Mission Critical: Databases/Constituent Relationship Management

NTEN 2008 Nonprofit Technology Conference
March 20, 2008

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What We'll Cover

1. Types of databases
2. What you should expect from your database
3. Issues to consider if you build your own (or have one built for you)
4. Issues to consider if you buy a database
5. Cost considerations
6. What needs to happen after the database is live
7. Database ethics and security

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Expectations

What Are You Looking For From This Workshop?

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.
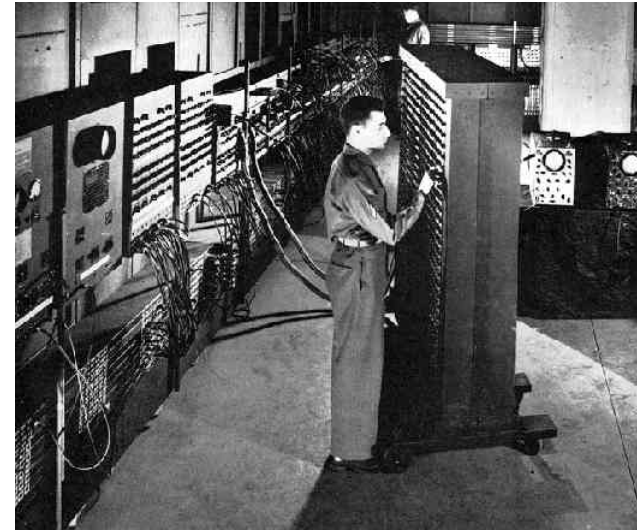
My First Databases
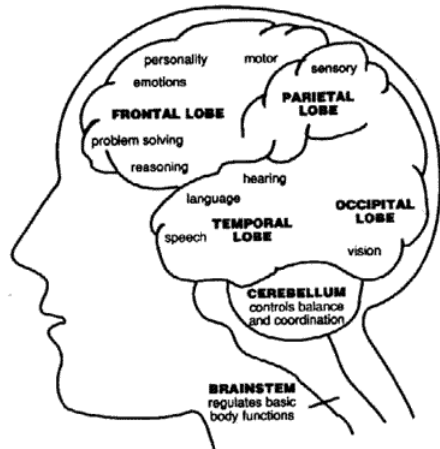
1.1 Types of Databases

- **Human:** Staff person's head
- **Paper:** Index cards, paper files

Software:

- Spreadsheets
- Address books, e.g., Outlook
- Homegrown databases, e.g., Access, FileMaker
- Commercial databases
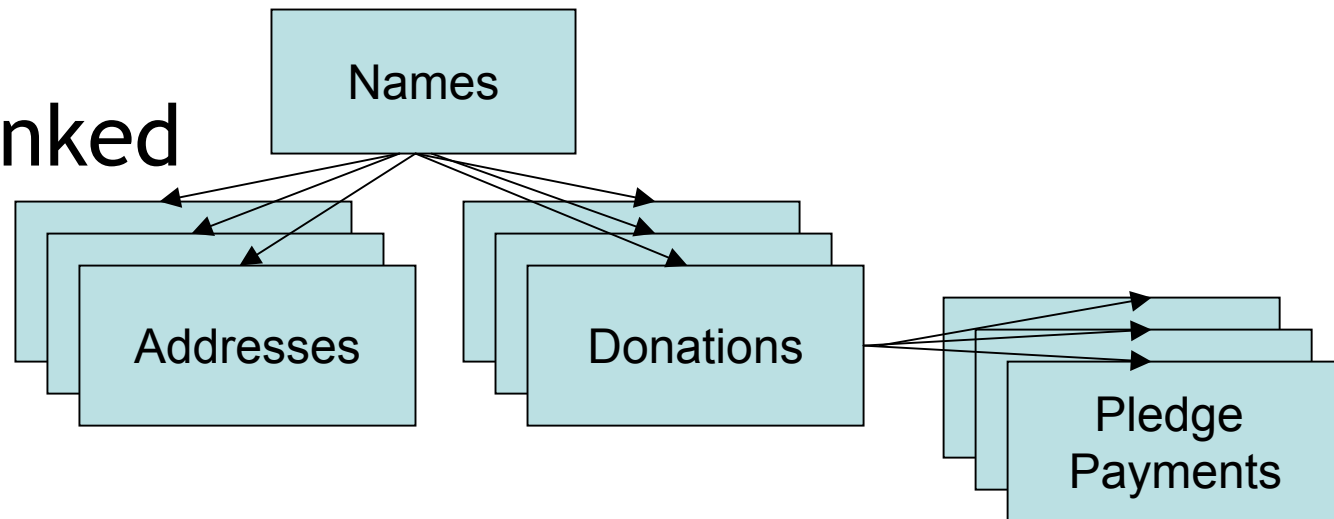- Open Source databases

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1.2 Types of Databases

Flat file databases, like Excel.

Name	Home Addr	Bus Addr	Gift 1	Gift 2	Gift 3
Ms. M.	123 Main	567 Elm	$10	$25	$50

Relational Databases (multiple linked tables).

```
           Names
         /   |    \
        /    |     \
  Addresses    Donations ——→ Pledge
                              Payments
```

1.3 Types of Databases

- Standalone/Best of Breed

- Integrated

2.1 What Should You Expect From A Database?

Your database should help you:

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

- Monitor and forecast performance.

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

- Focus your efforts and work strategically.

2.2 Tracking

A Donor Database Should Tell You:

- Who are your donors? Prospects? Suspects?

- How much has Ms. Moneypenny given this year? Ever? Largest gift?

- Who's interested in what (projects, events, programs, communications).

- Who wants to hear from you? Who doesn't?

2.3 Performance Monitoring

- How much did you raise?

- Is your fundraising revenue growing or shrinking?

- Which appeals performed best?

- Who attended your events last year?

- Bottom Line: Your database should track the metrics you're managing to.

2.4 Focusing Your Efforts

- Who are your top donors?

- What's the next step with Ms. Moneypenny?

- Which donors do you need to get to know better?

- Which fundraising efforts should you invest in? Cut back?

3.1 Building A Database

- Databases only do what you tell them to.
  - You'll need to specify your requirements and priorities.
- Database projects are usually more complicated than it seems like they should be.
- Databases are like puppies. They may start out small, but they often grow into Great Danes.

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3.2 Building A Database

- It's an ongoing, collaborative effort.
- It's hard to predict how long it will take or how much it will cost.
- You will need documentation and training.
- Pro: You'll get a database that does *exactly* what you want
- Con: You never get what you want.

4.1 Buying A Database

- You still need to specify your needs and priorities.
- The challenge is to match what you need against what the systems can really do.

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4.2 Buying A Database - Risks

- Making the wrong decision.

- Can't afford ongoing support or training.

- Bad customer support or training.

- Bad software.

- Vendor goes out of business.

- Pro: Don't have to reinvent the wheel.

- Con: Expensive software that doesn't perform.

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4.3 Buying A Database

- Prioritize your needs. *(See NPower guide in Resources)*

- Tell vendors what you need to see and make them prove they can do it.

- Do your homework: test the software and check references.

5.1 What Will It Cost?

- Difficult to estimate for custom systems—beware of scope creep.

- Ballpark starting price for a commercial donor database: ~0.25% to 0.5% of annual operating budget.

    - $1M budget = $2,500 to $5,000.

- Annual support: ~20% of retail price.

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

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5.2 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**

6.1 After You "Go Live"

- Quality Control is essential. Who will be responsible?
- Who will develop training and reference materials?
- Who will provide ongoing training?
- How will daily operations change?
- How will job duties change?

6.2 After You "Go Live"

- Will you need more staff? Will existing staff need new skills?

- 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.

7.1 Ethics and Security

- Security
  - Part of hiring & termination.
  - Who needs access to the server?
  - Who needs to see and change what?
  - Are your laptops secure?
  - #1 security threat: disgruntled employees.
- Backups – *Run Them and Test Them!*
  - Store a copy securely off site.

7.2 Ethics and Security

- Confidentiality agreements for staff and vendors. *(See Resources)*

- OK to send direct mail to strangers, but unwanted email = spam.

- Privacy Policies – You should have one
  - Survey results: 49% won't provide data online if not satisfied with privacy policy.

    (See Resources)

Weiner: Databases & CRM

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

Customer Respect Group: *Online Privacy - Best Practice Pays*

www.customerrespect.com/default.asp?hdnFilename=research_bp_privacypays.htm

The Direct Marketing Association: *How to Construct Your Privacy Policy*

www.the-dma.org/privacy/creating.shtml

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Resources

Grassroots Fundraising Journal: March/April Special Issue on Fundraising Databases

www.grassrootsfundraising.org

Idealware: articles on constituent databases

www.idealware.org/articles/constituent_databases.php

NPower: *Donor Management Toolkit*

www.npowerseattle.org/education/resources/donor_toolkit.htm

Rollins College Confidentiality Agreement

www.fundsvcs.org/uploads/confidentiality_agreement_-_rollins_college.doc

More confidentiality agreements at

fundsvcs.org/modules/wfdownloads

TechSoup: *Selecting Donor Management Software*

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

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Resources

TechSoup: 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*

www.rlweiner.com/nten/why_building_your_own_database_should_be_your_last_resort.pdf

Weiner, Robert: *Looking for Databases in All the Right Places*

www.rlweiner.com/articles/weiner_npq_article.pdf

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

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