Sage Fundraising

A Nonprofit’s Guide to Purchasing Fundraising Software

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Authorized Partner

Rogers & Company Technology
125 Jericho Tpke
Suite 200
Jericho, NY 11753-1016
516-338-9500
www.rcotech.com

5MIP080 09-51166/0309

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References: Ask Your Neighbor

During your evaluation, you may want to talk to users of the system you are considering. Be sure you speak with a person who has hands-on usage of the system, as well as administrators who try to extract information from the system. While you may get valuable information about a system's capabilities, references are equally useful when you use them to discuss the company and its services. Try to learn about the user's experience with the software company and its support, training, and maintenance programs, in addition to the software itself. Prepare a list of questions in advance and keep them as specific and brief as possible. Be considerate—if it is not a good time to talk, set up a time when your call is convenient.

Conclusion

The key to a successful fundraising software purchase is to know your organization. A thorough investigation will go a long way to arming you with the right questions and tools to find the best solution. A full understanding of all the costs involved to have a useable solution will help you avoid nasty cost surprises you may get by only reviewing software program list prices. Selecting the best software for your organization takes some time and effort, but the rewards are great. A smoother fundraising program can improve not only an organization's administrative efficiency, but literally increase revenues and improve the public perception of the organization itself. If you treat the purchase of new fundraising software as a long-term investment rather than an expense and follow the process outlined in this booklet, you will select a system that has the capabilities you need provided by a software company that will be a long-term partner in your success.

- Is adequate time given for the trainee to feel comfortable using the system?
- Is there any time for solving organization-specific problems?
- Are there advanced training classes for more complex subjects?

The Company

Many services are provided after you purchase the software. The software company you choose must be stable, committed to a long-term future relationship with its customers, and above all, it must be attuned to the user's needs. You should evaluate each software vendor equally. Some examples of questions to ask are:

- Is the company stable? With consolidation of technology rampant in the marketplace, private companies are at risk of being acquired and their products put to pasture. Make sure the company will be around for a while.
- What is the reputation of the company? Is it committed to the nonprofit sector?
- Does the company have any stated philosophy about its customers or nonprofits?
- How long have its fundraising products been on the market? And how long has the company been designing solutions for the nonprofit sector? Several years of experience could give its designers a better understanding of the needs of nonprofits during the design and implementation phases of developing fundraising software. You don't want to be their field tester for the first three or four years!
- How many customers does the company have?
- What is its rate of growth? Does the company support customers on prior platforms or releases?
- Is the company customer-oriented? This factor is crucial since it tends to influence everything the company does. One way to investigate this is to look at its software manuals or online help. While anybody new to computers has to learn some new terms, documentation should be clearly understandable to users who have a basic knowledge of software.

There are other services many software companies provide that can be very valuable, such as newsletters, user groups, and annual user conferences. These services provide users with valuable information about the company and changes in its products. Annual user conferences are a good indication of a company's commitment to long-term relationships with its users. Also, most companies publish a Web site where you can find software updates, user tips, and general information about the company and its products.

Introduction

As a fundraising and development professional, you are often so busy raising the much needed funds to advance your organization's mission that you may feel you don't have time to explore fundraising software. Economic pressures and resource constraints increasingly make fundraising software a necessity rather than merely a helpful "extra." Fundraising products vary from simple, online freeware to a wide range of solutions with varied features, price levels, and support and training packages. Such a bevy of choices can leave you overwhelmed and unsure of where to begin. This guide can assist you in this task by providing a framework to evaluate and choose a fundraising software solution that best meets the organization's specific needs.

Benefits of Having the Right Fundraising Software Solution

Most fundraising software solutions do more than just increase donations—they help the entire development office. Features offered often help manage donor information, including contribution history, financial records, personal details and contacts, and usually help generate and track donor communications and fundraising campaigns. Fundraising software ultimately decreases costs and increases contributions by:

- Trimming the time previously required to plan and implement fundraising activities
- Simplifying administrative tasks such as database management
- Speeding up data entry, report generation, campaign tracking and analysis
- Decreasing the time currently required for donor research
- Targeting communications to eliminate extra postage and reduce duplicates
- Preserving resources by identifying unsuccessful campaigns quickly
- Simplifying the management of members, volunteers and special events

Storing information about your constituents and donors in a single donor management solution can help to generate more successful campaigns and, ultimately, more income. Examples include:

- Tailoring requests, communications and invitations for specific groups or donors
- Finding opportunities for matching corporate gifts
- Automatically tracking grant proposals or major donor visits and timelines
- Tracking and communicating pledge details and payment histories
- Creating quality reports to help demonstrate accountability to future donors

How much will your organization save with fundraising software?

It may be useful to chart the time your staff currently spends on fundraising-related tasks. Multiply the number of staff hours by the per-hour cost you currently spend on staffing. Use a conservative estimate: If a fundraising system only reduces a tenth of your administrative and research costs over the next year, without stimulating any new revenue, how soon will it pay for itself?

Do You Need to Change Your Fundraising System?

Investing time and money in new fundraising software is an important undertaking. Why are you considering a new system? Perhaps your organization has experienced growth, is looking to diversify its funding sources, is taking current fundraising initiatives to the next level, or its board of directors is asking for additional reports. It's important to determine not just the key changes that prompted the initial search, but all the related needs that must be met by your new system. Consider a few questions to determine if purchasing new fundraising software may be helpful to your team and organization:

- Do you feel like it is a struggle to keep on top of campaigns or donor information?
- Are you wasting postage and efforts on mailing the same request to your entire list rather than making special requests to targeted segments?
- Is your volunteer management getting unwieldy as programs grow?
- Do you miss opportunities from matching funds or other relationships because it is difficult to find the right information quickly?
- Are you using more than one database or spreadsheet to track donations and communications?
- Does it take more than 10 minutes to find and format data into a report for donors or boards?
- Is it difficult to determine how many dollars are generated for each one spent?
- Do you receive donations to be charged onto a credit card, but then have to manually process the donations by phone or dated credit card terminal?
- Does your organization resist implementing a recurring gift program because of the current administrative burden it would add?

If you answered "yes" to any of these questions, it's time to invest a little time and effort into exploring fundraising solutions.

Remember, the primary intent of your search is to obtain value-added results for your organization, rather than just buying the least expensive fundraising software system available. Low-cost software may require supplemental work with manual entries and spreadsheets to obtain the same benefits. Likewise, you do not want to overbuy for your needs.

What Else Should You Consider?

It is important to remember that your relationship with your fundraising software vendor begins, not ends, with selection of the software. Because you are likely to want services from a company beyond its software, get to know more about the company and the type of services it offers. Other factors besides the software that you should consider include:

Responsive Support

- What is the availability of customer support?
- How can you contact support (phone, fax, e-mail, online)?
- How quickly will you get a response to your support issue?
- How many support representatives are available, and what are their levels of experience and expertise?
- How do current users rate the quality of the company's support?

Maintenance

- Does the company have a formal software maintenance program?
- Does the program include bug fixes only, or are upgrades also included? Does it also include shipping you new versions?
- How does the software company determine what to include in software enhancements?
- How often are enhancements or new versions released? Carefully-timed and spaced enhancements help ensure the company is keeping in touch with the needs of its customers.

Quality Training

- What is the experience and expertise of the trainers?
- What types of training options are offered? Does the software company offer training at a corporate training facility, regional training, on-site training, self-paced studies, real-time learning, or video training? If they offer more than one option, what are the relative costs?
- What methods of training are provided—lecture only, hands-on exercises, or a combination of both? A combination of both lecture and hands-on exercises, performed with a computer and printer, provides maximum learning benefits.

Take a Detailed Look at Software

Looking at demonstrations or "demos" lets you see the software in action. There are several different types of demos:

- **Self-running demos**—Most companies provide a free, self-running demo. These demos are usually on a CD or on the company's Web site. The demo shows you some menus and takes you through a few functions. These are useful for only the most preliminary evaluation, since they provide just a brief overview of the product and cannot cover all available features.
- **Live demos**—A live vendor demo lets you see more features, and enables you to ask questions that are relevant to your needs while you are reviewing the actual product. Live demos include in-person demonstrations of the software at your organization, demonstrations at tradeshows and events, or a live demonstration over the Web, otherwise known as a Webcast. Because these demos are live, be sure to prepare questions in advance that relate to your organization's needs, such as those on your checklist.

What Evaluation Criteria Should You Use?

You are now at the heart of your search! Following is a sample set of criteria used by many organizations to evaluate fundraising software. Remember that software is the primary, but not the only factor you should consider.

- **Features and Functionality**—Start by ensuring that the basic fundraising and donor management functions described earlier in this guide are present. Then check each feature against your needs checklist. Understand what benefit a feature has for your organization before you give it any weight.
- **Price vs. Overall Cost**—Module prices are not your only expenses. Add the price of maintenance, support, training, consulting, and conversion to the overall cost when you compare software. For example, low-priced software that requires customization may be extremely expensive to install, maintain, and train your staff on, making your total cost much higher. Don't be surprised —insist on a straight answer on the cost of the software and all related services before you buy.
- **Installation**—How easy is it to install or uninstall? Does it require extra consulting dollars to install?
- **Software Setup**—How easy is it to create your fundraising database structure? How quickly can you set up the software for daily use? Will you require a consultant to accomplish the setup?
- **Value**—Compare the overall cost of the features and functionality you need to the benefits your organization will get. This prevents you from paying extra for functionality that doesn't pay you back. It also allows you to compare software systems on the basis of what you will actually use.

Of course, the real benefit of fundraising software is the ability to identify donor opportunities. It can be more difficult to predict how much additional revenue investing in a new system will bring a given organization, but you can assume that each hour gained through increased efficiency can be re-allocated to pursuing additional funds. The result should be a more efficient, well-orchestrated fundraising program with better overall results.

Evaluating Your Organization's Needs

The key to a successful search is a careful analysis of your organizational infrastructure. This should include an assessment of your current development programs, your inventory of existing technology, the computer skills of your staff, and an examination of your budget. In each of these areas, consider where you may be three to five years down the road. You need to be sure that the software, licensing, or support packages you purchase will meet your expected organizational growth. This analysis will help clarify the most basic features and performance priorities required of your fundraising software. Some of the key items to consider include:

- **Size of Your Organization**—The larger the organization, in reference to funding sources, fundraising activities, or the number of development employees, the more likely the need for sophisticated fundraising software. But avoid overbuying—you will end up paying annual maintenance fees on a system that you don't yet need. The best option is a solution that fits your organization today, and accommodates the growth and change of tomorrow.
- **Who Needs Access**—Software is commonly priced by the number of users, or seats. Therefore, you should know how many staff members will use the software and at what capacity.
- **Complexity of the Donor Management Required**—The intricate functionality required for donor development and prospect cultivation is a primary reason to change fundraising systems. Complex issues that a new fundraising system should handle include tracking donor-to-donor relationships, gift history, potential to give, personalized attributes, and donor communications and solicitations.
- **Type, Number, and Frequency of Reports**—How much time do you spend on reporting? To whom do you report—a board of directors, grant and funding sources, donors, service recipients, a national organization, auditors? How many are internal reports? Many nonprofits require a great number of reports or need different reporting formats. The appropriate fundraising software saves you time and effort, often featuring easy-to-use report writers and many standard reports to help simplify reporting tasks.
- **Key Information and Details**—Decide what type of information as well as the level of detail you want to capture and report. Fundraising software should be flexible enough to allow you to customize these details into categories that are significant for your organization.

- **Future Needs**—While you don't want to overbuy and end up with a system that is too complex for your current needs, you should consider your organization's future fundraising needs along with your current needs. For example, will you add fundraising activities that will require new functionality such as event management or recurring giving programs? Will you want to apply for and track information on additional grants? Purchasing an inexpensive, but limited system that you soon outgrow is usually more costly than initially paying more for a feature-rich system that accommodates your growing needs.
- **Interfacing Systems**—Examine the related functions that will need to interface with your fundraising data, such as accounting, credit card processing, Microsoft applications, online donation programs, etc.

A Critical Component: Development Program Evaluation

The first and most critical step in your organizational evaluation is to take a good look at your development and fundraising initiatives. Does your organization raise money through direct mail, corporate or foundation grants, special events, planned giving, major gift programs, or a combination of the above? You should know which of these programs brings in the most revenue, thus deserving more support or expansion. Understanding each program also means knowing how much time is spent administering it and knowing what you would like to achieve with each but are unable to do right now. Gathering these and other facts, such as the number of current donor records you have, will assist you in identifying and ranking your program's goals, needs, and wants.

Using your ranked inventory, begin to develop a function list to use in your software search. The activities that you engage in hourly or daily, or that you spend too much money or time on currently will dictate which feature areas have higher priority than others. For example, if you rely on corporate gifts more than charity events for a large percentage of your funds, then detailed event management features will fall lower on your features list. Prioritize your needs using these categories: "must have," "nice to have," and "helpful, but not necessary." These help to maintain a clear picture of your critical needs throughout the purchasing process. You don't want end up with a dozen new flashy features and functions that do not address the critical needs of your fundraising initiatives. If you need a starting point, consider the vendor's list of features and functionality, or build one from features suggested by vendor literature or other nonprofit organizations.

Next, spend some time considering the type of information you want to capture as well as the level of detail required. What detail is needed to build and maximize relationships, analyze giving trends, and develop effective reports? Consider each entity you report to (for example, board of directors, grant and funding sources, donors, service recipients, a national organization, auditors, etc.) and consider the types of detail they each demand. These activities will help you compare costs and benefits of different software packages based on essentials and quickly factor in additional costs for desired but non-critical features.

Resources to Aid in Software Evaluation

After you determine the level of software you need, you can begin to evaluate available systems. Once you find software companies that offer what you are looking for, contact them by phone or visit their Web sites for information. Following is a list of resources that you can use in your search to find these vendors:

- **Nonprofit support centers at local, state, and national levels**—They offer literature and sometimes libraries of software that you can use to aid in your evaluation.
- **Nonprofit, fundraising, and computer-related magazines**—Look specifically for articles and advertisements that deal with nonprofit, fundraising, and donor management software. Read multiple reviews covering the same software, so you are not unwittingly absorbing a single reviewer's bias or lack of time to investigate the software in detail.
- **Consultants**—Since they often provide technology services on a variety of client software packages, consultants frequently have insight into the best products for different organizations.
- **Web sites**—Use search engines to look up listings for keywords such as "fundraising software," "nonprofit software," or "fund raising software".
- **Tradeshows**—Viewing vendor demonstrations at a tradeshow can give you an overview of the software's capabilities. Try to see the real software as opposed to a canned demo, so you can see the functionality you need—not just the features that the vendor wants to highlight.
- **User group meetings**—Current users can often give you referrals, demos and answers to detailed questions about how the software will fit your organization's needs. Find users with needs similar to your own to see how their software, support, and services are working for them after the sales process.
- **Board members, funding sources, and regulatory agencies**—These organizations may have the experience to relate, especially as they may be on the receiving end of your fundraising reporting.
- **Your peers in similar organizations**—Contact your organization's national headquarters, sister chapters, or like organizations.

With the information you gather you may begin to narrow down the field to those systems that seem to fit your organization's needs. Then contact the vendors for more detailed information or for a demonstration of the system each offers.

The software purchase and the installation and conversion processes should be thought of as a whole. Considerations other than software list price influence the total cost of conversion. It's not uncommon for a vendor who expects to make a profit on the conversion to dramatically drop the cost of the software. Get the total costs upfront. By focusing only on buying the lowest-cost software, you may incur additional costs (for example, to supplement or work around missing or incomplete functionality, for extra consulting, or training, etc.) to achieve the same benefits as a system with a higher list price. Similarly, avoid paying extra for functionality or services that have no value to your organization.

Software Evaluation

Once you have decided that your organization could profit from a new fundraising software program; have assessed your organization; and are familiar with the implementation process, it's time to start product evaluation. If your organization is small, has only a few programs and campaigns and a small donor base, you will probably be looking at the less costly market, and can evaluate the available systems and make the choices yourself. Depending on your own experience with software, you may want the help of an experienced consultant to help in the evaluation at the mid-range and high-end levels.

Keep Flexibility in Mind

Implementation is the time when flexible functions will be the most important. Make sure pre-programmed designations are customizable to your program. For example, most organizations will have volunteers, individual donors, corporate donors, boards of directors and foundations, but if you are a health organization your data groups may include health educators, physicians and nurses, while a school or university will use alumni and parents. Ensure that you can define the categories that are familiar to your organization. In addition, make sure the solution gives you the flexibility to change after setup. You may want to group by contribution type or by the messages you want to send. All or some of these designations may overlap or fall into several categories. Be sure that your chosen solution can accommodate the cross section of supplementary information most valuable to your organization.

Begin the evaluation with a close look at the company providing the solutions offered in your appropriate range. While new technologies often sound the most cutting-edge and exciting, you want to be sure that the company will be there for you after the software is installed. Consider the stability of the provider and its experience in the nonprofit sector. Be sure to find out how long the company has worked with nonprofits, how many organizations have purchased and installed the software, and even ask for references such that you can speak directly with an experienced user of the software.

Common Features to Consider

Here is a sample of the types of features commonly found in fundraising software. Use this basic list as a guideline for the consideration and ranking of features based on the activities that are time-consuming for staff and attributes that would help make your program more manageable. These suggestions can help you separate your genuine needs from helpful extras and clarify your organization's top priorities.

Contact management

- Donor tracking features
- Volunteer recruitment and management
- Member level tracking
- Corporate and foundation prospect tracking
- Relationship tracking

Gift tracking features

- Data entry shortcuts and defaults
- Pledge scheduling and tracking
- Gift match potential tracking
- Automated or flexible payment schedules
- Pledge reminders
- Recurring gift or EFT processing
- Customizable tracking over multiple years
- Receipt generation

Communication features

- Selective targeting of constituents
- Personalized communications
- Label and envelope creation
- Direct from system e-mails
- Direct from system reporting
- Targeted letter generation
- Automatic communication tracking
- Solicitation method tracking

Event management feature examples

- Single or multi-activity event tracking
- Event-specific expense tracking
- Invitation processing, tracking
- Non-constituent tagging of guest lists
- Registration management
- Name tag production

Reporting features

- Includes relevant templates
- Multiple-screen reports
- Advanced data analysis
- Solicitation and appeal reports
- Detailed queries
- Output customization
- Volunteer value calculation tools
- Year-end statements

General features

- Proposal and grant tracking
- Campaign analysis
- Track alternative names and contact information
- Tickler/reminders for important dates
- Multiple user-defined fields
- Automatic calculation features
- Automated data entry tools
- Hyper-linking or drag-and-drop features

Technology Considerations

The hardware, operating system, and environment will play an important role in your selection of fundraising software. Consider your organization's potential for growth and how often you plan to update your systems. Many nonprofits find it useful to develop a technology plan to determine a long-term strategy. With today's rapidly changing technology, software and hardware become obsolete quickly. If you have not been investing in this area in the last three years, be prepared for a likely upgrade investment to run new software. As the next step in your needs analysis, you should take an inventory of the existing equipment.

Understanding your current assets will help you determine if you will need additional equipment to successfully implement your new software. A comprehensive list of hardware, operating systems, networking information, and other critical software can help you determine technical compatibility when speaking to a software vendor.

Stand-alone, File Server, or Client Server? Know Your Technology Environment

Be sure to review your technology on several different levels:

- **Network**—Understand your current computing environment so you can communicate it to vendors, such as differentiating stand-alone workstations versus a network. A network is necessary if more than one person needs to share data access. Networks vary considerably in complexity, type, and capacity.
- **Hardware**—Know the characteristics of the computers you will use in your development office—list their RAM, processing speeds, available storage, and operating systems. Again, if the computers are older they may require an upgrade to accommodate even basic fundraising software. Find out the type of server your organization uses and its capacity level.
- **Software**—Review the critical software that you use every day. Consider each software application and determine if it needs to interface with the new fundraising software package.

Here are some typical environments that are ready for new software additions. They are mapped to the usual environments that different sized staffs typically have. You may want to consider these as you review your own staff size and existing environment.

Common Computing Configurations by Size

- **Small staff** (1-3 fundraising system users) are commonly on individual workstations using Windows 2000, XP, or another current Microsoft operating system connected by peer-to-peer networking.
- **Medium staff** (3-10 fundraising system users) are typically running PCs using Windows 2000, XP, or another current Microsoft operating system connected in a Local Area Network (LAN) environment, meaning the users are in the same building or city, with one or two file servers.

- **Training**—As previously mentioned, proper instruction lets your staff get the most out of your investment immediately. It helps them to really understand the software's features and how it works. Plan to train the appropriate number of personnel at beginner and advanced levels.
- **Considering the Initial Setup**—All fundraising software with databases need some degree of configuration to reflect your existing programs and processes. You set up the software to match the way your organization labels and tracks constituents, records and tags gifts, reports information, determines campaign success, and performs many other tasks. The more detailed and varied your programs are and the more intricate the solution is, the more setup time will be required. The program evaluation process you started at the beginning of your search can be very useful at this stage as well. Think about how you want your new data to be formatted, and what criteria are keys to your fundraising success. You should also make sure you capture the right information, at the necessary level of detail, so you can produce the variety of reports you need. Spend some time in advance of installation to consider the detail you require—it's easier to import it the way you want it the first time rather than to change it later.
- **Conversion of Existing Data**—When an organization purchases new software, the first step in moving toward the upgrade is getting existing records prepared and transferred to the new software program. How will you get your current data in the new system and in the proper format? Find out if there are tools available for the prospective software and evaluate any related integration development needs, turnaround times, formatting, or follow-up support costs well before the conversion process has begun so you have an accurate expectation for the scope of the project. Software vendors may perform this service for a fee. If your vendor does not, the software manufacturer may have partnerships with consultants in your area—ask them for more information.
- **Interfaces**—Plan to test your new system's interfaces with other applications that you and other departments use such as accounting, Microsoft, online donation processing applications, and even the printers you use on a regular basis.
- **Consulting**—Again, consider hiring a consultant to perform some of your conversion steps, which include conducting your needs analysis, evaluating, selecting, or installing software or hardware to meet your organization's specific needs, setting up your database, training and other technology-related services. Ask the vendor about service prices up front to avoid hidden charges.

Training Tip

If you only are planning to train one staff member, consider a back up. Even the most dedicated people may leave an organization or fall sick during a critical campaign. Even if only one staff member is the primary user of the fundraising package, consider training at least one additional person to ensure that you don't lose the ability to use the system and that an additional staff member will have basic knowledge of the program.

- **Consulting**—Consultants provide services before, during and after your software purchase. The range of services provided can vary. Consultants may only demonstrate and recommend software, or may assist you with evaluation, implementation and training, and provide additional services like customizing or optimizing the system for your organization's specific needs. Consultants with previous experience with the chosen fundraising software can accelerate a complex implementation considerably.

  Consider the following to determine if you require consultant services:

  - Can your organization's IT staff handle the evaluation, selection, and installation of hardware and software and product integration, as well as training and support after the purchase?
  - Do you have a budget to hire a consultant?
  - Do you want a local contact if you need help with some aspect of the system or is vendor phone support enough?

Because of the greater complexity of the high-end fundraising products, you should definitely consider a consultant if your organization is in this range. If you think you need a consultant, make sure that he or she has experience with nonprofits. A consultant that is already familiar with the operations of your organization can also smooth the implementation processes.

Planning a Successful Implementation

Before you begin evaluating actual fundraising packages, spend some time thinking about the factors that facilitate a successful conversion to new software. After all, software selection is only part of the conversion process—other factors, such as services, also play critical roles. For example, imagine if you were to buy a powerful and comprehensive software package but had no funds left to purchase training, so your fundraising staff couldn't actually learn how to use the new system. Here are some factors you should consider to avoid such a predicament:

- **Large staff** (over 10 fundraising system users) are often using Windows 2000, XP, or another current Microsoft operating system connected by LAN or Wide Area Network (WAN) environment, meaning the users might be located in different cities and connected over a phone line or browser in a client /server environment.

Budgeting for a Fundraising Solution

There is a wide variety of purchase prices for different levels of fundraising software. However, it's important to remember that the purchase price is not always the complete cost of the solution. Organizational software can have additional costs in the form of additional user licenses, data conversion, additional staff training and annual technical support, or additional hardware to support the solution. It's important to understand all the associated expenses beyond the software price tag to know your true costs.

- **$1,500 and under**—The products at this level are usually very simple programs designed for organizations running modest development programs with limited budgets. In most cases they have very limited constituent management capabilities (tagging, indexing, sorting, etc.) and come with a few set reports. These products are usually designed to export data to a word processing program for mailings or spreadsheet for reports. This group includes Application Service Providers (ASPs), or hosting online fundraising services. ASPs store and support your fundraising database outside of your organization without the hardware or network costs of hosting it yourself, usually for a monthly subscription fee. Your staff accesses it over the Web. These solutions can help very small organizations with limited budgets. Ask about the total costs of an annual subscription for three to five years, and be sure to compare those costs to purchase prices to ensure that subscription services will remain affordable over time.
- **$1,500 to $7,500**—These programs are a major step up from the previous category. In general they are able to reside on both a network and workstation and have all the features required for most development operations, including extensive constituent tagging and coding, activity tracking, and reporting capabilities. Programs in this range include a broad array of pre-designed reports and report-generating capabilities, reducing the need to export your data to a word processing or spreadsheet program. They tend to have some additional features to facilitate donor communication, either by e-mail or mail. The software will vary in ease of use, flexibility, required training and setup costs.
- **$7,500 to $15,000**—The programs at this level have all the elements previously mentioned, but they tend to include a broader array of information-capture and data-management capabilities, as well as more comprehensive tracking and analysis for specialized development operations. Most of the programs in this range offer an assortment of equally comprehensive add-on modules (generally for an additional cost) to address deeper, specialized needs such as membership or volunteer management and major special event management.

- **$15,000 and up**—At this price range you will find customized, proprietary systems for large institutions or organizations. These systems are designed to work with large networks, often in multiple geographic sites, that can manage massive amounts of data. These solutions often have very advanced functionality in specialty areas for large organizations' specific needs, such as alumni management for universities. These systems tend to integrate directly with other specialized systems used at the organization or institution, and often require a consultant to install.

A Word of Caution About Custom Solutions

Tailor-made software programs often sound like good ideas initially. Some organizations turn to a volunteer or consultant to build a solution, or look to purchase a less expensive solution that is not readily used in the marketplace but was built for a similar organization. The problem tends to lie in two areas, the functionality of the custom application and the technical support (including upgrades).

In terms of functionality, make certain that a custom application won't place you in the same predicament that has prompted your original search. Usually, the solution is built around a specific case of needs (either yours or a similar organization), and has not benefited from thousands of users' input. Much of the development time of the custom application is placed on the same basic functionality that other fundraising software packages have mastered. Often times organizations that use a custom application find that getting the data into the application is not the issue; it is getting the data back out of the system that is the dilemma. Nonprofits face increasing pressures to meet the stringent reporting requirements of their auditors and grantors—is this custom application able to measure up?

As your organization's needs change and grow, updated functionality to match your needs can come at a substantial financial cost. Moreover, technical support often becomes difficult, if not impossible. In a worst-case scenario, the company could go out of business, rendering your expensive system instantly obsolete. Or the volunteer that built the custom application for you is unable to make the updates or provide on-going support. These considerations can leave you right back where you started prior to choosing a custom solution—evaluating fundraising software.

Don't confuse a custom solution with the ability to customize a proven, on-themarket fundraising software. With the increasingly flexible and sophisticated fundraising systems available, fewer nonprofit organizations are turning to custom solutions. Be sure that customized software is your only available option before you make this time-consuming and usually expensive choice.

Buy a Solution, Not Just Software

Nobody wants merely to acquire the code that goes into a software program—you ultimately need a complete solution that will address your organizational needs. A real solution includes considerations beyond the computer program you purchase. Your staff must be able to use the program effectively, and your organization should be supported technically if your network changes, programs are added, or if you have questions or issues. Consider your organization from a broader perspective to determine what additional services may be required so that you have a real solution.

The longevity of the software vendor and the quality of services they provide are critical considerations in your purchasing decision. Virtually all software users require some support services. Consider your staff and organizational needs to determine the level of service your organization may need. Most organizations need some level of the following services:

- **Technical Support**—Technical support provides answers and support to users by telephone, e-mail or Web. Consider how comfortable your staff is with troubleshooting software issues and the responsiveness of your IT or MIS departments or consultants. Keep in mind that even a sophisticated employee generally needs help with a new system or new features and functionality. And, if fundraising is your organizational lifeblood, you will want a safety net to ensure it will be there when you need it.
- **Maintenance**—Software maintenance services keep your software up to date and working well on your system. Maintenance usually consists of software upgrades and enhancements, and helps extend the life of your software solution, maintaining compatibility after network and operating system upgrades.
- **Training**—To get value out of your new software, your staff must be adequately trained to use it. Training may be provided by a variety of mediums, at various levels of proficiency, and may be either included in the cost of the software or offered separately. The more sophisticated the fundraising solutions, the more training may be required for staff to become comfortable and proficient. You may want to pay for intensive staff training to ensure you will get maximum value from your new software investment. Find out how training is administered: Will your staff members have to travel to training, or can they attend classes in their own areas? How often is training offered? Is online training available? Make sure the training options and costs fit with your staff's needs and budget.