SELECTING A NEW CRM OR DONOR MANAGEMENT SYSTEM

Robert Weiner

Pick your metaphor: Buying a donor database or Constituent Relationship Management (CRM) system is like:

- Picking out every article of clothing you'll wear for the next ten years.
- Buying a vehicle that can function as a scooter, sports car, family sedan, pickup truck, and RV on demand.
- Selecting every class you'll take in college and graduate school while you're still in junior high.

You're making a critical business decision that needs to support your organization for the foreseeable future. It requires a thorough understanding of your current needs and long-range plans. It can feel like you need a crystal ball and nerves of steel. And having unlimited funds wouldn't hurt.

In this chapter, we look at the major steps involved in selecting a donor database or Constituent Relationship Management (CRM) software. The specifics will depend on the size of your institution or organization, the number of departments involved, the complexity of your needs, your purchasing business processes, your project management and technical capabilities, your budget, and your technical environment. (Note: Although a true Constituent Relationship Management system supports more than just fundraising, CRM is becoming jargon for donor management software. Both terms will be used throughout this chapter.)

START BEFORE YOU START

If you get buy-in from users during the selection process, they're more likely to support you during the *really* hard part of the project: implementation. If stakeholders feel that the system was forced on them, it's difficult to change their minds later. You can't guarantee that everyone will get their dream system, but if your process is honest, fair, and transparent, users are more likely to support the outcome.

GET THE RIGHT TEAM

Although software is technology, only a part of this decision is technical. You need to involve the people who will actually use the system. You don't need to include every staff member, but you should get input from all levels of the organization (senior leadership, department heads, end users), from all affected areas (e.g., alumni relations or membership, major gift officers, annual fund, event management, bio and gift entry, planned giving, communications, online marketing and fundraising, corporate and foundation relations, etc.), and other staff who may be affected by a new system (advancement services, I.T., and perhaps departments that will provide inputs to the system or use the outputs). The selection team needs to involve neutral, respected staff members who will think about both their own requirements and the good of the entire organization. I.T. or advancement services should evaluate the technical platform and security and advise on whether a system will fit into your organization's technology strategy, can be integrated with your other current or planned software, and be supported by your tech staff in the long term. However, techies should not make the final decision. While the team should be broadly representative, it needs to be small enough to work efficiently.

The team's role will be to determine, prioritize, and possibly weight your requirements, review the RFP (if you use one) and rate the responses, attend and grade the product demonstrations, conduct hands-on system testing, and call references. Team members may also be asked to visit institutions that use your top choice(s).

Someone will need to be the team leader. This is often an advancement or development services staff member or an I.T. staff member. The leader is responsible for keeping the team on track, making sure decisions get made and logistical details are attended to, and ensuring that the process adheres to your selection criteria and decision-making process. The leader will also play a key role in communicating the status of the selection process to interested parties.

The project should also have an executive sponsor. The sponsor's role will be to help secure funding for the project, inform staff about the need for the project, monitor the project's progress, clear roadblocks, and help the team leader deal with problems when necessary.

WHY ARE YOU DOING THIS?

Why are you looking for a new system? What's going to make it better than what you're using today? What does success look like? The first step in the selection process is self-examination, also know as a needs assessment.

The needs assessment should start with the big picture. The software should allow you to achieve your strategic vision of how your operation should run and where it needs to go.

Think ahead. You might be using this system for the next 10 or even 20 years. While it's hard to look much further ahead than three to five years, you should try. If your organization is likely to become more reliant on major gifts, planned gifts, or events in the future, add those to your list of things the new software should handle.

Keep in mind that software is just one piece of the puzzle. It must be managed by people and supported by business processes. If you do not have the capacity to convert your data, configure the software, create reports, design policies and procedures, train staff, integrate with other systems, or manage the software or hardware after you convert, those should be included as requirements.

Your options may be limited by your budget, your technical talent, or required technologies or interfaces. You need to think about questions such as:

- What can you afford?

- Are you looking for a stand-alone fundraising system, a comprehensive CRM, or an institutionwide, integrated system?
- Are you willing to make a purchase based on features that are promised in future releases?
- Is your organization risk averse or does it prefer leading-edge technologies?
- Are you willing to pay to customize the system to meet unique requirements or should the system meet your needs without modifications?
- Are you limited to a system that runs on specific hardware, operating systems, or database management systems?
- Is there a preference, or requirement, for on-premise (installed) software versus online/cloud-based or hosted systems?
- How much help will you need to implement and manage the software or integrate it with your other systems?
- Does the vendor need to have prior experience with your type of organization or institution?

Your selection team needs to understand any major preferences and constraints.

WHAT DO YOU REALLY NEED?

Your needs assessment should have produced a comprehensive list of requirements for functionality, technology, services, and support. However, you may not be able to find, or afford, a system that does everything that made the list. Now you need to focus. Each member of your selection team should review the common requirements (e.g., reporting) and the ones for his or her area, identify the deal-breakers, and prioritize the rest. Be able to name your "mandatory requirements"—that is, those features that a system absolutely needs in order to be acceptable. In other words, if a system lacks a mandatory requirement, it would be totally unacceptable — even if it did everything else on your list, and even if the vendor offered you an incredible deal. Mandatory requirements should be a small subset of the list generated during your needs assessment.

I recommend devising a rating scale and assigning points to each requirement. For instance, mandatory requirements might be rated as 10s. Everything else will be rated from 0 (meaning "take it off the list") or 1 ("we really don't need it") to 9 ("we'd love to have it, but can live without or work around it if we have to"). The rest of the selection project will focus on the top requirements (generally the 7s to 10s).

Be cautious about designating mandatory requirements. If you use the term too loosely, you risk excluding most or even all potential systems. But if you don't use it enough you might wind up with a system that lacks critical features.

It can be a helpful thought experiment to place a limit on the number of mandatory requirements. You can do this as a percentage of the total number of requirements (e.g., no more than 10 percent can be mandatory) or a total number of mandatory requirements per team member or department. This will force your committee to prioritize. Once they've allocated all of their mandatory requirements, team members will need to plead their cases for additional ones.

In the end, the committee will need to agree on a single rating for each requirement. If someone says something is a 10 and someone else says it's a 2, the team or the leader will need to decide which it really is. Do not average the ratings. If one person says something is a 10 and everyone else says it's a 2, it might still be a 10.

Many of the cool or forward-looking features you first identified may end up being pushed down your priority list. Don't despair; many vendors will allow you to start small and add additional modules as your needs change. And many features that were exotic just a few years ago are included in basic systems these days.

EVERYBODY IN THE VENDOR POOL

You probably don't shop for systems like this on a regular basis, so you may not know much about the donor database or CRM market beyond a few brand names. So how do you know what to look for and which vendors to review? Start by contacting similar institutions that have gone through this process recently. Look at the RFPs they used, read reviews of CRMs and donor management systems, and visit vendors' booths at conferences. You can also hold informal demos with vendors who sound intriguing. Just be careful not to fall in love with a system at this point. Think of these early demos and conversations as first dates.

TO RFP OR NOT TO RFP?

An RFP (Request for Proposal) is a document asking vendors whether they can meet your needs and at what price. Many universities, public agencies, and large nonprofits are required to use them. For the rest, they are optional.

Usually, the purpose of an RFP is to identify a short list of vendors for in-depth review. Unfortunately, many RFPs turn out to be huge wastes of everyone's time, and some perfectly good vendors do not respond to RFPs. This is not to say that RFPs are useless. Sometimes an RFP is the only reasonable way to narrow an unwieldy vendor pool or identify new vendors that should be added to your short list. And some institutions want RFPs for legal recourse. Assuming an RFP is not mandatory, however, ask yourself if the effort will be justified. What do you need to learn that you don't know already? Is an RFP the best way to answer those questions or ensure vendor compliance?

The key to using an RFP to identify the vendor pool is to ask concrete, unambiguous questions, so that "Yes" or "No" answers really means something. (In addition to "Yes" and "No," you can allow responses such as "Partially," "Coming in a planned release," "Requires a third-party tool," or "Would require customization," and provide space for comments.) Often the most important questions aren't *whether* a system can do something but *how well* it does that task, how many screens or keystrokes are involved, or how intuitive the function is. Those kinds of questions are not suited to an RFP.

If you do use an RFP, start by describing your organization and the major problems you're trying to solve. Then focus on mandatory and high-priority requirements that will allow you to distinguish between vendors. For instance, some good RFP questions might be:

- Can our staff configure data entry screens for different roles so end users will only see the data they need?
- Can your system accept donations in euros?
- Can it print receipts in Cyrillic?

Questions like these, on the other hand, are not likely to yield helpful answers:

- Does your system have a simple interface?
- Can non-technical staff easily navigate, search, and create queries and reports?

Every vendor believes its system is easy to use. Just because a vendor says "Yes" does not mean you will agree. The software demos and subsequent research should answer these questions. Other questions to avoid:

- Can your system issue tax receipts?
- Can it store an email address?

Every donor management system or CRM can do this. Why ask?

I recommend using a short RFP that focuses on questions that will separate one vendor from another. Remember, if your RFP is 50 pages long, each response will be at least that long, and you'll have to read and rate every answer.

The bottom line:

- Be specific
- Focus on questions that will identify your dream vendor.
- Think about whether the answer to each question will help you decide whether a vendor should make your short list.
- Don't expect the vendors to understand your jargon, acronyms, or business processes (unless you explain them).

If you do use an RFP, your selection team will need to rate the responses. First, the team leader or your purchasing department should review the cost projections and eliminate any systems that are wildly outside your budget. There's no point in reviewing a system that costs $1,000,000 if your budget is $100,000. The team should then review the remaining proposals. Each item can be rated based on how well it meets your requirements, using categories such as "exceeds," "meets," "partly meets," "expected in next release," "didn't meet," and "didn't respond." The various categories can have point values, such as these:

Exceeds criteria: 5

Meets criteria: 4

Partly meets criteria: 3

Available from third party: 3

Expected in next release: 2

Requires customization: 1

Didn’t meet criteria: 0

Didn’t respond to question: 0

You can also assign different point values to requirements. For instance, mandatory requirements could be worth 10 points and the rest could be worth 5. (And note that if a requirement is mandatory, not meeting it means the system should be eliminated from further consideration.)

After the points are assigned, any weights are applied. This will allow you to emphasize certain areas. Table 20.1 shows a brief example of one reviewer and one RFP response.

Table 20.1. Example of an reviewed RFP response

Respondent No. 1	**Score**	**Weight**	**Total Points**
Company Background	5	15%	0.75
Major Gifts	3	30%	0.9
Data Entry	4	20%	0.8
Online Fundraising	2	20%	0.4
Technical	5	15%	0.75
Total:		**100%**	**3.60**

Cost is typically one of the rating and weighting factors, but you do not need to share cost estimates with the team. It's common to instruct vendors to submit prices separately so the selection team's review can be based solely on functionality, technology, services, and vendor qualifications.

Of course, your institution may already have a standard or required approach to rating RFP responses. If you'd like to explore other approaches, you can also find a variety of guides online using search terms such as these:

rfp scorecard site:.edu

rfp review weighting site:.edu

If you don't use an RFP, you should at least use a short Request for Information (RFI) or Request for Qualifications (RFQ). You should request background and technical information from the vendors and ask about any major requirements that could pose obstacles to adopting the system. You should also ask for estimated costs to acquire and implement the software, plus any annual support and maintenance costs.

PROVE IT!

Once you've narrowed your vendor pool to three or four options, it's time to look at software demos. (If your vendor pool is still too large at this point, you might wish to hold a preliminary round of short demos to further narrow the field.)

Vendors will have standard presentations that they offer to all prospective clients. If you're looking at low-cost systems, the standard presentation may be all you can get. However, if you're going to spend tens of thousands, or millions, of dollars, you should request in-depth demos to make sure the vendors can address your top requirements. You can help ensure that you see what you need to by telling the vendors what they need to show you. This can take the form of asking vendors to talk about they would meet your top requirements, giving them a detailed script they must follow, or asking them to go through your entire RFP, point by point, and show how they would address each requirement. In any case, make sure each vendor follows the same process. Give each vendor the same information about your needs and the same amount of time to respond.

If you use a script for the demos, it should cover the basic processes of getting data into the system, looking up records, working with the data, automating tasks, segmenting lists, and producing reports and analyses. Make sure the demo addresses your top priorities, mandatory requirements, and technical and service questions. For instance, the vendors might be asked to create profiles for some alumni, donors, parents, or other constituents. Then they might show you how to enter a variety of gifts (e.g., hard versus soft credit, matching gifts, joint gifts, split gifts, multi-year pledges, campaign gifts, and so on). They might marry two donors, add some joint gifts, and show their combined giving history. Then they might divorce them or decease one. They might show how to conduct an email campaign, segment a mailing list, or accept gifts online and post them to a gift batch. There's usually a technical section to the demo as well.

You don't need to see every function on your list or every feature in the database. The goal isn't to torture the vendors (or the selection team) — it's to get a solid understanding of each system's capabilities and any limitations.

The selection team must attend all demos, but it's also worth inviting a wider audience to get broad participation and feedback. Ask all attendees to fill out rating forms so you get their input on the overall presentation and specific features. The selection team must also rate each demo and keep track of any questions or comments.

Be sure to allow plenty of time for questions. Scripted demos usually last at least three to four hours and can easily take a day or longer, depending on the complexity of your needs. (Only a large institution, however, will be able to get a multi-day demo.) While the selection team should attend the full demos, different groups of users might attend different sections. For instance, I.T. staff will want to see how security is configured, data entry staff will want to see gift processing, and fundraisers will want to see the prospect management features.

DO YOUR HOMEWORK

After the demos, you should have narrowed your choice of vendors to one or two (though some clients conduct the following steps with all vendors who gave demos). Now you need to verify your impressions.

Test system usability

Most vendors will provide access to a demo system for hands-on testing after the demos. These tests will allow you to evaluate the ease (or difficulty) of using the software. Each member of the selection team should come up with a short script based on how he or she would use the system, as well as test functions that seemed unclear or cumbersome during demos. For instance, gift entry staff might test:

- Creating new records from scratch
- Setting up a gift batch
- Entering a variety of gifts
- Reversing or correcting a gift
- Duplicate record identification and merging
- Running queries and reports

Major gift staff might test:

- Looking up records
- Adding prospect moves, ticklers, and contact reports
- Running queries and reports

Some vendors will provide access to training, videos, or technical support to help you with your tests. Keep in mind that you'll be working with an unfamiliar system, and some functions may not be obvious without training. However, if you can figure out the basics without training, the general system should be easy for staff to learn.

Team members need to keep notes on what they learn from the tests and debrief afterward. The System Usability Scale, developed by the Digital Equipment Corporation in the 1980s, provides a good template for comparing usability. It covers basic usability questions such as “I found the system unnecessarily complex,” “I thought the system was easy to use,” and “I think that I would need the support of a technical person to be able to use this system.” As of this writing, a copy is posted at: http://www.usabilitynet.org/trump/documents/Suschapt.doc

Check references

I suggest calling references after conducting usability tests, since questions are likely to arise from the testing. Each vendor should have provided you with several references. You can also look for similar institutions using the same software by inquiring on lists or online communities like the ones run by CASE, the Association of Advancement Services Professionals (AASP), the Association of Professional Researchers for Advancement (APRA), the Association of Donor Relations Professionals (ADRP), the Nonprofit Technology Enterprise Network (NTEN), the Association of Fundraising Professionals (AFP), as well as any lists for your professional community.

Start with the same basic list of questions for each reference (but also see where the conversation leads). Include general questions about the quality and timeliness of the implementation and system performance as well as questions specific to each team member’s job duties. Selection team members should talk to their counterparts: major gift officers should talk to other MGOs, etc. They should keep notes on what they learn and debrief after the reference checks have been completed.

You need to view reference checks and recommendations with a critical eye, however. It's important to distinguish poor database management or a lack of internal training from weak software. On the other hand, just because one institution loves a product doesn't mean you will. You need to get enough feedback to allow you to look for patterns.

The following questions can get you started when you check references. (Many of these should be directed to the project manager or database manager.)

About their implementation project:

- How long did it take for you to go live on the software?
- How many staff worked on the implementation? What were their skills, roles, and job titles?
- Did you dedicate any staff to the project full time? Did you have to hire temporary staff during the project or move staff to interim roles?
- What kinds of help did you get from the vendor or consultants? Was it worth it?
- Were you able to integrate the database with other systems to your satisfaction?
- Were you happy with the training provided by the vendor or consultant? If not, why not?
- Have you required any customization of the system? If so, who did the work? Was it successful?

About the ongoing support of the system:

- How quickly does the vendor respond to technical support questions? Are problems resolved to your satisfaction?
- Did you have to hire new staff to support the system?
- Did existing staff have to learn entirely new skills in order to use or manage the system?

About the daily use of the system:

- Are fundraisers, alumni officers, and other senior administrators comfortable using the system? Do they enter contact reports or run their own reports?
- Can end users run their own queries or write their own reports?

About your operations generally, and what you've learned:

- What would you do differently if you had it to do over?
- What would you do the same way?
- Have you been able to demonstrate Return on Investment as a result of the project?

Visit client sites

Once you've narrowed your choice to one system (or, at most, two), it can be valuable to send some selection team members to visit a comparably sized organization using that product. Try to find one that went live recently so they can talk about the implementation. They can show you how the product works in real life, point out any hazards, and offer survival tips. As a side benefit, the team will meet people who can advise you during the conversion.

SHOW ME THE MONEY

You should have received preliminary cost estimates as part of your RFP or RFI process. Now that you've learned about the features and support you'll need from the vendor and the vendor has learned about your, you must validate those estimates. There may be modules or services that you realize you won't, or vice versa. Also, remember that software is just one piece of the total cost of ownership. You may to upgrade your own hardware or other software systems, add third-party software, or hire a consultant to guide the project. There are also typically annual costs for the software and support. Make sure you understand all of the costs and can really afford the product you chose. And finally, you'll want a legal opinion on the proposed contract before you sign.

TAKE A DEEP BREATH

The hard work — implementing the new system — is about to begin. Before you start, complete the selection process by documenting *why* you selected this system, *how* the selection process occurred, and *who* was involved. Then communicate this information broadly. If you've started your implementation planning, include as much as you know about the schedule and project team. Be sure to thank everyone who was involved in the selection process and celebrate this milestone.

RESOURCES

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