

Selecting the Right Donor Database

Raising Change: A Social Justice Fundraising Conference

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Agenda

Donor Databases:

- Mistakes to avoid.
- What are they good for?
- When to Change?
- How to Change?
- Resources.
- Questions.

Principles

- There is no perfect database.
- First, decide what you're looking for.
- Buy-in is critical. Stakeholders must be involved in the decision.
- Structure software demos so you can compare “apples to apples.”
- Make sure you understand all the costs.
- Trust but verify.

Common Mistakes

From [Ten Common Mistakes in Selecting Donor Databases \(And How to Avoid Them\)](#)

1. Letting Techies Make the Decision.
2. Wishful Budgeting.
3. Prioritizing Price above Everything.
4. Randomly Looking at Demos.
5. Falling in Love with Cool Features.

Common Mistakes (2)

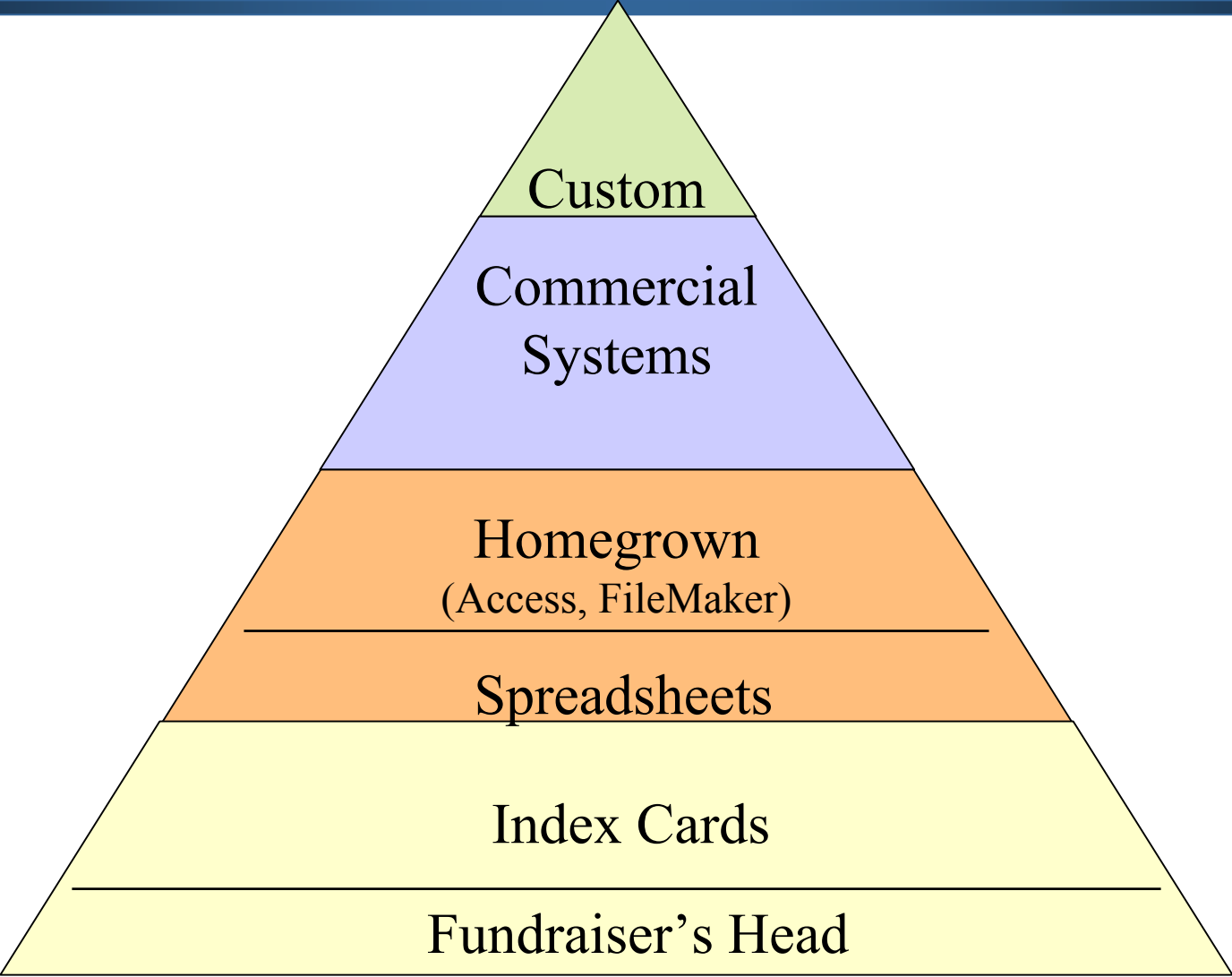
6. Falling in Love with the Salesperson.
7. Buying More Than You Need.
8. Confusing Highly Functional Software with Highly Trained Staff.
9. Hoping the Database Will Install Itself.
10. Leaving the Database to Fend for Itself.

Mistake #11: Building Your Own Database

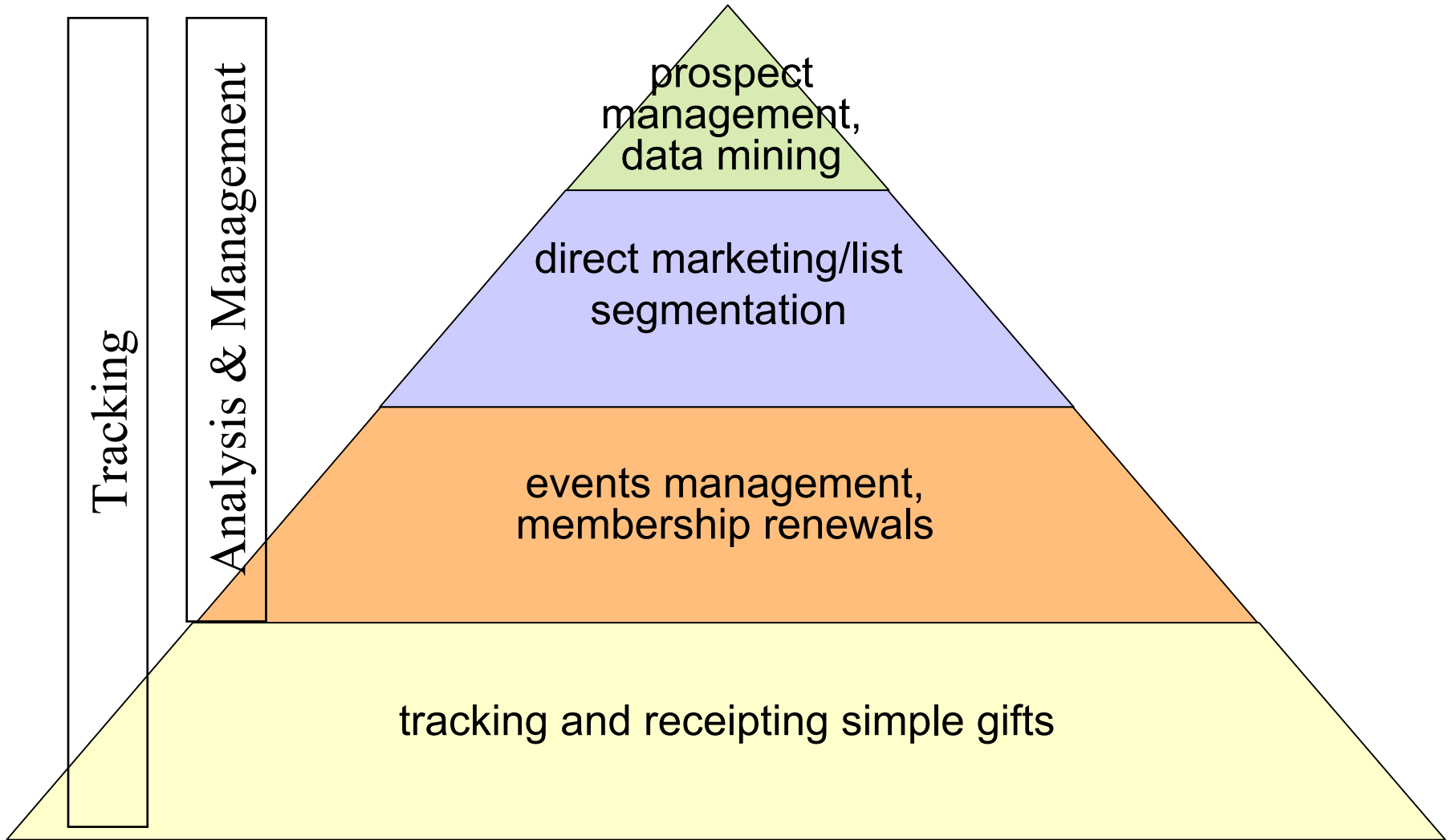
Why Not Build Your Own?

- Risk (how do you know it will work?).
- Distraction (fundraisers must become database designers).
- Support & Maintenance (who you gonna call?).
- Documentation (will there be any?).
- Training (a game of “telephone”?).
- User Community (there won’t be one).
- Cost (how can you get a firm price?).

Levels of Tracking Donors & Gifts



Levels of Using Donor Data



What Should Your Database Tell You?

- Who gave?
 - How much, when, and and for what purpose?
 - How much have they given this year? Ever? Largest single gift? For how many years?
 - Who are your biggest donors? Who are your most loyal donors?
- Who's interested in what (programs, events, advocacy)?
- Who's related to or knows whom?
- Who had the latest contact? What's the next step?
- Who should we invite to this event? Ask for a larger gift this year?

When to Change?

- More tech- (or data-) savvy fundraisers.
- Increased goals or moving to a new type or level of fundraising: (Major Gifts, Capital Campaign).
- Significant growth (# of donors, gifts, staff, locations, interfaces, security or control needs).
- Unifying/integrating separate databases.
- Bottom Line: Is your software as sophisticated as your fundraising?

What Will It Cost?

Software: prices range from < \$500 to \$\$\$\$\$\$

- Also Open Source & Freeware, but many lack support, interface, good interface design.

Hardware (server(s) and desktops)?

Network upgrades?

Implementation assistance?

Training – will you need more than the standard?

Customizations?

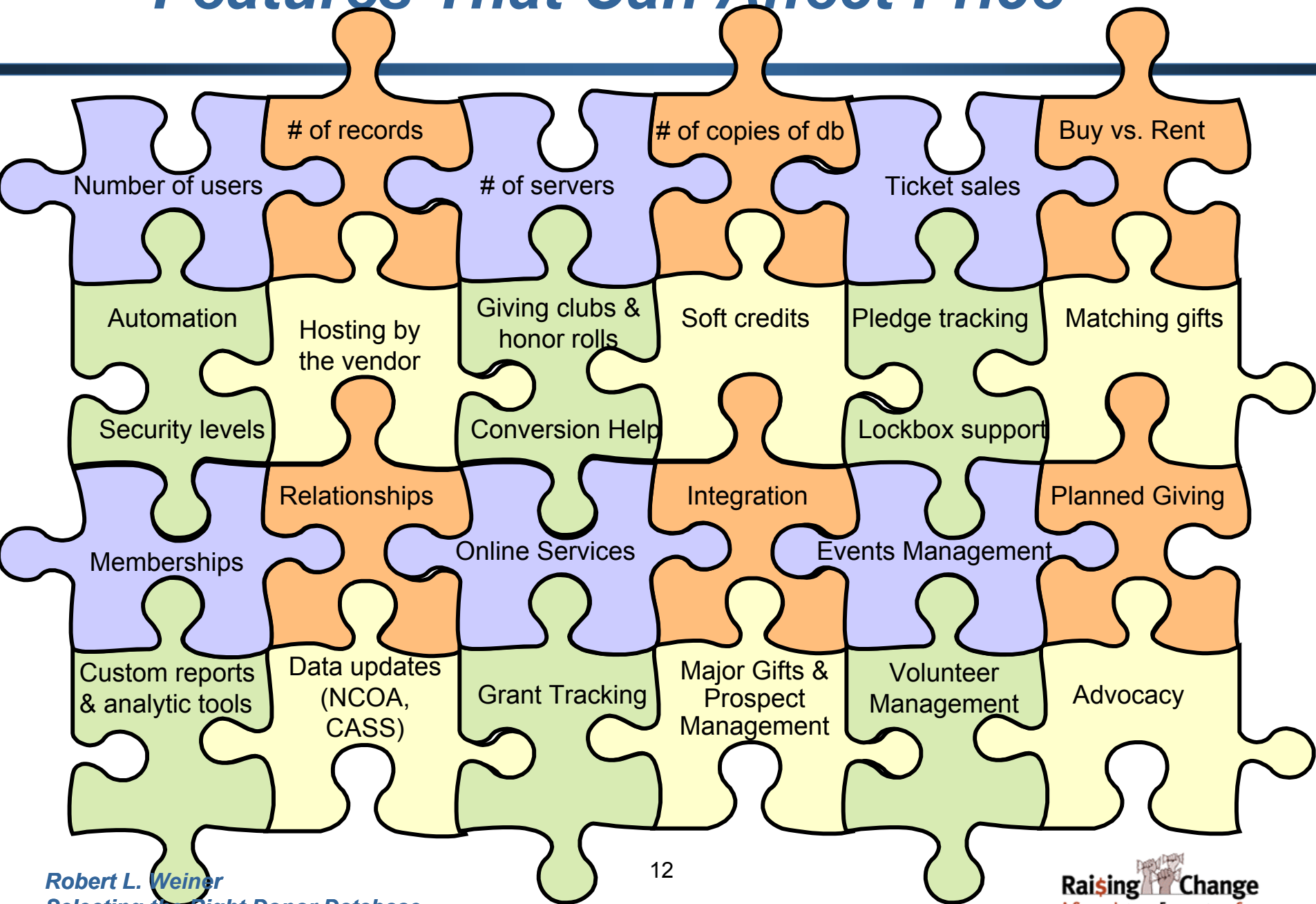
Interfaces to other systems?

Annual support: ~25% of retail price.

What Will It Cost? (2)

- Ballpark starting price: ~0.25% to 0.5% of annual operating budget. \$1M budget = \$2,500 to \$5,000.
- Software is often a fraction of the total cost (see next page).
- Plan for additional modules, support, training, conversion, consulting assistance.
- Conversion cost will depend on how much help you need, what kinds of help you need (data migration, custom programming, business rules, report creation), and what shape your data is in.
- If you can't afford the maintenance or training, don't buy the software!

Features That Can Affect Price



Sample 5 Year Budget

Item	Unit	Cost	Total
Software	1	\$5,000.00	\$5,000.00
1st Year Support	1	\$1,500.00	\$1,500.00
Staff training	5	\$750.00	\$3,750.00
Workstations	5	\$1,250.00	\$6,250.00
Shared Printer	3	\$350.00	\$1,050.00
Consulting	20	\$125.00	\$2,500.00
		Total Year 1	\$20,050.00
Support, years 2 - 5	4	\$1,500.00	\$6,000.00
Ongoing Training	3	\$750.00	\$2,250.00
Workstation Upgrades	3	\$1,250.00	\$3,750.00
		Grand Total	\$32,050.00

How to Change? Step 1

Conduct A Needs Assessment:

- What's wrong now?
- How do you raise money (grants, pledges, direct mail, telemarketing, major gifts, email, online)?
- What do you need to track? What reports do you need?
- Where do you see the organization in 5 years?
- Is software **really** the problem?

How to Change? Step 1

Needs Assessment (2)

- Who needs to use the database, for what, and from where?
- Where will data come from and go to?
- What do you **really** need?
 - Everything else is on the wish list, with priorities.
- What can you afford and support?

How to Change? Step 2

Identify The Vendor Pool:

- 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.

How to Change? Step 3

Issue a Request For Proposals (optional):

- Goal is to narrow the vendor field.
- Need to ask clear, unambiguous questions.
- Questions must allow you to clearly judge whether a vendor is worth a further look.
- Caveat: This is very hard to do. You can only ask “do you do X?” questions, not “how do you do X?”

How to Change? Step 3

Request For Proposals (2)

- “Can your system handle donations in \$, ¥, €, and £?” **not** “Can your system track events?”
- The complexity of your requirements should determine the complexity of your RFP.
- Anything you ask for you will have to read and score!

How to Change? Step 4

Hold 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.
- Try to get your hands on the software. Ask for a demo copy or access to an online demo account.

How to Change? Step 4

Sample List of What You Might Need To See

Demonstrate the Following:

- Major gifts tracking.
- Volunteer tracking.
- Event tracking.
- Reporting.

How to Change? Step 4

Demonstrate the Following (2):

- Major gifts tracking.
- Volunteer tracking.
- Event tracking.
- Reporting.

How to Change? Step 4

Sample of a Demo Script:

- Add a record for Fred Flintstone, with a \$25 gift.
- Add a separate record for Wilma Flintstone, with a \$10,000 pledge.
- Marry the two records and show joint giving.
- They divorce. Show the database process. Are both of them still major donors?
- Create a mailing list of donors over \$500 cumulatively since 2004, have attended at least 1 event, and live in the 9 Bay Area counties.

How to Change? Step 4

Software Demos:

- Make sure key stakeholders can attend demos.
- Invite all interested staff.
- Collect input from everyone.

AREA	RATING	COMMENTS
Data Entry		
Membership Mgmt.		
Prospect Management		
Events Management		

Grading The Vendors

Points	Mandatory?	Feature/Requirement	Vendor 1	Vendor 2	Vendor 3
10	Y	System can manage our membership program			
7	Y	System can manage our major gifts program			
5		System can manage our events			
6		System can track our volunteers			
10	Y	Relationships can be tracked between records (employer/employee/board member/volunteer)			
10	Y	System allows for soft crediting of gifts			
2		System tracks scheduling of pledge payments			
9		System has a built-in report writer/custom report generator			
7	Y	System has canned reports that meet the majority of our needs			

Sample score sheet: www.techsoup.org/binaries/Files/donormatrix.pdf

How to Change? Step 5

Conduct Reference Checks:

Talk to previous similar clients:

- Was work delivered on time and on budget?
- Does the software meet your needs?
- How is ongoing support relationship?
- Caveat: try to distinguish client implementation & management issues from vendor problems.
- Try to visit client sites.

How to Change? Step 5

Sample Software Reference Questions:

- How long did it take for you to “go live” on the software?
- How many of your staff worked on the project?
- How was the project organized?
- What assistance did the vendor provide?
- Did you use consultants or other 3rd parties?
- Were you happy with the training provided by the vendor?
- What would you do differently next time?

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 in a database and made available to appropriate staff.

Principles

- There is no perfect database.
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- Buy-in is critical. Stakeholders must be involved in the decision.
- Structure software demos so you can compare “apples to apples.”
- Make sure you understand all the costs.
- Trust but verify.

Resources

Batchelder, Duff: *Evaluating & Selecting Fundraising Software*

www.techsoup.org/howto/articles/software/page1471.cfm

Grantsmanship Center: *A User's Guide to Selecting Fundraising Software*

www.tgci.com/magazine/02summer/soft1.asp

TechSoup: *Selecting Donor Management Software*

www.techsoup.org/howto/articles/databases/page2190.cfm

TechSoup's Technology for Fundraising discussion forum

www.techsoup.org/forums/index.cfm?fuseaction=list&forum=2022&cid=117

Weiner, Robert: *Ten Common Mistakes in Selecting Donor Databases*

www.idealware.org/articles/ten_common_mistakes_in_selecting_donor_databases.php

Weiner, Robert: *Why Building Your Own Database Should Be Your Last Resort*

nten.typepad.com/forecast/2003/10/why_building_yo.html

Weiner, Robert: *Buying and Implementing a Development System*

www.rlweiner.com/case_handbook_chapter.pdf

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