FivePaths

Choosing a Donor Management System

Six Critical Steps For Making The Right Choice

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Choosing a Donor Management System

Introduction

The options available for managing donor information have expanded tremendously in the last few years. Not only do more and better donor management systems and support providers exist than ever before, many of these tools can work together, allowing organizations to engage donors through a variety of platforms, as well as to analyze data instantly. This new wealth of options has created both an opportunity to be selective — and a burden to choose wisely.

Our step-by-step process in the toolkit below will help you to navigate the process of choosing a donor database system that best fits the needs of your organization. Following this process will keep you in the driver's seat, giving you insight into which features you need for your programs and services to be successful. It will also provide your vendor and consultants valuable insights that will help inform their recommendations back to you.

Step #1: Define Success

Ensure that you will know success when you see it. Before you look for a donor database, take some time to identify your data management goals and come up with strategies for achieving them. Creating clear, concise success metrics upfront can help provide critical guidance in selecting, implementing, and eventually evaluating an optimum solution for your organization.

Goal statements pinpoint what you hope to accomplish; ***strategies*** identify the actions necessary to help achieve these goals. Goals and strategies should be short and succinct, without referencing specific technology solutions. (You'll get to that later.) ***Success metrics*** are specific milestones that allow you to track your progress in achieving your goals and implementing your strategies.

As you draft these, keep in mind that using simple, concise language is key to laying the foundation for a solid plan and smart technology choices. Clearly stated goals, strategies, and success metrics can also help facilitate communication within your organization and with outside vendors throughout the process. Below is an example of a format you can use.

[Example] Goals, Strategies, and Success Metrics

Goal: Increase our budget so we can hire more staff to strengthen our core support services, as well as develop new ones.

1. **Strategy**: Build up our support base through increases in new and returning donors.
    a. **Success Metric**: We would like to increase new donors by 20 percent over the next 12 months.

    b. **Success Metric**: We would like to increase our returning donor rate from 50 percent to 70 percent over the next 12 months.

2. **Strategy**: Increase paying attendees to our annual event.
    a. **Success Metric**: Increase early registrations this year by 20 percent.
    b. **Success Metric**: Increase donor attendees this year by 30 percent.
    c. **Success Metric**: Increase non-donor attendees by 20 percent.

Once you have acquired a new donor management system and have been working with it for some time, you may wish to revisit these goals, strategies, and success metrics to ensure you stay on track.

Step #2: Identify Your Limitations

When choosing donor management software, it pays to be pragmatic. While a software system with lots of bells and whistles may seem like a better deal than a simpler one, keep in mind that more features can mean an increase in training costs, likelihood of user error, and system failure. Consider, too, that donor management systems are priced by the features they offer, meaning that systems with more features also tend to be more expensive to acquire in the first place.

To help narrow down your options and identify which features you really need, identify your budgetary, personnel, and time constraints. Doing so will better prepare you to assess which system features are a good investment, as well as inform you as you select, implement, and manage the software within your organization.

When reviewing donor management systems, keep in mind the following constraints:

1. **Financial**
   What is the available budget for ...
    a. Implementation?
    b. Initial training?
    c. Ongoing training and vendor support?
    d. Software licensing?
    e. New features and upgrades?
2. **Personnel**
    a. What staff is available to select and implement the software?
    b. Is a staff member available to serve as the primary go-to person for donor database questions?
    c. What staff is available to form an ongoing technology team that will review database questions, set up trainings, manage updates, determine new required features, and liaise with vendors?

3. **Time**
    a. Is there a funder-driven deadline you must meet with this project?
    b. Is there an internal budget deadline you need to respect?
    c. Are there any significant holidays or busy periods you should avoid to ensure your team can participate effectively?
    d. Is your current system at high risk for catastrophic failure? (If so, this would increase the urgency of finding a replacement.)

Step #3: Take Inventory

Now is the time to rediscover your data. Knowing where and how your donor data is currently managed will help your team better understand the gaps between what is happening now and what needs to improve to meet your goals.

When taking an inventory of your data, it is important to understand the scope of that data. Many organizations manage donor information in a variety of systems that are not commonly referred to as databases, all of which should be accounted for. Examples include spreadsheets, documents, email contact lists, phone contacts, and even paper systems such as rolodexes or address books. Remember, your goal is to gain an accurate understanding of where and how your critical donor data is managed, no matter what the system.

Once you have taken inventory, identify the data you plan to migrate to your new donor management system. Do this by reviewing each system you use to manage your data.

Note the following for each system:

1. The location where the data is currently stored. (For the purpose of clarity, use the name you call it around the office.)
2. The system you currently use to store the data (for example, FileMaker/hosted service/custom website), including consultant or vendor name and contact information if applicable.
3. The number of records in the system.
4. Any critical information that the system contains. (Be as specific as possible.)
5. Any redundant or unnecessary information and system features.
6. A rating, on a scale of one to ten, indicating how well each system meets your needs.
7. Whether the system can be accessed remotely when team members are away from the office.
8. The biggest strengths of the current system.
9. The biggest weaknesses of the current system.

10. A printout of at least one of the most complete records in each system.

11. Any new features, fields, and reports required for each system.

A detailed inventory will help you understand what your critical data needs are, as well as the functionality that you will want to target in a new donor management system. Moreover, having completed the arduous task of identifying where your data is located, you will have gotten a jump start on migrating this data to a new system.

Step #4: Engage Your Users

Ask staff and other users what they consider to be the strengths and weaknesses of your current donor management system. This feedback will help you better identify areas of improvement and may validate your preliminary assessments and assumptions.

Here, identifying your users is key. While in many organizations, donor data is managed by a few individuals or a team within the organization, in others it may be managed by donors themselves in collaboration with staff and other teams. Be sure to include enough representation from all your user groups to flesh out critical concerns.

Make it easy for your users to give feedback. Providing a simple survey and rating system (such as the one shown below) will make participation painless and provide a consistent framework for compiling results.

[Example] User Feedback Survey: Current Donor Management System

Please rate your agreement with the following statements. Use a scale of Strongly Agree (SA), Agree (A), Disagree (D), Strongly Disagree (SD), or Don't Know/Not Applicable (DK/NA).*

STATEMENT	RATING*	COMMENTS
I find the system easy to use.		
I can input and update data in the system.		
I know how to query the system to retrieve the data I need.		
I can obtain the reports I need from the system.		
I can import information into the system.		
I can export information from the system.		
I am able to keep my data clear, correct, and up-to-date.		
The system is up, running, and available when I need it.		
I am able to access the system remotely (e.g., over the Internet) when needed.		
The system performs quickly and efficiently.		

STATEMENT	RATING*	COMMENTS
I understand what data to enter in the system, as well as how, when, and why.		
I am confident that sensitive data is safe and secure.		
I can easily manage content, as well as the community that uses the system.		
We have sufficient documentation for using the database.		
The system documentation answers my questions.		
My organization is able to train new staff to use the system.		
My organization is able to upgrade our database software to stay current with new releases.		

After collecting and compiling this feedback, look for trends and new information. Sometimes, what you learn through your user surveys may reveal needs that are not yet addressed in your goals, strategies, and success metrics. This is a great opportunity to update these to better define your needs.

Step #5: Mind the Gap: Identify the Critical Features Required

Now it is time to examine the gap between your current systems and what your organization needs to meet its goals and challenges. While it is great to include all ideas for feature improvements, it is more important to prioritize these to ensure that your focus remains on those most critical.

Consider your needs in several areas:

1. Can you track the donor contact information you need to meet your communication goals?
2. Can you track the gift details you need to meet your fundraising goals?
3. Can your team access donor information and donation activity details easily to meet its specific program-related goals?
4. Can your organization afford the costs for improvements, trainings, and support of your system?

Consider making a chart (such as the one shown below) listing the features you require, and ranking them as critical, important, or secondary. Note that you should only rank a feature as critical when, if lacking, it would be a significant impediment to reaching your goals.

[Example] Required Features Table

Feature	Critical	Important	Secondary	Comments
Track Pledges	X			80% of donations are on a pledge schedule; we cannot track this in the current system.
Capture Cell Phone Numbers			X	Considering a text-based donor campaign, in the idea stage no current need.

Be sure to discuss the features and rankings with your project team. This will help consolidate the team around common goals, and establish a more unified approach when reviewing software solutions.

Step #6: Reviewing Software Solutions

Donor solutions are multifaceted, offering many features that may not clearly apply to your needs at first glance. Spend some time getting to know your options before settling on the one that is right for your organization.

Try to refine your choices to a small set of two to four systems that you can then review in greater detail. A good place to start is by reaching out to colleagues in your field and asking them for feedback on the software they use. Visit Idealware (www.idealware.org) and TechSoup (www.techsoup.org) for the latest information on donor software and nonprofit reviews. If you need additional help in narrowing down your options, talk to a consultant who can review your plans and provide a short analysis to help you hone in on the right solutions.

After narrowing down your options, contact vendors to set up a demonstration. If possible, provide the vendor with your goals and the features you identified as critical and important in advance, so that the vendor can come prepared to address these directly.

The following tips and strategies can help you get the most out of a vendor demonstration:

1. Make sure you understand exactly how the new system will address your needs. Make note of necessary features that the vendor could not demonstrate, as well as those features that it did demonstrate but fell short of what you need.
2. Be sure to understand the total cost of ownership of the donor system you are considering. Donor systems often come with licensing costs, per record costs, donation transaction costs, support costs, extra features costs, and training costs — just to name a few. Understand how each feature fits into the price so you can track your total outlay.
3. Consider adding a few additional columns to your Required Features Table that rate the match of the demonstrated system to your needs. Is the fit Very Strong (VS),

Good (G), Lacking (L), or Unfit (U)? Provide this updated table to each member of your team that will be part of the vendor discussion, and review these afterwards to compare notes.

Moving Forward

Once you have selected a donor management solution and a vendor, it's time to switch your focus to implementation. Working with your chosen vendor, determine the steps, timeline, and agreements required to get the solution up and running. These may include:

1. **Data Import:** What services and support will the vendor provide to help you migrate your data into the new system?
2. **Data Input Screen Configuration:** Will the vendor help you set up the fields you need to store your data?
3. **Report Creation:** Will the vendor help you generate specific reports of your donors?
4. **Total Costs:** Be sure to get a total list of all costs in writing, including licensing fees for the donor system, initial implementation, data import services, feature add-ons, customizations, training, and ongoing support.

In order to make sure that you and the vendor are on the same page, it is best to agree on these expectations in writing prior to signing a contract. Be sure to document any decisions or agreements you and the vendor make together in an email you can share with them. This can provide a reference to help keep the project on course, if needed.

Additional Resources

Other places to ask questions and learn more include:

- **FivePaths** (www.fivepaths.com). Be sure to review FivePaths' other articles on technology and data management.
- **Idealware** (www.idealware.org). A terrific resource for donor management software reviews.
- **The Nonprofit Technology Enterprise Network** (www.nten.org). NTEN hosts conferences for nonprofits throughout the USA on a variety technology topics, including donor development; NTEN also hosts online discussions where members can compare notes with peers on an array of technology topics.
- **TechSoup** (www.techsoup.org). TechSoup offers a vast resource of steeply discounted technology, including software, hardware, and services; the site also hosts a large community forum online where nonprofits and technology practitioners can discuss and ask questions about a variety of nonprofit-related technology topics.