How to Choose a Fundraising CRM Solution

By Rob Gethen Smith
Overview

Constituent relationship management (CRM) is a strategy for managing your organisation’s relationships, communications and touch points with both your current and potential constituents. CRM software is the essential tool needed to manage those relationships effectively.

The purpose of a CRM software solution is to store your contact records on scale alongside detailed records of communications sent, gifts given, time volunteered and events attended. Crucially, it also stores your contacts’ communication preferences. Simply, CRM software is there to help you better understand your constituents and act effectively based on that understanding.

Any successful non-profit is built on a foundation of good relationships. You need to find the people who want to connect with your cause and get to know them. But as you succeed in this, your relationships will grow more sophisticated. It doesn’t take long before you’re managing a complex, interconnected web of data. A CRM solution allows you to make sense of this complexity and drive sustainable growth using your data.

Non-profit donor relationships are complex and multifaceted. Organisations use CRM solutions to capture all of the meaningful aspects of their donor relationships and store them for future fundraising efforts.

There are five stages you will go through when selecting CRM software for your non-profit organisation: gathering requirements, vendor search, vendor evaluation, vendor selection and implementation. This guide will discuss these steps in detail so you can find a software solution best suited to your organisation’s unique needs.

Why is a CRM solution important? Your donors are at the heart of everything your organisation does. A donor database will help you get to know them, so you can personalise your outreach and form the most meaningful donor relationships possible.

WHAT IS A CRM? It’s also known as...

- Non-profit CRM
- Donor Database
- Fundraising Software
- Donor Management Software
- Donor Relationship Management Software
- Non-profit software
What You Need from Your CRM

Defining your priorities allows you to clearly state what you need from a solution and where you want it to take your organisation. Remember: This is a 5- to 10-year investment! Your requirements should reflect a holistic view of your organisation. This will help you avoid unintended consequences and obtain buy-in from all impacted teams.

What do you want to achieve, and how are you going to achieve it?

Start with your mission, vision and high-level business objectives. Is your organisation working to defeat cancer, provide clean water to the global south or fund groundbreaking technological research? Whatever your goals are, remember how important the right CRM solution will be in helping you achieve those them.

From there, consider your organisation’s strategic priorities over the next 5 to 10 years. What do you need to do to advance your mission? Do you need to grow individual giving, increase efficiency, open an office overseas, or simply spread awareness? Are you focused on growing your volunteer programme, providing more services or diversifying your offerings? Does your focus need to be on retaining existing donors and launch a membership programme? It might be all or none of those, but before your look at any software, you must first understand your real-world strategic priorities.

Why is it so important to focus on your business objectives before you begin a CRM procurement project? Because it informs what functionality you require from your chosen CRM system. For example, if you’re looking to double your donors’ year-on-year for the next decade, you will need a CRM solution that can grow with you. If your goal is to increase revenue from your established donor base, then the ability to report, segment your data and manage high-value relationships could be at the top of your requirements list.

A good software provider be willing and able to join you in this discovery process. When you present your final business case to your CEO or trustees to approve the investment in your new CRM, it’s really powerful to map out a crystal-clear path showing how the system will help achieve your organisational objectives.

What are your biggest priorities?

Put yourself in each of the following roles: major gift officer, events and volunteer manager, CEO, fundraising manager and marketing and communications manager. How will the CRM solution impact your day-to-day responsibilities? How are you hoping it will improve your workload? What are your concerns?

By thinking through the impact of the CRM solution across these key roles and departments, you’ll have a better understanding of how the solution should help everyone at your organization.
Gathering Requirements

As the most important step in the software partner selection process, gathering your requirements can be the difference between ending up with a solution that moves your organisation forward and one that doesn’t work for your organisation at all.

How to Gather Requirements:

- **Include decision makers.** Who is ultimately going to be saying “yes”? Think about who you need to include and how a new CRM solution will affect their everyday workload.

- **Define current processes.** What is your current CRM solution used for? Do you use it solely as a donor management tool, or are you also sending out regular emails through it?

- **Identify gaps.** What else do you want from your CRM solution? Do you need to be able to target people on different platforms or get a deeper understanding of your individual constituents? Make sure you understand what you want out of your new software.

- **Gauge your stakeholders’ technical capabilities.** Are your stakeholders digital natives, technophobes, or somewhere in between? Do you have key colleagues who could pick up complex functionality on the first day of implementation, or are they going to need a system that’s as simple to use as possible?

- **Prioritise your stakeholders’ wish list.** How does a new CRM solution affect your stakeholders? Will it put a burden on certain stakeholders, yet release some pressure off of others? Carefully consider how all parties will be affected by the new system.

- **Monetise or enumerate wherever possible.** Try to understand costs of your current CRM software. Does it come with unlimited licenses, or do you need to add more licenses regularly? How many staff members are going to need training? Consider the costs of implementing a new CRM solution and research your available budget.

Make a list of your requirements.

At a minimum, you should consider these requirements, objectives and internal constraints before approaching a software partner:

- **Budget:** What investment do you expect to have available to you for this project? CRM software ranges from free to costing six figures, so even a ballpark figure will help you refine your options early on.

- **Anticipated Growth:** Are you looking to grow your non-profit’s revenue by, for example, 10% over the next two years? Make sure you have a tangible goal or requirement in place.

- **Resource Requirements:** Consider any IT requirements, customisations, upgrades and system maintenance.

- **Functional Requirements:** Keep in mind what features are critical, such as donor relationship tracking, integrated online payments, fund tracking, event management, etc.
Create a requirements matrix.
Categorise the feedback from your stakeholders into a requirements matrix. This will become the foundation of your vendor scorecard.

### Vendor Scorecard

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<thead>
<tr>
<th>REQUIREMENTS</th>
<th>VENDOR 1</th>
<th>VENDOR 2</th>
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<td>Constituent Relationship Tracking</td>
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<td>Automatic Thank-You System for Gift Aid</td>
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Making a Business Case

When it comes to investing in a new CRM solution, there may be some concerns as to why you need new software in the first place or how you will migrate the data. Below are some of the most common concerns and how to respond to them.

1. Data migration will be too much of a hassle.

Migrating data from an old system to a new one can be perceived as the most headache-inducing task of the whole project. Between analysing your data to make sure it’s compatible, preparing it for transfer, exporting, importing, cleaning and more, data transfer is undeniably a significant consideration. Even though the migration of data requires some time commitment and planning, it doesn’t have to be difficult and certainly shouldn’t outweigh the benefits of moving to a new CRM solution.

A good software vendor will guide you through the planning process step by step. Many will handle the data migration in-house, should you require it. Experienced vendors will have years of experience migrating data from other CRM solutions into their own solutions, which greatly reduces any risk.

2. My board won’t buy in to the idea of a new CRM solution.

Often, the non-profit staff members are open to the idea of switching to the right CRM solution but concerned that they’ll invest too much time searching for the right solution only to be thwarted by the board. Because you and your staff members are so close to your organisation’s operations, it’s much easier for you to see exactly why software is an excellent investment. Your board, on the other hand, has a little more distance.

Although convincing your board will take some effort, it’s achievable through the right process. If you’ve done your research and can show board members that purchasing a new donor database will benefit your organisation’s bottom line, there’s no reason you can’t get their buy-in.

It’s important to keep in mind that your board is on your side. Like you, they want what’s best for your organisation.

3. New software is too expensive.

The single biggest fear any organisation has when considering a new purchase is cost. Any robust CRM solution will be an investment, but the right solution will bring you a big return down the line. Not only will you be making more money from your improved fundraising efforts, you’ll also be saving a lot of the time. Plus, most vendors offer a range of price packages so organisations of all sizes can enjoy the benefits of a new donor database.
With any new purchase, the return on investment (ROI) will rightly be scrutinised. In order to keep your project on track, you’ll need to be able to effectively answer any questions that your CEO, trustees and others will have regarding the value of your new investment.

Make your case.

You’ve put yourself into various roles at your non-profit. You have a good understanding of what you and your other stakeholders need. Now is the time to make a solid case for it.

First and foremost, you must stick to your objectives. It may sound obvious, but this is easily overlooked once you’re down into the detail of software functionality! Staying laser-focused on your non-profit’s mission is the best way to keep the interest of your senior colleagues and trustees.

Think about your key stakeholders and what’s in it for them. What do they stand to gain from a new CRM solution? What about your trustees? What are their drivers and objectives?

With any new purchase, the return on investment (ROI) will rightly be scrutinised. In order to keep your project on track, you’ll need to be able to effectively answer any questions that your CEO, trustees and others will have regarding the value of your new investment.

A good vendor will take you through a fully consultative sales process and help you demonstrate how the solution achieves a positive ROI for your organisation. At this point, you should be asking for references to build a clear picture of how the potential technology partner has helped non-profits that are similar to yours.
Vendor Search

Google® is a great resource and a great place to start your search for potential vendors. But be aware that any vendor can claim to be “the world’s leading” or “only not-for-profit provider.” Ask each vendor for multiple references, and ask each reference a consistent set of questions.

Use additional resources, such as your own professional network and industry conferences, to help validate such claims.

How to Search for Potential Vendors:

1. **Check review websites and blogs.**

2. **Use Google to search broadly for specific requirements.**
   a. Always validate this research.
   b. Leverage LinkedIn®.
   c. Research solution partners.
   d. Look for user groups and discussions.
   e. Check company and product pages.
   f. Ask within your own personal and industry networks for recommendations.

3. **Attend industry conferences and associations.**
   a. If vendors are serious about your sector, they are likely to participate in the major industry conferences.

Considering replacing your current vendor?

You may have reached the point that your current vendor can no longer meet your needs or has let you down on promises made in the initial agreement. Even if this is the case, it still might be worth asking the vendor to re-bid or discussing an alternative software solution in the company’s portfolio. Since you know your current vendor’s pros and cons, you should be able to negotiate the best possible outcome for your organisation.
Vendor Evaluation

Your approach to evaluating potential software partners should match your needs. Every organisation’s evaluation process will differ depending on:

- Organisation complexity
- Workflow complexity
- Risk aversion
- Level of investment

Basic Vendor Evaluation Process:

1. Notify vendors of interest.
2. Schedule requirements discussion prior to demo.
3. Schedule demo with key stakeholders.
4. Get stakeholders’ feedback.
5. Score each vendor using a scorecard.
6. Select a finalist.

Prepare for vendor demos.

When asking a potential solutions partner to provide your organisation with a demo, think about what it is exactly that you want out of it. Ensure that you prepare both the vendor and your organisation.

Set expectations with the vendor ahead of time, and make sure the right people are in attendance from your organisation. Consider providing scenarios that the vendor can demonstrate for you, such as asking the vendor to run a mock report or set up an automated email.

Evaluation Criteria to Consider:

- **Total Cost:** Consider the cost of software, implementation, training, and IT support.

- **Functionality:** Is the solution purpose-built? Does it require workarounds or third-party vendors? Is there any critical functionality that’s not included?

- **Flexibility:** How flexible is the software in terms of licensing and usage fees?

- **Customer Support:** What level of customer support does the vendor offer? What are the support team’s hours? Are they local? Does the vendor offer online chat, user groups, and an account manager? What about helpful support inclusions, like training and consulting?

- **Research and Development:** Does the vendor have an annual budget set aside for research and development? What is the typical release cycle for software updates? What is the accessibility of the updates?

- **References:** Is the software being used by similar organisations with similar needs? Are there any case studies available?

- **Security:** How does the vendor guarantee data security? What about back-ups, and disaster recovery?

- **Sector Expertise:** Is the vendor considered a leader in the software space? How many years of experience does the company have? What other clients do they serve?

- **Financial Stability:** Is the company public or private? Over the last five years, has the company grown or declined? In other words, is it a company “on the up”?
Selection and Implementation

Congratulations, you’re ready to choose! You know what you require and have seen what potential partners can offer you. Now is the time to make your selection and bask in the glory of choosing a solution that will make your working life easier and drive your organisation towards its goals.

Before signing, make sure you get:

- Internal approval
- Statement of work from the vendor
- A clear process for internal sign-off, including approval from the finance and legal teams as well as your board of directors

The next step is arguably the most important part of the overall process: implementation. And it isn’t just about getting your new CRM solution set up. You need to make sure all staff members are trained and knowledgeable on the system along with any new processes associated with it.

It’s important to keep in mind that staff members are already busy, but you should still keep them involved throughout the initial implementation. They need to have a thorough understanding of the CRM solution in order to use it to its full potential once it’s in place.

Five Tips for Implementation Success:

1. Train before it is needed. It is important to ensure that staff members are given all the product training they need prior to their involvement in the project. This may sound obvious, but it does not always happen.

2. Understand not all data is valuable. There are often delays created by migrating data to a new software platform. Your existing data should be assessed to determine whether or not it should be moved over.

3. Schedule regular meetings and communication. Pick a day and a time that works for all team members to meet each week and get up-to-speed on the migration and implementation process.

4. Time the go-live carefully. Make sure all staff members who will use the new software are fully trained by your go-live date. Stick to your schedule, but always plan for delays.

5. Follow up after training sessions. Have “hours in the bank” with a software consultant or training professional in case you require any follow-up sessions.
BONUS: More Tips for Choosing a CRM Solution

1. Invest time in carefully reviewing and documenting current and new requirements, clearly distinguishing between priority items and nice-to-haves.

   Some key areas that are often forgotten:
   - Data cleaning requirements
   - Sources of data other than the main database/spreadsheet
   - Regular import requirements
   - Plans to process direct debits

   Share these with your potential suppliers so they have a full understanding of your requirements and can plan accordingly. If requirements are not known upfront, your supplier cannot plan for them in terms of budget. This will help mitigate risk of additional work later in the project because of unplanned requirements. Having a clear set of requirements will also help you accurately compare costs between suppliers. The agreed and planned for requirements can then be measured against to confirm deliverable acceptance at the end of the implementation.

2. Document your business case for moving to a new database and confirm the overall goals you are looking to achieve.

   - These are valuable for a supplier’s understanding and scoping process.
   - These can then be reviewed internally post go-live to confirm whether goals have been achieved.

3. Prepare internal resources with a business case for moving your database, overall goals for the new solution and what the new software means for each role.

4. CRM implementation projects will require involvement from internal resources to define requirements and test.

   - Understand the level of involvement and skillset required to undertake these tasks effectively.
   - Evaluate internal resource capacity and skillset in advance, and plan for the additional effort required, either using internal resources or leveraging additional support from the supplier.
5. Involve the key subject matter experts and decision makers during the requirements, evaluation and implementation stages.

6. Think about and decide in advance who will lead the project within your organisation. This resource will be responsible for managing the project internally—coordinating resources and ensuring that tasks are completed on time—and is key to ensuring a smooth implementation.

7. Review and decide in advance who will be the owner of the database going forward.

8. Be realistic in terms of timeframe. It is not within your supplier’s interest to extend the timeline so follow recommendations based on your team’s resource capacity and skillset.

9. The scope of work (SOW) your supplier provides will define what will and will not be delivered. Review the supplier SOW in detail, and make sure you understand how your requirements will be fulfilled within the scope of the project. Check that nothing is missing before signing the agreement.

10. Invest in a health check with your supplier a year after implementation to review usage of your database and plan for further developments.
Conclusion

Before making your final selection and committing to a contract, make sure you are completely confident in your chosen system’s functionality. It’s critical that your future technology partner is reliable and one you can trust to continue developing and investing in your new solution. Your system could be in place for 10 years…or more! In today’s rapidly changing technology landscape, you need to partner with a vendor who can support you for the long term.

The guidelines we have set out in this guide are designed to make sure you don’t miss a step along the way, ask the right questions, get the right answers, and ultimately end up with a CRM solution that is right for your organization.

Contact us.

If you have any questions on CRM solutions, would like to find out more about Blackbaud, or are at the beginning of the solution evaluation process and would simply find it useful to chat with a professional consultant, please contact us at solutions@blackbaud.co.uk.

About the Author

Rob joined Blackbaud in June 2016 to help charity customers maximise the value of their technology investments, as well as to advise on best practices, data and technology strategy and trends in the sector. Prior to Blackbaud, Rob has worked as CIO at Anthony Nolan, Southbank Centre, Tate and Macmillan to deliver connected business and technology strategies and lead change programmes. Before this, his first role in the non-profit sector was as head of fundraising services at WWF-UK. An aeronautical engineer by background, both in the British Army and also the private sector, Rob takes a keen interest in how technology can enable organisations with a strong social purpose to improve how they work. An MBA from London Business School underpins his technical approach with sound understanding of business strategy and commerce.

About Blackbaud

Blackbaud (NASDAQ: BLKB) is the world’s leading cloud software company powering social good. Serving the entire social good community—nonprofits, foundations, corporations, education institutions, and individual change agents—Blackbaud connects and empowers organizations to increase their impact through software, services, expertise, and data intelligence. The Blackbaud portfolio is tailored to the unique needs of vertical markets, with solutions for fundraising and relationship management, digital marketing, advocacy, accounting, payments, analytics, school management, grant management, corporate social responsibility, and volunteerism. Serving the industry for more than three decades, Blackbaud is headquartered in Charleston, South Carolina and has operations in the United States, Australia, Canada and the United Kingdom. For more information, visit www.blackbaud.com.