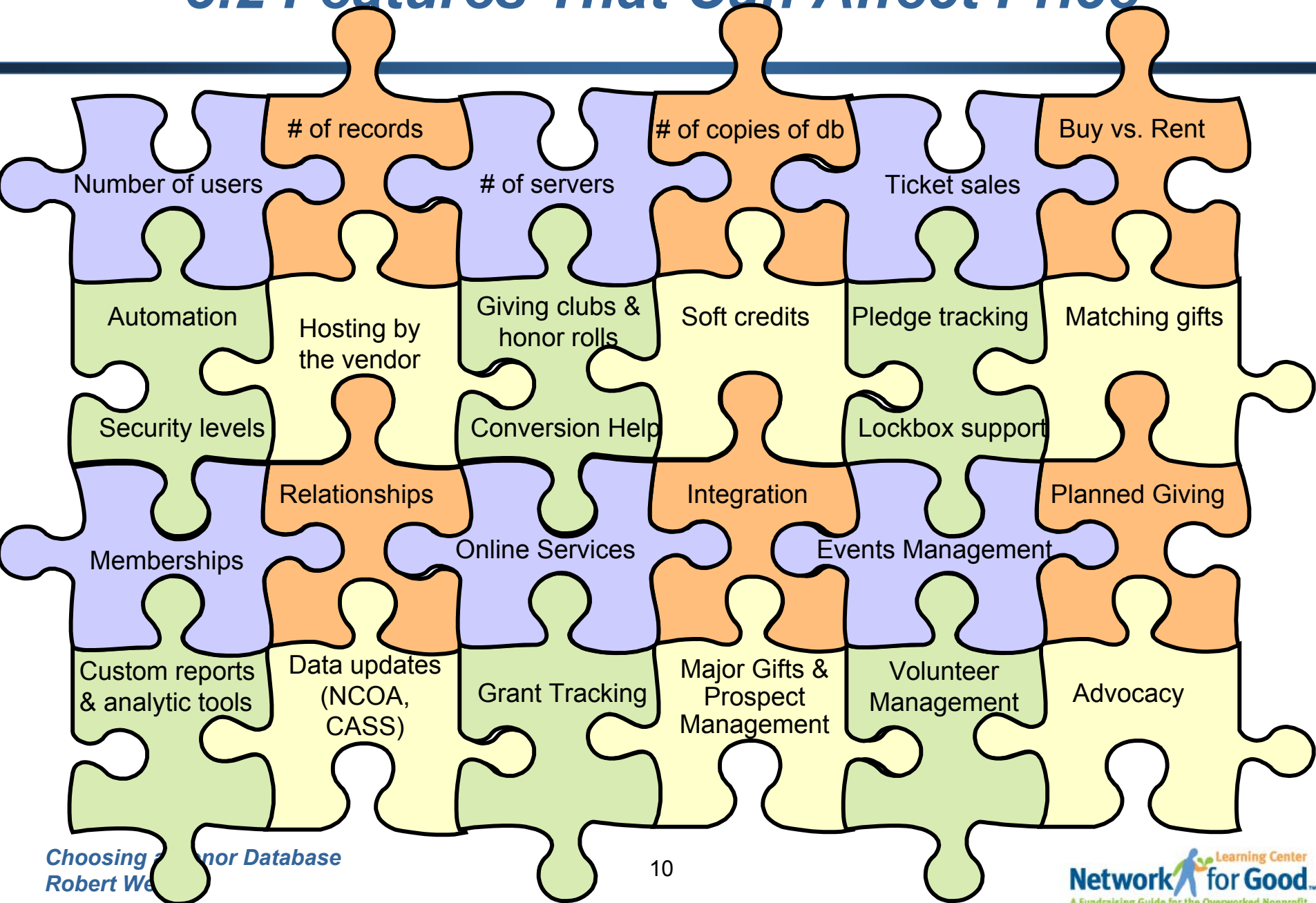**Source: www.npowerseattle.org/education/resources/donor_toolkit.htm**

3.0 What It Might Cost

- Software is often a fraction of the total cost.

- Prices range from < $500 to $$$$$.

- Ballpark starting price for a commercial donor database: ~0.25% to 0.5% of annual operating budget.
  - $1M budget = $2,500 to $5,000.

- Hardware (server(s), desktops, network)?

3.1 What It Might Cost

- Additional modules? Interfaces to other systems? Customizations?

- Training – will you need more than the standard?

- Conversion cost will depend on how much/what kinds of help you will need.

- Annual support: ~20% of retail price.

  – If you can't afford the maintenance or training, don't buy the software!

3.2 Features That Can Affect Price

# of records

Buy vs. Rent

Number of users

# of servers

Ticket sales

Automation

Hosting by the vendor

Giving clubs & honor rolls

Soft credits

Pledge tracking

Matching gifts

Security levels

Conversion Help

Lockbox support

Relationships

Integration

Planned Giving

Memberships

Online Services

Events Management

Custom reports & analytic tools

Data updates (NCOA, CASS)

Grant Tracking

Major Gifts & Prospect Management

Volunteer Management

Advocacy

# of copies of db

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3.3 Sample 5 Year Budget

Item	Unit	Cost	Total
Software	1	$5,000.00	$5,000.00
Staff training	5	$750.00	$3,750.00
Workstations	5	$1,250.00	$6,250.00
Shared Printer	1	$350.00	$350.00
Consulting	20	$125.00	$2,500.00
		Total Year 1	**$17,850.00**
Support, years 2 - 5	4	$1,000.00	$4,000.00
Ongoing Training	2	$750.00	$1,500.00
Workstation Upgrades	5	$1,250.00	$6,250.00
		Grand Total	**$29,600.00**

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4.0 Identify The 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.

4.1 Optional: Issue a Request For Proposals

- Goal is to narrow the vendor field.

- Ask clear, unambiguous questions.

- Be Specific:
  - "Show how your system would handle donations in $, ¥, €, and £" not "Can it track gifts?"
  - "Show where your system would track catering costs" not "Can it handle events?"

- Anything you ask for you will have to read and score!

4.2 Scoring the RFP Responses

Function	Value	Score	Comments
Can handle foreign donations.	10	0	Can only handle $. Not acceptable.
Can track event costs.	6	6	
Can link related records.	10	5	Can only link 2 records.

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5.0 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.

5.1 Simple Demo Script

- Show how to:

  - Enter gifts, including a corporate match with "soft credit" to the individual.

  - Track multiple relationships.

  - Track a grant proposal from LOI to award.

  - Select records based on combined demographic and gift criteria.

  - Create a new report.

5.2 Complex Demo Script

- Add a record for Barney Rubble, with a $25 gift.
  - Add a separate record for Elizabeth McBricker, with a $10,000 multi-year pledge.
  - Marry the two records, change Elizabeth's name to Betty Rubble, and show joint giving.
  - They divorce. Show the database process. Are both of them still major donors?

- Show an example of a lapsed donor report.

- Create a mailing list of donors who have given over $500 cumulatively within the past 2 years or over $1,500 cumulatively in their lifetime.

5.3 Demonstrations

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

Simple Rating Form:

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

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5.4 Grading The Vendors

Complex rating form, with scores for each feature:

Feature/Requirement	Vendor 1	Vendor 2	Vendor 3
Tracking membership renewal anniversaries	10	8	9
Tracking major gifts prospect moves	9	8	6
Tracking event costs	5	3	6
Tracking volunteer hours	6	0	5
Relationships can be tracked between records (employer/employee, spouses, board members)	10	10	10
System allows for soft crediting of gifts	10	10	10
System tracks scheduling of pledge payments	7	10	10
Has a built-in custom report writer	9	9	5
Has canned reports that meet the majority of our needs	7	7	10
Grand Total	**73**	**65**	**71**

5.5 Usability Testing

- Get access to a demo system.

- Make a list of features to test.

- Grade the tests.

  System Usability Scale: http://meiert.com/en/upload/2007/04/sus.pdf

	Strongly disagree				Strongly agree

1. I think that I would like to use this system frequently

1	2	3	4	5

2. I found the system unnecessarily complex

1	2	3	4	5

3. I thought the system was easy to use

1	2	3	4	5

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5.6 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.
  - Optional: visit client sites.

Sample Reference Check Questions (pages 6 – 7):
www.rlweiner.com/case_handbook_chapter.pdf

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5.7 Full Cost Proposal

- Get a final cost proposal, including:
  - Software license, including all modules you'll need.
  - Any third-party software.
  - Annual license & support cost.
  - Training.
  - Consulting & conversion.
  - Interfaces & customizations.

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.

Selection Recap

1) Convene the right team.
2) Specify your needs and priorities.
3) Secure funding.
4) Identify a pool of potential vendors.
5) Test vendors against your needs.
    - RFP/RFI
    - Scripted demos
    - Usability testing
    - Reference checks
    - Determine the real cost.

Resources

Batchelder, Duff: *Evaluating & Selecting Fundraising Software* www.techsoup.org/learningcenter/software/page4829.cfm

Battin, Tom: *Should Nonprofit Agencies Build or Buy a Database?* www.techsoup.org/learningcenter/databases/page5028.cfm

Petulla, Maria: *Making Order Out of Chaos: How a Good Fundraising Database Can Help You Raise More Money*

http://www.grassrootsfundraising.org/magazine/feature27_2.pdf

Idealware: articles on constituent databases

www.idealware.org/articles/constituent_databases.php

Mills-Groninger, Tim: *The Soft(ware) Side of Fundraising Effectiveness: www.nptimes.com/07Sep/070901SR2.pdf*

Resources

TechSoup: *Selecting Donor Management Software*

www.techsoup.org/learningcenter/databases/page4797.cfm

TechSoup: Technology for Fundraising discussion forum

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

Weiner, Robert: *Finding the Perfect Fundraising Database in an Imperfect World*

www.rlweiner.com/grf/grf_finding_perfect_database.pdf

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*

www.rlweiner.com/nten/why_building_your_own_database_should_be_your_last_resort.pdf

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

More Questions?

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