

The background of the book cover features a stylized globe in shades of blue and green, partially obscured by a complex network of glowing blue fiber optic lines that crisscross the scene, creating a sense of global connectivity and technology.

**102 More In-Depth Tips on
How to Buy
Fundraising Software
and Charity CRM Systems**

Ivan Wainewright

© Ivan Wainewright 2015

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without the permission of Ivan Wainewright.

Contact details: ivan@itforcharities.co.uk

First Edition: January 2015

Disclaimer

All the information found in this book is provided in good faith, but we do not provide any warranties whatsoever, nor assume any legal liability or responsibility whatsoever, for the accuracy, completeness or usefulness of any of the information supplied. We do not endorse and are not in any way responsible, and have no legal liability, in respect of the URLs, titles and/or contents of any other site referenced in this book.

All trade marks, service marks and other protected names and marks mentioned in this book are acknowledged as the property of their owners.

CONTENTS

Glossary and Terms	5
Strategy	8
The ITT Document	31
The Supplier	37
Costs	54
Development	73
Project Management	82
Software Demos	89
CRM Systems	94
About the Author	107

I N T R O D U C T I O N

In 2011 I wrote my first book providing tips for charities and NFPs on how to buy fundraising databases and CRM systems. Since then a lot has changed: some of the traditional fundraising database suppliers have been bought by their competitors, some of the newer CRM systems have started to truly make inroads into the NFP market and companies who never used to sell to the sector are now beginning to see charities as a good market. And of course social media and mobile technology continue to become even more important and the cloud continues to gain in its sophistication and popularity.

But at the same time, because of these changes, the fundamentals of system procurement are still as important as they were, if not more so.

So I thought it was time to review what I had written before and create a more in-depth set of new tips for charities who are considering CRM procurement. They still cover the basics but this book also delves into more detail on supplier management, the whole tender process and a chapter dedicated to the 'generic' CRM systems. And in more depth than my first book did.

The first book's points still hold true of course and I haven't repeated them in this book. So if you do want to start at a more fundamental level then that book may also be useful for you to read.

As before, this book is written for people whose day job is not the procurement of new databases - and you do not have to be technical to understand it. It is for fundraising managers, fundraisers, database staff, general charity IT staff, those working in supporter services and indeed for anyone who has been given the sometimes daunting task of buying a new fundraising database or CRM system. I hope it helps.

GLOSSARY AND TERMS

Don't Skip This - it Will Help You!

I use a number of terms and phrases throughout this book which I want to clarify up-front. You might already know some of these terms but it might be that I am using them for specific reasons in this book - so please do read this...

- 'Traditional Fundraising Databases' (a.k.a. 'Fundraising Packages' or 'Proprietary Solution'): These are the database systems which have been created over the years specifically for the charity and NFP sector (hence they are also sometimes known as 'vertical sector' solutions). Well known examples are supplied by companies such as: Advanced Computer Software, AdvantageNFP, Blackbaud, Care Data Systems, Harlequin Software, KISSoftware Solutions, The Access Group and many more.
- 'Generic' CRM Systems (which I sometimes abbreviate to just 'CRM Systems'): These are software solutions which were originally designed as sales automation and contact management software but because of their flexibility they have been enhanced so they can be used across various industries, including charities and the NFP sector. Well known examples are Microsoft CRM Dynamics, Salesforce, SugarCRM, Workbooks.com, but there are many more too. I also tend to classify the software product CiviCRM in this category even though that has been designed specifically for the NFP sector, but its approach is more akin to these other systems listed here as opposed to the 'traditional' fundraising databases listed above.
- CRM (Customer Relationship Management): CRM itself is not about software – CRM is a policy and a practise and a whole culture – not (just) a database. But it has become synonymous in recent years with being a database system. And it also seems that half the software suppliers who used to sell a "fundraising database" have overnight changed to selling "CRM systems" even if their software has barely changed... So be wary of the term - it is a popular buzzword to use. An awful lot of the time, "CRM system" can perfectly well be swapped with "fundraising database". Too many people are quick to say how the traditional fundraising databases can't "do" CRM - that may be true for some software but it is not as simple as that and just saying it is.
- ITT/RFP: Invitation to Tender/Request for Proposal - the document you send suppliers detailing what you want and how you are managing the procurement process.
- SAAS - Software-as-a-Service: Where a supplier provides a cloud-based database which you can access from a web browser without the need for your own server in your office or any additional software (e.g. just like Gmail, Amazon). It is usually licensed on a subscription basis. (There are also variants of public cloud and private cloud and more but

this book will not go into such detail – there are plenty of online resources dedicated to this if you want to understand more).

- **Hosting:** is similar to SAAS but one-step removed, where your database will be "hosted" on a remote server in a secure data centre somewhere and you access it remotely from your office/home. (I.e. you still won't need a server in your own office to make this work). This is usually, but not solely done for software which has not been written specifically to run directly through a browser and thus it still needs to be installed on a specific server somewhere. This might be offered directly by the supplier of the database software and/or you can host any such system on a third-party's infrastructure.
- **Platform:** Within the context of CRM systems, a software system is said to be a "platform solution" usually when it can be extended for use beyond its standard functionality and if it can be used for more than just fundraising, plus it will probably offer third-party applications etc. This isn't a strictly true definition of "Platform" but it is probably the most apposite for this book. You will see I also extend the meaning so that I even consider the approach of using 'traditional fundraising databases' as a specific type of platform, something which many suppliers and consultants would probably shoot me for doing, but I want to show that there is more to a "platform" than just the fact that a database is in the Cloud. I hope this helps!
- **Subject Matter Experts (SMEs):** your staff who are the experts in each area of your operations; e.g. direct marketing, major giving, trust fundraising, supporter care and so on. It might be one person per team, or it could be multiple people.
- **Reseller/Business Partner:** Most (although not all) of the CRM systems are sold through a network of third-party companies or individuals who will help you implement the solution – these are referred to as Resellers or Business Partners.
- **API (Application Programming Interface):** An API is a set of commands, functions and protocols which programmers can use when building software and which allows them to use predefined functions to interact with other systems instead of writing such commands etc from scratch. For the purposes of most CRM systems and this book, they are mostly used for integrating two systems and transferring data between them.
- **Business Process Modelling Notation:** a way to show your internal business procedures in a graphical notation (similar to a flow diagram).
- **Blueprints (aka Functional Specification, Discovery Documents, Fit-Gap documents):** The first stage of many implementations will be a series of workshops where your chosen supplier will analyse in more detail what they are going to do for you in terms of configuring/customising/changing their software. The outcome of these will be a document(s) with the agreed requirements and proposed work needed.

For more examples of the systems detailed above, refer to my website:
<http://www.itforcharities.co.uk/database-software/>.

Finally - for anyone who is more techie and who is reading all this: I realise that I have simplified some of the above terms and phrases but I have done so for the context of this book and for its expected audience. So my apologies if you are shaking your head at any of my terms. If you really think I am wrong about any of them or missing any key points then please do contact me using any of the contact details you can find at the end of this book.



STRATEGY

Analysis : Business Case : Cloud : Catalysts : Small NFPs

1. Business Analysis is the Heart of Your Procurement

Up-front business analysis is still the most important thing you need to do. It doesn't matter if you are the largest charity or a small NFP. It is the heart of selecting a new database.

Because without knowing – and confirming - what you are currently doing, what your current issues are, what you are doing well, what systems you have, what data you have, and then what your staff want to do (or at least, what they know they want to do), your organisation's goals, strategy, fundraising future plans and requirements and more about your users and their needs, wishes, desires, goals and problems... you are never going to be able to select the best and most appropriate system for your organisation.

Ideally, create business process diagrams showing your 'as is' business processes; e.g. how income enters your office and then is entered on your current database, how you add data from JustGiving, event registration processes etc. There will of course be many, many such processes. They will help immensely when you are designing your new system with your chosen supplier and will help you understand what you need. They can be as simple as a straight forward flow diagram or you can create them using Business Process Modelling Notation (BPMN) if you want to go more in-depth.

You need to do your business analysis first, however you do it - before you look at new databases. Discuss it, document it, review it, challenge it and work out what you are looking for. Then you can search for, review, analyse and weigh-up possible new database systems.

3. Don't Just Look at CRM Systems - Don't Just Look at Fundraising Packages

One could be forgiven these days for thinking that the only option for a new fundraising database is to buy one of the (now not so new) Generic CRM systems which proliferate the market. This is partly because some CRM systems are indeed good software solutions, no doubt about that. But it's also because of good marketing from those CRM suppliers, a bit of hype and of course the indubitable excitement which a whole new range of options has brought the sector. And because people have got frustrated with some of the limitations of some of the traditional fundraising systems. But there are still plenty of good fundraising systems which you should also be aware of and could consider.

My starting point for any new fundraising database procurement is that both of these options are viable until we decide otherwise. Both types of system have benefits and both have their issues and drawbacks to consider. Plus, some offerings are even starting to blur the simple distinction between the system approaches, so that's even more of a reason to make sure you consider all angles.

Understanding those differences and similarities is what I address throughout this book (as well as those issues which are independent of whatever solution or platform you buy) and I urge you to keep an open mind when you are commencing your procurement process. If you don't do so then you won't necessarily know what your other options could be, whereas if you do, then when you finally decide what system is right for you then you may well have also learned many useful things from the other options which you can take into your implementation.

4. Should Organisations Choose a CRM Platform Before a Supplier?

Continuing the above theme: with the emergence of the generic CRM systems and the reduction in the number of viable proprietary fundraising databases, an interesting question arises: should charities now be choosing a CRM platform before even looking at which specific supplier/partner they want?

It is a process which some companies in the commercial sector have already been practising for years. For some companies, they will decide first on whether Salesforce or Microsoft Dynamics or SugarCRM etc are the best fit for them, and only then will they search for a specific partner who can help them implement a new CRM system on that chosen platform.

For charities, however, at least until recently, because the options have primarily been about comparing different proprietary fundraising database suppliers (e.g. Blackbaud, thankQ, ACS etc), this has not been an approach they have taken. That said, there will of course have been some technological decisions: the system must be SQL Server, or it must be Oracle; it must be dot net or it must run on Linux etc. Or even, it should be open-source. And so on. So it's not a completely alien idea.

But with the new CRM systems the platform choice can be far more technologically-strategic or "business-oriented"; i.e. if we do decide that platform X is the right solution for us - and if that platform is one of the generic CRM systems - then we now have the choice of talking to numerous business partners about how they would implement that, looking at whether we want a templated version or start out-of-the-box, develop in-house or with a partner, and so on.

However, I believe that if as a charity you do want to be considering a platform first, then you also need to consider the "proprietary solution" as one of those platforms - and (probably) not just one such system but the concept as a whole. As I have discussed many times in my blogs, there is

no simple right and wrong as to whether you should select a traditional fundraising database or a CRM solution. If you do select a proprietary solution then you will (almost certainly) implement it with that system's software author and that has its pros and cons. If you go with a CRM solution, then using a business partner of that software author (or even doing it in-house) also has its benefits and downsides.

At the moment, I personally think choosing a platform first is a difficult approach to take for all but a few, probably larger charities who already have a detailed, well thought through technology plan and IT strategy. Especially at an early stage in a procurement project when you are still trying to understand the differences, the benefits of all solutions, the impact on your organisation, what is right for your organisation and so on.

One other possible reason for choosing a platform first would be if your organisation had already committed to and started developing other databases on an existing platform, in which case you might well have to have a good reason not to pursue that route. Which you could have, of course - I may not be quite as black-and-white as just taking the organisation's default position and simply accepting it; for example, what if that platform simply does not have a viable approach to fundraising?

In general, I think there would have to be clear reasons for you to, say, only look at the traditional fundraising databases, or decide not to look at those at all. You might dismiss one option/one supplier etc as you progress your procurement process, but I believe you need to understand what all options can offer before going solely down one route. So at the moment that will usually mean keeping them all in the hat until you are ready to shorten your choices to the final few.

10. Use the New System to Challenge Everything! And Start Right Now During the Procurement Process

I fundamentally believe that a new database should be a catalyst for change. i.e. It doesn't matter what has gone before - now you have the opportunity to revisit what you do and ask why you do it. At its most basic this could even incorporate your fundraising strategy itself, but I realise that is probably a step too far for most organisations.

What you should definitely challenge are the business processes your organisation follows. Why? Because when you do ask "Why do we do the following process as we do now...?" in my experience, it is likely that the answer will fall into one of three categories:

- i) Er, dunno, we've just always done it that way...
- ii) Because our existing computer system makes us do it this way.
- iii) We analysed our requirements and it really is the best way of doing the process.

Sadly, answer (iii) is rare and the first two are the most likely. So this means, even during procurement, that we should challenge such issues and ask what it is we are really trying to achieve. A lot of the time that

will show that a business process is simply something we should review when we do start implementation, but some of the time you will find it is even more deep-rooted than that and that even the procurement will give us the chance to take a completely different look at what we are doing. And in that instance it could impact the procurement in all sort of ways: the approach to take, the software modules you need, the people or even the software requirements itself.



The Supplier

Knowledge : Questioning: Staff : Finances : Empathy

30. Does it matter if a Fundraising database supplier doesn't understand Fundraising?

The more I work on fundraising software procurement and implementation projects, the more I ask this question: how much does the supplier's experience of fundraising matter?

For years, this hasn't been such a relevant question, at least when purchasing packages as opposed to bespoke systems, because most new fundraising database systems were supplied by companies who either specialised in the sector or who at least had a dedicated department who did so. Of course one would find companies and individuals with more or less knowledge or experience but nearly all had some. And also you could see the evidence of some of their claims with their software.

But now with the prevalence of the newer CRM systems this is a more pertinent question. Now, in theory, any company who sells Salesforce, Microsoft Dynamics and the like can at least promote themselves as a partner who can provide a fundraising solution. So does that matter? What are the problems with that? Or actually, are there even benefits of using a supplier with less sector knowledge?

The reasons that a supplier's knowledge *does* matter are comparatively easy to identify:

- Charities are different to commercial organisations. That might sound an obvious thing to say but the key thing to note is that there are of course many distinct differences and approaches - and one of the most significant is that several commercial CRM suppliers I have worked with have been amazed at the sheer breadth of activities which charities manage in comparison to their size (even if some are low value on a long tail). And thus their internal complexity increases. This isn't always a good thing of course, but it's a fact. That said, bear in mind that fundraising and commercial organisations do have some things in common - after all, we're managing contacts, building relationships, running events and "selling" in the same way as a business is, just philanthropically.
- Any supplier in any sector who can bring experience of working with your peers will surely add something to the project. They won't just be implementing software, but should be able to suggest ideas and approaches that have worked for other charities.
- You don't have to explain what Gift Aid is, how direct debits work, why relationship fundraising is important, who JustGiving are and so on.

They will know that already. And why should you have to pay a company to teach them all that?!

- They won't try to take you down a route which isn't right for a not-for-profit organisation or try to overly enforce their concepts from other sectors which they might believe are right but which they don't actually have experience of doing in the NFP sector.
- Many of the traditional fundraising database suppliers (and actually, increasingly in the CRM suppliers too) have ex-charity employees in their implementation and support teams and that can be a great benefit as they can bring real-life and hands-on experience of using that system.
- All this should hopefully increase benefits, reduce risk, reduce the project timescale and as a result, keep costs down.

That said, one would hope that any company who understands CRM, has good business analysts, can empathise with your organisation and bring great technology skills should be able to manage a lot of the above even without specific fundraising/sector knowledge. And in some instances that can be true. Sadly not always, but sometimes.

On the other hand, I also have to say that one of the great things which has happened primarily as a result of the newer, generic CRM systems now flooding the charity sector is that we are getting a whole new view of and different insight into charitable activities. I have been saying for years how insular we can be as a sector (myself included on occasions!) and so surely I should celebrate newer entrants who bring fresh thoughts and ideas?

So what can a company with less fundraising experience bring to the table?

- They can challenge a charity's pre-conceived ideas that the only way to do something is how they do it now. Okay, a fundraising-knowledgeable supplier should be able to do the same, but as more of an outsider, a company with less knowledge can ask what might seem like basic questions - and some may well be! - but some might just make us think that little bit differently and hence start to get a whole new advantage in an area.
- They will bring good business practises which some in the NFP sector may not have followed before.
- They could bring commercial ideas to the table. This may be something of an anathema to some organisations, but for others it might even help fundraising.
- They will have a wider knowledge of multiple sectors and industries, and be able to provide input in all sorts of ways which we might never have thought of before. I have always thought that the fundraising

technology sector should be able to learn more from other businesses so this is an opportunity to do so.

- They should - the ones you invite as a possible supplier - "get CRM". And that's definitely a good thing.

My Conclusion: I am a bit torn. I am already embracing the new CRM systems into the sector and I really want to embrace the suppliers with them. And some are good - some very good. But some definitely have their issues too.

Not that the traditional fundraising database suppliers are perfect - I've worked with enough to see holes and problems with their approach, fundraising knowledge and understanding of technology.

But on balance, I still need to be shown by any "non-sector" supplier that they do know, have knowledge of or can learn about fundraising and the charity sector. I will always remain open and encourage suppliers to prove that to my clients and me, and if they can do, fantastic, they're in the melting pot. But if they can't then I need to question if working with them is going to help or hinder the fundraising database implementation.

45. Consider getting a mix of suppliers with NFP and commercial experience

Historically, when buying traditional fundraising packages, most such suppliers only worked with not-for-profit organisations. Or if they did some work with commercial organisations then it was probably minimal. But now, with the introduction of the new CRM systems, many suppliers of these databases have come from a background of supplying CRM to commercial organisations. And it can therefore be an interesting procurement exercise to mix your potential suppliers between those who are still dedicated to working only with NFPs and those who work with charities and for-profit companies.

The main reason for this is that it might give you a very different view of how you could implement and approach the system, whoever you end up implementing with. (i.e. Even if you select a traditional database supplier, there is nothing to stop you putting into practise the things you might have learned during the procurement from those suppliers who supply to commercial organisations too). As I discussed in an earlier tip in this book, there are of course pros and cons to suppliers who have less fundraising/NFP knowledge but you don't have to ask a CRM supplier with zero charity knowledge to pitch - there are plenty now who have NFP divisions within their company or who are maybe specialising in two or three vertical sectors with NFPs being one of them.

Again, as I said earlier, I do think we can be too insular in the sector and to open up to commercial options and ideas for CRM is not necessarily a bad thing. So consider mixing it up a bit - I'm pretty sure you'll learn a lot from doing so.

A b o u t T h e A u t h o r

I offer database & CRM consultancy and project management solely to charities, the not-for-profit sector, universities, arts organisations and membership organisations/ professional bodies. In particular: database procurement and project management on fundraising, membership and CRM/database implementations.

I have been working in information technology (IT) for over 23 years in consultancy, customer support, training and sales. I have been working with the not-for-profit sector since 1994 (initially for a supplier of fundraising software) and I set-up my consultancy business in 1998.

My time originally spent working for a software supplier, and then the time since where I now work with charities, has meant I am fortunate to have gained a perspective on charity databases, working from both sides of the fence (and in some ways almost as a 'poacher turned gamekeeper'). It has certainly helped me and my clients when working closely with database suppliers as I am able to understand both organisations' wishes and positions.

Prior to working with the not-for-profit sector, I worked in several software houses and network suppliers with various applications over a range of industry sectors.

I also created and manage the itforcharities web site (www.itforcharities.co.uk), "*The IT Resource Guide for UK Charities and Non-Profit Organisations*": a free web site for the sector, listing IT products & services especially applicable to UK NFPs.

Contact Details

- Tel: 01959 522806
- Email: ivan@itforcharities.co.uk
- Blog: <http://blog.itforcharities.co.uk>
- LinkedIn: www.linkedin.com/in/ivanwainwright
- Twitter: <http://twitter.com/itforcharities>
- Slideshare: www.slideshare.net/itforcharities