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

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

Source: [www.npowerseattle.org/education/resources/donor_toolkit.htm](http://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

- Number of users
- # of records
- Hosting by the vendor
- Giving clubs & honor rolls
- Soft credits
- Pledge tracking
- Matching gifts
- # of servers
- Conversion Help
- Lockbox support
- Planned Giving
- # of copies of db
- Integration
- Events Management
- Volunteer Management
- Buy vs. Rent
- Ticket sales
- Memberships
- # of servers
- Relationships
- Online Services
- Advocacy
- Custom reports & analytic tools
- Data updates (NCOA, CASS)
- Grant Tracking
- Major Gifts & Prospect Management
- Advocacy

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### 3.3 Sample 5 Year Budget

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td>1</td>
<td>$5,000.00</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Staff training</td>
<td>5</td>
<td>$750.00</td>
<td>$3,750.00</td>
</tr>
<tr>
<td>Workstations</td>
<td>5</td>
<td>$1,250.00</td>
<td>$6,250.00</td>
</tr>
<tr>
<td>Shared Printer</td>
<td>1</td>
<td>$350.00</td>
<td>$350.00</td>
</tr>
<tr>
<td>Consulting</td>
<td>20</td>
<td>$125.00</td>
<td>$2,500.00</td>
</tr>
<tr>
<td><strong>Total Year 1</strong></td>
<td></td>
<td><strong>$17,850.00</strong></td>
<td></td>
</tr>
<tr>
<td>Support, years 2 - 5</td>
<td>4</td>
<td>$1,000.00</td>
<td>$4,000.00</td>
</tr>
<tr>
<td>Ongoing Training</td>
<td>2</td>
<td>$750.00</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>Workstation Upgrades</td>
<td>5</td>
<td>$1,250.00</td>
<td>$6,250.00</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td><strong>$29,600.00</strong></td>
<td></td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Function</th>
<th>Value</th>
<th>Score</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can handle foreign donations.</td>
<td>10</td>
<td>0</td>
<td>Can only handle $. Not acceptable.</td>
</tr>
<tr>
<td>Can track event costs.</td>
<td>6</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Can link related records.</td>
<td>10</td>
<td>5</td>
<td>Can only link 2 records.</td>
</tr>
</tbody>
</table>
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:**

<table>
<thead>
<tr>
<th>AREA</th>
<th>RATING</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Entry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership Mgmt.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prospect Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Events Management</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 5.4 Grading The Vendors

Complex rating form, with scores for each feature:

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

- Get access to a demo system.
- Make a list of features to test.
- Grade the tests.


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

2. I found the system unnecessarily complex

3. I thought the system was easy to use
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):
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](http://www.techsoup.org/learningcenter/software/page4829.cfm)

Battin, Tom: *Should Nonprofit Agencies Build or Buy a Database?*  
[www.techsoup.org/learningcenter/databases/page5028.cfm](http://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](http://www.grassrootsfundraising.org/magazine/feature27_2.pdf)

Idealware: articles on constituent databases  

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