A Nonprofit’s Guide to Choosing a Constituent Relationship Management System
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Introduction
Many nonprofits struggle to achieve the coveted 360 degree view of their constituency. Why? The biggest culprit is not talent—it’s technology! Older, more cumbersome donor management systems are likely discouraging rather than encouraging relationship building throughout your organization. And whether you’re part of a non-profit or for-profit business, there is no getting away from the fact that relationship building has been proven to provide earth shattering results!

The once upon a time, older proprietary systems and homegrown databases of the nonprofit organizations of yesteryear have evolved to the point of being incredibly complex, difficult to use, and unstable to operate. Further, this disconnected view of relationships creates extra work for everyone and prevents you from providing a consistent message to your constituents. Only a new way of approaching the management of all interactions in one centralized system will allow you to properly nurture relationships with the most accuracy and relevancy to your mission.

Nonprofit organizations are already facing economic pressures, competition for funds, donor fatigue and resource constraints. What you don’t need are more headaches with missing, fragmented or suspect data in files spread throughout the organization that no one can ever find. CRM software offers the solution that the complex nonprofit world has been looking for.

The Benefits of Constituent Relationship Management
This integrated approach to donor management is called Constituent Relationship Management (CRM). Having evolved from the successes of the corporate world’s Customer Relationship Management, the concept has been tailored to allow nonprofit organizations a total and transparent view of not only their constituency, but their organization as well. Instead of just storing data, CRM systems make work easier, more secure, and more meaningful. All divisions access and update information in the same system without fear of data corruption or accidentally updating information they shouldn’t be allowed to access.

Does your organization struggle to stay on top of campaigns, or manage large amounts of donor or volunteer information? Maybe your organization is in a fundraising crunch, or maybe you’re ready to take fundraising or recruiting initiatives to the next level. Whatever the reason, here are 7 benefits that show how CRM software can revolutionize your approach to constituent relationship management.

1. Strengthen constituent relationships inside and out!
   - Rather than focusing solely on the donor’s relationship to the organization, a CRM system also allows members of the organization to view all constituent relationships that affect the mission: donors, volunteers, members, affiliates, staff, directors, related companies, etc.

   For example, maybe a certain geographic area has a high number of volunteers but only a small percentage of donors. With older systems, these constituents would not appear in your donor management system. Using CRM software, you would be able to pinpoint this scenario and create a specific campaign to target these potential donors.
• Emails, letters, conversations and connections between the constituents and all areas of your organization are stored in one place. This allows you to provide consistent and targeted messaging - and increases and fosters transparency throughout your organization. Yes, the left hand will know what the right hand is doing!

2. Plan, schedule, and analyze with ease
Harness the power of CRM! Once all of the demographic attributes are captured, configured and the data is populated, a CRM system is ready to plan, schedule and analyze events; track and complete tasks; analyze and report on trends based on demographics; and manage the lifecycle opportunities provided by major donors. Now that’s powerful!

3. Increase user friendliness and you’ll increase use
CRM systems allow you to provide access to everyone related to the organization from directors to volunteers. Views and permissions are tailored to each person accessing the system, not only to simplify the experience but to limit access to sensitive information. For example, one person may be able to tell that a specific constituent is a major donor while only the directors see the amounts that have been donated and the programs that the donations have benefited.

4. Improve efficiency through data integrity
Eliminate the need for spreadsheets and disconnected contact lists. With a CRM system, the integrity of your data is improved; duplicates are removed, confidence soars. You have the ability to define constituent lists based on category, demographic attributes, division, or geography.

5. Customize for a perfect fit
Is there anything more challenging than trying to understand departmental jargon (especially acronyms)? CRM systems allow you to define database fields in order to match your organization’s terminology. Further, you’re able to rearrange the placement of fields to maximize the efficiency of data entry and the relevance of the information displayed. A system that is tailored to the terminology already in place will be more readily accepted and will quickly become part of the organization’s culture.

6. Eliminate manual processes by integrating systems
CRM systems allow for the import and export of critical data, such as constituents and donations. This import export process eliminates the need for external (manual) processing. Imagine collecting data and donations from your website and updating your CRM system automatically! You can also integrate CRM software with Outlook to ensure that contact lists are centralized and Outlook calendars are linked and visible. Now that’s 20/20 vision!

7. Improve access to information
CRM systems can be configured for access from anywhere internet is available whether by browser or mobile device. This increases the flexibility of your CRM and the accuracy of the data as the system is updated as communications occur regardless of where they originate. For example, when someone at an event requests more information about a particular program, your CRM system may be accessed to send the information while the event is still taking place. You may also choose to have the system automatically create a task to follow up with the constituent the next day.
Reports and data filtering is also a very important function of CRM software. You can create your own data filters, views or reports and have the ability to share them or not. The possibilities are endless.

**Evaluating Your Organization’s Needs**

Before you begin the search for Constituent Relationship Management software, you should do a thorough analysis of your organizations infrastructure as well as list and prioritize your organization’s key requirements. Important factors to consider include:

**Size of Your Organization**

Typically the larger the organization, in terms of funding sources, fundraising activities, or the number of employees, the more likely the need for powerful and sophisticated software. Beware of overbuying – you may end up paying annual maintenance fees on a system that you don’t yet need. Look for a software solution that fits your organization today, and will accommodate growth tomorrow.

**Who Needs Access**

Software is commonly priced by the number of users. Therefore you should know how many staff members will use the software and at what capacity.

**Complexity of Constituent Relationship Management Required**

Complex issues that a new CRM system should address include extensive tracking of relationships between donors, volunteers, members, affiliates, directors and staff, etc; planning, scheduling and analyzing events; reporting on trends; and managing lifecycle opportunities.

**Key Information and Details**

Decide what type of information and level of detail you want to capture and report.

Constituent Relationship Management software should be flexible enough to customize these details into specific categories for your organization.

**Future Needs**

While you don’t want to overbuy or end up with a system that is too complex, you also want to make sure that you consider your organization’s current and future needs as well. Look out over the next few years and confirm the direction your organization is headed. Your CRM system should help get you there.

**Interfacing Systems**

Examine and list the related functions that you want to interface with your CRM system, such as online donation programs, Microsoft applications, accounting, etc.

**Evaluating Relationship Development Initiatives**

The next and most critical step in your organizational evaluation is to take a good look at your relationship development initiatives. Does your organization manage relationships through direct mail, phone contact, special events, or a combination of the above? Do you know which initiatives return the greatest reward? How about your employees? Do they know what other departmental initiatives are being planned or put into action?

It’s important to understand each connection, each program, and how much time is spent administering it, as well as what you would like to achieve but are currently unable to. Gathering these and other facts (such as the number of current donor records you have, the number and type of contacts you make with constituents, as well as how departments currently communicate internally) will assist you in identifying and ranking your CRM system’s goals, needs, and wants. Prioritize your needs using these categories: “must have”, “nice to
have”, and “helpful, but not critical”. These will help you maintain a clear picture of your requirements throughout the evaluation/purchasing process. You don’t want to end up with features and functions that don’t properly address the needs of your constituent relationship management initiatives. If you find you need a starting point, begin with the vendor’s list of features and functionality, or build your own from features suggested by vendor literature or other nonprofit organizations.

Next, spend some time considering the type of information you want to capture and report on. What detail is needed to build and maximize relationships, analyze giving trends, and develop effective reports that will benefit everyone in your organization? Consider each entity, for example, board of directors, grant and funding sources, constituents, service recipients, auditors, etc.) and consider the types of detail each of them require. This will help you compare the benefits and costs of different software packages as they relate to the needs of your organization.

**Technology Considerations**

Hardware, operating systems, and environment play an important role in the selection of your new CRM software. Consider your organization’s potential for growth and how often you plan to update your system. Many nonprofits find it useful to develop a technology plan to determine a long-term strategy. With today’s rapidly changing technology, software and hardware become obsolete quickly. If you have not invested in this area in the last three years, be prepared to upgrade your hardware as well as software when considering your budget. A comprehensive list of hardware, operating systems, software and networking information will help you when you speak to a software vendor.

**Common Features to Consider**

Here is a sample of the types of features commonly found in CRM software. Use this basic list as a guideline for ranking features based on the activities that are time-consuming for staff and the attributes that would help make your programs more manageable. These suggestions can help you separate your genuine needs, from helpful extras and clarify your organization’s top priorities.

**Contact Management**
- Relationship tracking
- Donor tracking features
- Volunteer recruitment and management
- Member level tracking
- Corporate and foundation prospect tracking

**Gift Tracking Features**
- Data entry shortcuts and defaults
- Pledge scheduling and tracking
- Gift match potential tracking
- Automated or flexible payment schedules
- Pledge reminders
- Recurring gift or EFT processing
- Customizable tracking over multiple years
- Receipt generation

**Communication Features**
- Selective targeting of constituents
- Personalized communications
- Label and envelope creation
- Direct from system emails
- Direct from system reporting
- Targeted letter generation
- Automatic communication tracking
- Solicitation method tracking

**Event Management Feature Examples**
- Single or multi-activity event tracking
- Event-specific expense tracking
- Invitation processing, tracking
- Non-constituent tagging of guest lists
• Registration management
• Name tag production

**Reporting Features**
• Includes relevant templates
• Multiple-screen reports
• Advanced data analysis
• Solicitation and appeal reports
• Detailed queries
• Output customization
• Volunteer value calculation tools
• Year-end statements

**General Features**
• Proposal and grant tracking
• Campaign analysis
• Track alternative names and contact information
• Important date reminders
• Multiple user-defined fields
• Automatic calculation features
• Automated data entry tools
• Hyper-linking or drag-and-drop features

**A Word of Caution about Custom Solutions**
Tailor-made software programs often sound like a good idea initially. Some organizations turn to a volunteer or consultant to build a solution, or look to purchase a less expensive solution that is not readily used in the marketplace but was built for a similar organization. The problem with this tends to lie in two areas: the functionality of the custom application; and the technical support / future upgrades.

In terms of functionality, be sure that a custom application does not place you in the same predicament that prompted your original search. Usually, the solution is built around specific needs (yours or an organization like it), and it has not had the benefit of thousands of users’ input. Much of the development time of the custom application is placed on the same basic functionality that other software packages have mastered. Often organizations that use a custom application find that getting the data into the application is not the issue; it is getting the data back out that gets tricky. A more widely used system that has stood the test of time is a better bet for your organization.

As your company’s needs change and grow, updated functionality that matches new requirements can come at a substantial financial cost. Moreover, technical support often becomes difficult if not impossible. In a worst-case scenario, the company that created the custom application could go out of business, rendering your system obsolete. Or the volunteer that built the custom application is no longer able to make updates or provide ongoing support which leaves you with nowhere to turn. These considerations can leave you right back where you started – evaluating and paying for new software.

Don’t confuse a custom solution with the ability to customize proven, on-the-market constituent relationship management software. With the increasingly flexible and sophisticated software systems available, fewer nonprofit organizations are turning to custom solutions. A customized software solution will end up being a time-consuming and more expensive choice in the long run.

**Buy a Solution - Not Just Software**
Nobody wants to merely acquire the code that goes into a software program - you ultimately need a complete solution that will address all of your fundraising and constituent relationship management needs. This includes considerations beyond the computer program you purchase. Your staff must be able to use the program effectively, and your organization should be supported technically if your network changes, programs are added, or if you have questions or issues. Consider your organization from a big picture perspective to determine what additional services may be required.
Virtually all software users require some support services.

**Technical Support**
Technical support provides answers and support to system users. Consider how comfortable your staff is with troubleshooting software issues and the responsiveness of your IT departments or consultants. Keep in mind that even a technically-savvy employee generally needs help with a new system or new features and functionality. And, if fundraising is your organizational lifeblood, you will want a safety net to ensure it will be there when you need it.

**Maintenance**
Software maintenance services keep your software up to date and working well on your system. Maintenance usually consists of upgrades and enhancements, and helps extend the life of your software solution, maintaining compatibility after network and operating system upgrades.

**Training**
To get value out of your new software, your staff must be adequately trained to use it. Training may be provided in a variety of ways, at various levels of proficiency, and may be either included in the cost of the software, or offered separately. The more sophisticated the solution, the more training that may be required. You may want to pay for intensive staff training to ensure that you get maximum value from your investment. Find out how training is administered: Will your staff members have to travel, or can they attend classes in their own area or online? How often is it offered? Make sure the options and costs fit within your needs and budget.

**Consulting**
Consultants provide services before, during and after your software purchase. The range of services provided can vary. Some may only demonstrate and recommend software, while others may assist with evaluation, implementation and training, as well as provide additional services like customizing or optimizing the system for your specific needs. Consultants who have previous experience with the software you choose can accelerate a complex implementation schedule. To determine if you require the services of a consultant, consider the following:

- Can your organization’s IT staff handle the evaluation, selection, and installation of hardware and software and product integration, as well as training and support after the purchase?
- Do you have a budget to hire a consultant?
- Do you want a local contact if you need help with an aspect of the system or is vendor phone support enough?

**Resources to Aid in Software Evaluation**
Once you have decided to purchase new CRM software and have assessed the needs of your organization, it’s time to find a software solution. The following is a list of resources that you can use to find the software that best meets the needs of your company.

**Nonprofit support centers at local, provincial, and national levels**
They offer literature and sometimes libraries of software that you can use to aid in your evaluation.

**Nonprofit, fundraising and computer – related magazines**
Look specifically for articles and advertisements that deal with nonprofit, fundraising, and donor management software. Read multiple reviews covering the same software, so you are not unwittingly absorbing a single reviewer’s bias or lack of time to investigate the software in detail.
Consultants
Since they often provide technology services on a variety of software packages, consultants frequently have insight into the best products for different organizations.

Websites
Use search engines to look up listings for keywords such as "constituent relationship management software" or "nonprofit software".

Tradeshows
Viewing vendor demonstrations at a tradeshow can give you an overview of the software’s capabilities. Try to see the real software as opposed to a canned demo, so you can see the functionality you need - not just the features that the vendor wants to highlight.

User Group Meetings
Current users can often give referrals, demos and answer questions about how the software will fit your needs.

Board Members, Funding Sources and Regulatory Agencies
These organizations may have the experience to relate, especially as they may be on the receiving end of your fundraising reporting.

Your Peers in Similar Organizations
Contact your national headquarters, sister chapters or like-organizations.

The Company
Because the relationship with your software vendor begins, not ends, with software selection you are likely going to want additional services after implementation. Therefore it is important to get to know more about the company. Some questions you may want to consider or ask include:

- Is the company stable? With consolidation of technology rampant in the marketplace, private companies are at risk of being acquired and their products put out to pasture.
- What is the reputation of the company? Is it committed to the nonprofit sector?
- What is the company’s stated philosophy about its customers or nonprofits?
- How long have its constituent relationship management and fundraising products been on the market? How long have they been designing solutions for nonprofits? Several years of experience could give its designers a better understanding of the specific needs of nonprofits during the design and implementation phases. You don’t want to be their field tester.
- How many customers does the company have?
- What is the company’s rate of growth?
- Does the company support customers on prior platforms or releases?
- Is the company customer oriented? This factor is crucial since it tends to influence everything the company does. One way to investigate this is to look at software manuals or online help availability. While anybody new to computers has to learn some new terms, documentation should be easily understood by users with a basic knowledge of software.

What Evaluation Criteria Should You Use?
Features and Functionality
Start by ensuring that the basic constituent relationship management, fundraising and donor management functions are present. Then check each feature against your needs checklist, and measure the benefits of each in regards to your specific needs.

Price vs. Overall Cost
Overall cost includes module prices, maintenance, support, training, consulting and conversion. Beware of low-priced software that requires extensive customization as it will likely
be more expensive to install, maintain and train your staff on.

**Installation**
How easy is it to install or un-install the software?

**Software Setup**
How quickly can you set up the software for your database structure and daily use?

**Value**
Compare the overall cost of the features and functionality you need against the benefits received. This will prevent you from paying extra for functionality you don’t need. It also allows you to compare software on the basis of what you will actually use. Remember, the primary intent of your search is to obtain value-added results for your organization.

**Maintenance**
Consider the following:
- Does the vendor have a formal software maintenance program?
- Does the program include bug fixes only, or are upgrades also included? Does it include new versions?
- How does the software company determine what to include in software enhancements?
- How often are enhancements or new versions released? Carefully timed enhancements ensure that the company stays abreast of customer needs.

**Quality Training**
An important part of your evaluation should include training:
- What is the experience and expertise of the trainers?
- What types of training options are offered? How and where is training offered (corporate training facility, on-site training, web training, real-time learning, video training, etc.)?
- What methods of training are provided (method vs. hands-on, or both)?
- Is adequate time given for the trainee to feel comfortable using the system?
- Will training include addressing specific problems?
- Do they offer advanced training classes for complex subjects?

**References: Ask Your Neighbor**
During your evaluation, you may want to talk to users of the system you are considering. Be sure to speak with someone who has hands-on experience with the system. While you may get valuable information about a system’s capabilities, references are equally useful when you use them to discuss the company and its services. Try to learn about the user’s experience with the software company and its support, training, and maintenance programs, in addition to the software itself. Prepare a list of questions in advance to keep them as specific and brief as possible.

**Conclusion**
The key to a successful constituent relationship management software purchase is to know your organization. A thorough investigation will go a long way to arming you with the right questions and tools to find the best solution. A complete understanding of all of the costs involved will help you avoid surprises. Selecting the best software for your organization takes some time and effort, but the rewards are tremendous. The right CRM software can improve not only an organization’s administrative efficiency, but increase revenues and improve public perception of the organization itself. If you treat the purchase of new CRM software as a long-term investment rather than an expense, and follow the process outlined in this guide, you will be able to select a system that has the capabilities you need provided by a software company that will be a long-term partner in your success.
People
Drawing on nearly 20 years of experience, Affinity NFP has implemented hundreds of solutions. In every case, we have focused on providing quality service and software, growing an alliance that provides the best solution and long-term care. In fact, we guarantee you will be 100% satisfied with the work we perform regardless of project size, scope or complexity.

Passion
We are passionate about helping people and organizations achieve success and reach their goals, by using technology to transform, improve and simplify their fundraising and financial operations. With every client or prospective client, we seek to develop working relationships built on knowledge and understanding; relationships that will be sustained and enhanced over time, and where we can provide value.

Purpose
Affinity NFP assists non-profit organizations to implement fundraising, constituent relationship management (CRM), and fund accounting software systems. The right technology solution will support your efforts to fulfill your mission. We can help your organization grow your constituent base, increase donations, nurture volunteers, and empower your supporters. In addition, your organization will be better able to fulfill accountability, compliance, and infrastructure requirements.