

Nonprofit Technology Assessment and Selection

AFP Aloha Chapter
National Philanthropy Day
November 14, 2008

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Agenda

- ❑ WHY you need Online Fundraising Technology
 - Benchmarking studies
- ❑ WHERE is your organization and WHERE it is going
 - Needs Analysis
- ❑ HOW you will get there
 - Staff & Volunteers
 - Budget, Timeline & Deadlines
 - Some technical stuff
- ❑ Resources
- ❑ Questions



Goals

- To get started with the basics.**
- To build a strong support team.**
- To have confidence to move forward.**
- To discuss how to make online fundraising work.**
- What are your goals for the session?**



Why do you need Online Fundraising Technology?

Internet use continues to grow. The adoption rate for adults 55 years and older grew by 20% last year.

| <i>Use the internet</i> | |
|-------------------------|-----|
| Total Adults | 70% |
| Women | 69 |
| Men | 71 |
| <i>Age</i> | |
| 18-29 | 83% |
| 30-49 | 82 |
| 50-64 | 70 |
| 65+ | 33 |

| <i>Household income</i> | |
|-------------------------|-----|
| Less than \$30,000/yr | 49% |
| \$30,000-\$49,999 | 75 |
| \$50,000-\$74,999 | 90 |
| \$75,000+ | 93 |

| <i>Educational attainment</i> | |
|-------------------------------|-----|
| Less than High School | 36% |
| High School | 59 |
| Some College | 84 |
| College+ | 91 |

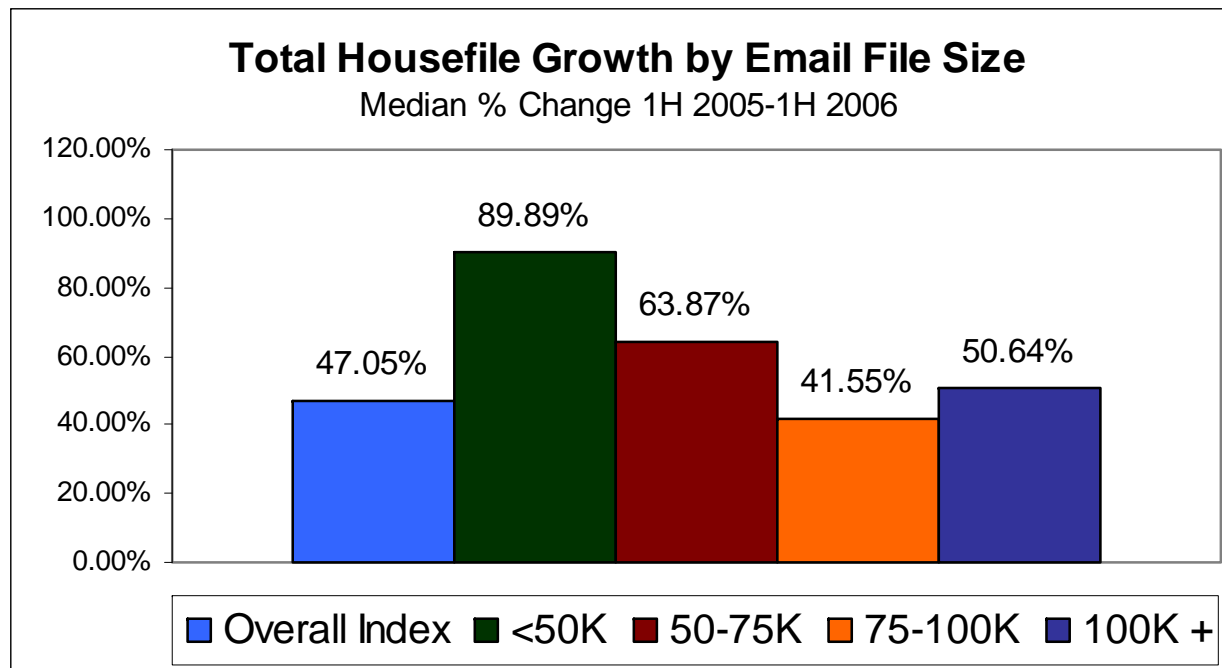
Source: Pew Internet & American Life Project, January, 2007
www.pewinternet.org/trends/User_Demo_1.11.07.htm

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Why do you need Online Fundraising Technology?

Convio client benchmarking study: Organizations with smaller online house files experienced faster growth than organizations with larger files.



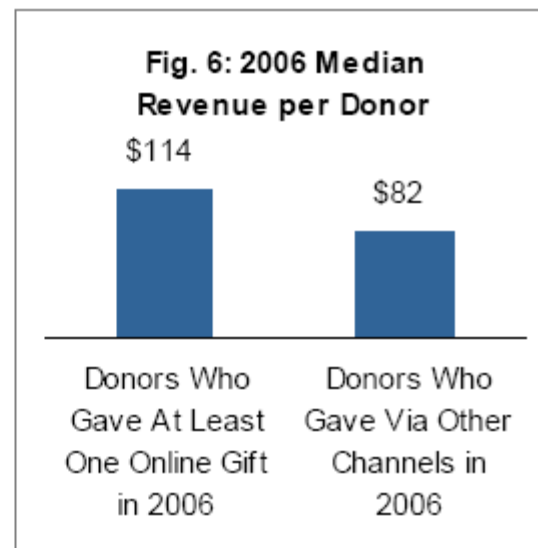
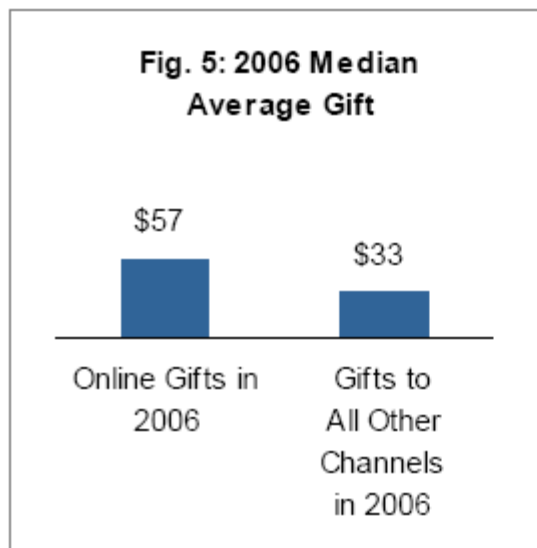
Source: Convio Online Marketing (eCRM) Nonprofit Benchmark Index™ Study:
www.convio.com/onlinebenchmarks2

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Why do you need Online Fundraising Technology?

Target study: 2006 median average online gift was \$57, compared to \$33 average gift to all other sources. 2006 median revenue per donor was \$114 for online donors and \$82 for non-online donors.



Source: Target Analysis Group:
2006 Online Giving Benchmarking Analysis

Where is your organization?

- ❑ Questions: Front & Backend
- ❑ Step 1: Draft a list of questions
 - ❑ Begin with the basics
 - ✓ Who is involved with day-to-day operations of the site(s)?
 - ✓ Do we manage the content in-house?
 - ✓ Who are our trusted web vendors/partners?
- ❑ Step 2: Establish a pre-project group of staff and volunteers to draft a list of “other” questions.



Where is your organization?

- ❑ Questions: Front & Backend

- ❑ Step 3: Create a timeline for finding the answers.

Recommended Timeline: Between 2 weeks and 1 month

- ❑ Step 4: Based on the question and answer phase, create a one-page web statement for senior management to review.

- ❑ Step 5: Now everyone is on the “same page”.

- ❑ Senior management will value this document

- ❑ Interdepartmental common ground

Needs Analysis

- Where is your organization?
 - Auditing resources
 - Reviewing donor experience(s) offline and online
 - Interviewing internal and external stakeholders
- Where are you going?
 - Aligning web strategy with your organizations strategic plan
 - Describing the ideal donor experience
 - Defining the scope of this project – short, medium and long term
- How will you get there?
 - Staff and volunteers
 - Budget
 - Timelines and deadlines



How are you going to get there?

- Aligning web strategy with your organizations strategic plan
- Describing the ideal donor experience
- Defining the scope of this project
 - short, medium and long term
- Secure server
- Donations web page
- Email marketing software
- Donor management software



Start & Build Outline

- Where are you?
- ✓ Questions: Front & Backend
- Where are you going?
- ✓ Strategic Plan: Goals & Objectives
- How will you get there?
- ✓ Manpower: Staff & Volunteers
- ✓ Resources: Budget & Ongoing Training



Where is your organization?

- ❑ Quick tip #1 – Questions
- ✓ Begin this process with a series of questions that cover business, organizational, and IT strategies:
- ✓ Is there a current web strategy?
- ✓ Which department is responsible for the current web program?
- ✓ How did the web strategy evolve?
- ✓ When does the organization want to initiate a new web strategy, and why?



Where is your organization?

❑ Quick tip #1 – Questions

- ✓ Are resources (manpower, budget, trainings) available today?
- ✓ Do you have to raise or apply for funds to initiate a new web strategy?
- ✓ What is your role in the success of the web strategy?
- ✓ Tech Soup: “Ten things that will make or break your website”
<http://www.techsoup.org/learningcenter/webbuilding/page6694.cfm>



Where is your organization going?

- ❑ Strategic Plan: Goals & Objectives
 - ✓ Step 1: Obtain your organization's strategic plan.
 - ✓ Step 2: Evaluate how the project can reach the goals and objectives set in the strategic plan.
 - ✓ Step 3: Create a definition of success for your web project.
 - ❑ Enable web analytics tools to measure your site's traffic.
 - ❑ Explore free tools such as Google Analytics.



Where is your organization?

❑ Strategic Plan: Goals & Objectives

❑ Step 4: Based on the evaluation, create a web project brief and timeline to reach success.

- ✓ Realistic goals are key
- ✓ Interactive Committees can assist with high-level communicators



Where is your organization?

- ❑ Quick tip #2 - Strategic Plans
- ❑ Remember to align your organizations strategic plan with all web strategies. This will assist with the overall success of your project.
- ❑ Example: When presenting your website project executive summary, include direct language from your organizations mission statement, long-term goals, and short-term objectives.
- ❑ Tech Soup: “Seven Web Development Pitfalls”
<http://www.techsoup.org/learningcenter/webbuilding/page6596.cfm>



How are you going to get there?

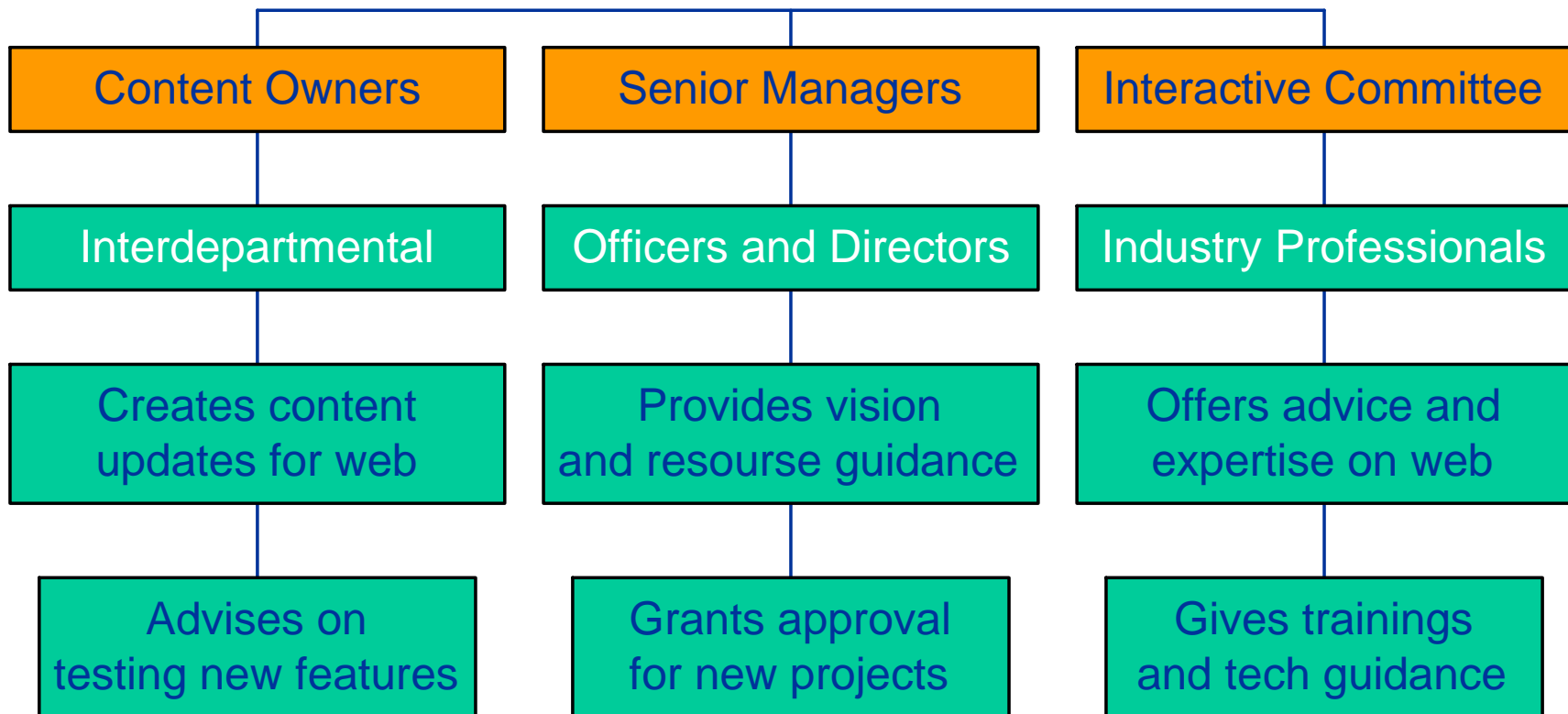
☐ Manpower: Staff & Volunteers

- ✓ Step 1: Get support
- ✓ Step 2: Build the team
- ✓ Step 3: Provide training
- ✓ Step 4: Evaluate the team
- ✓ Step 5: Announce the team



How are you going to get there?

Web Strategy Team



How are you going to get there?

- ❑ Quick tip #3 - Manpower
- ❑ Gaining the support of key stakeholders will improve the speed with which you execute your web project.
- ❑ Example: Form a team of Content Owners, interdepartmental staff and volunteers, who attend internal and external professional development classes geared around improving the organization's web projects.
- ❑ "The Content Owners have been approved to:
 - ✓ Attend 2 internal and 2 external trainings per year.
 - ✓ Provide content updates for web projects.
 - ✓ Review web projects pre-launch to provide timely feedback."



How are you going to get there?

☐ Resources: Budget & Ongoing Training

- ✓ Step 1: Create an evaluation based budget
- ✓ Step 2: Look at the numbers for IT, Marketing, etc.
- ✓ Step 3: Decide if a cost center is needed



How are you going to get there?

☐ Resources: Budget & Ongoing Training

- ✓ Step 4: Map out a low and high P&L statement
- ✓ Step 5: Get feedback from the Content Owners regarding pipeline projects.
- ✓ Step 6: Remember to discuss the professional development line item with HR.*



How are you going to get there?

- ❑ Quick tip #4
- ❑ Decide to refrain from setting a budget before completing the “Where are you?” and “Where are you going” phases.
- ❑ Some organizations begin to talk numbers too early.
 - ✓ Take expert advice
 - ✓ Step back from ungrounded \$\$
 - ✓ Give updates



How are you going to get there?

☐ Quick tip #5

- ✓ Create strategic partnerships with organizations that offer professional development with non-profit rates.
- ✓ Empower the Content Owners to take part in the planning and evaluation process.
- ✓ Engage the Interactive Committee to assist with ongoing training opportunities for Content Owners



Technology Options

❑ Build it yourself or using a vendor

- ✓ Pros
- ✓ Cons

❑ Selection Process

- ✓ Communicating with sales people
- ✓ Comparing Fujis to Granny Smiths
- ✓ Involving Stakeholders
- ✓ Setting timeframes



Do It Yourself : Pros and Cons

Pros:

- Complete control over design, text, donor options, and security.
- Can be inexpensive, especially if you already have a payment gateway and a web designer.

Cons:

- Need a web designer.
- Must keep up with security technology.
- Costs are hard to predict.
- Usually not fully automated:
 - Can't charge credit card in real time.
 - Can't take donations at 11:55 pm on 12/31.



Online Donations: Doing it Yourself

Technical Issues:

- Integration with your web site & design.
- Donations page design.
- Secure web server.
- Payment gateway or credit card terminal.
- Merchant account.
- Secure connection to bank.
- Gift designation options.
- Recurring gifts.
- Receipting.



Email: Do It Yourself (Outlook, etc.)

Pros:

- You already own it.
- It's not expensive.

Cons:

- Limit on number of messages that can be sent.
- Risk being ID'd as a spammer.
- Have to deal with bounces & opt-outs manually.
- Too easy to send out messages before they're tested.
- Integration with your database?



Email : Use a Vendor

Pros:

- Design tools.
- Can send HTML and/or plain text.
- Can handle high volumes.
- Many vendors are whitelisted by big ISPs.

Cons:

- Time required to research and test.
- Cost.
- Integration with your database?



Use a Vendor: Pros and Cons

Pros:

- Vendor provides server, security.
- Can have control over design, text, receipt, etc.
- Quick and easy.
- Most are designed for fundraising.
- Fully automated (though entry in database is usually manual or upload).

Cons:

- Setup cost.
- Often a monthly charge even if you don't get any donations.
- Have to rely on their security.
- They have your data.
- Need a merchant account with some vendors.



Use a Vendor: Integrated Systems

Pros:

- ❑ Control over design, text, receipt, and donor options.
- ❑ Integration between database and online system (no import/export).
- ❑ One vendor.

Cons:

- ❑ Initial cost can be high.
- ❑ There may be trade-offs between integration and features.
- ❑ Lock-in: Can't easily change vendors if needs change or problems develop.



Use a Vendor: Selection Process

- Communicating with salespeople
- Comparing Fujis to Granny Smiths
- Involving stakeholders
- Setting timeframes



Communicating with Salespeople

- Drive the effort
 - ✓ Lead discussions based on needs analysis
 - ✓ Agendas and timeframes
 - ✓ One point of contact
 - ✓ Be clear about your goals
- Don't talk money early – do your research and know your budget
- Ask for assessment of needs before a demo
- Don't fall in love with the salesperson



Comparing Fujis to Granny Smiths

RFP Process

- Build from needs analysis
- Focus on critical features/requirements
- Goals for RFP
 - ✓ More accurate proposals based on your needs
 - ✓ Proposals that are easier to compare
- Consider creating your own instead of using template
- Be concise
- Involve the right people but also have another group review
- Send to less than five & speak to the vendor first



Comparing Fujis to Granny Smiths

- References & site visits
 - Evaluate the services provided by the vendor
 - Ask for references that are spending what you are budgeting
- Demos
 - Schedule for near the decision making deadline
 - Script/scenarios for all vendors to follow
 - Schedule for separate days but within one to two weeks
 - Ideal to have this hosted by vendor at their headquarters



Comparing Fujis to Granny Smiths

- Cost amortization
 - Itemize cost for software and services and calculate cost per month, per year and length of contract
- Scorecard
 - Easier to elicit comparable responses
 - Weight ratings by need



Involving Stakeholders & Setting Timeframes

- Form a selection committee with one representative from each stakeholder group
 - Scheduling will be difficult
 - Ask for backup committee members
- Timelines
 - Working backwards
 - Evaluation can take three to eight months

<http://www.techsoup.org/learningcenter/techplan/page4491.cfm>



Audience Discussion

- Q & A
- Sharing of your lessons learned
- Sharing of your best practices

