Nonprofit Technology Assessment and Selection

2008 ePhilanthropy Training Tour
Sacramento, CA
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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
- Q & A

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

According to our December 2007 survey, 72% of American adult internet users use the internet daily on average.

Daily Internet Activities	
Here are some of the things they do on a typical day:	*Percent of internet users who report doing this "yesterday"*
Use the internet	72
Send or read e-mail	60
Get news	37
Look online for news or information about politics or the upcoming campaigns*	16
Watch a video on a video-sharing site like YouTube or Google Video	15
Download music files to your computer	7

Source: Pew Internet & American Life Project, October-December, 2007
http://www.pewinternet.org/trends/User_Demo_2.15.08.htm

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.

Use the internet	
Total Adults	75%
Women	74%
Men	76%
Age	
18-29	83%
30-49	82%
50-64	70%
65+	33%

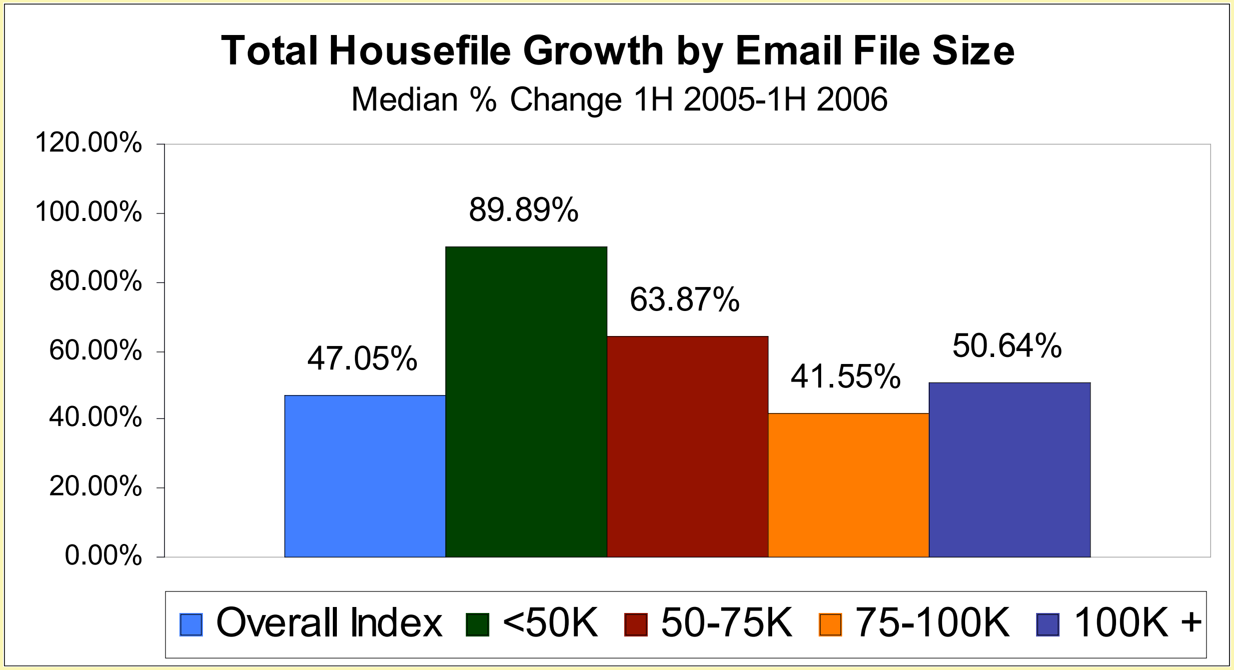
Household income	
Less than $30,000/yr	61%
$30,000-$49,999	78%
$50,000-$74,999	90%
$75,000 +	93%

Educational attainment	
Less than High School	38%
High School	67%
Some College	84%
College +	93%

Source: Pew Internet & American Life Project, October-December, 2007
http://www.pewinternet.org/trends/User_Demo_2.15.08.htm

Why do you need Online Fundraising Technology?

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

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 mange 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?
- 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

Content Owners	Senior Managers	Interactive Committee
Interdepartmental	Officers and Directors	Industry Professionals
Creates content updates for web	Provides vision and resourse guidance	Offers advice and expertise on web
Advises on testing new features	Grants approval for new projects	Gives trainings and tech guidance

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 - Mayor’s Office example.
  - Step back from ungrounded $$ - Npower example.
  - Give updates - Public Support Committee example.

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, Yahoo!, 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 representive 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

Case Study: - Peer to Peer Marketing

- Selection
- Implementation
- Results
- Lessons Learned


USE THIS
TO FILL THIS
THE SALVATION ARMY
THE SALVATION ARMY

Case Study: Selection & Implementation

- Selection
- Implementation

Case Study - Do More than Give

- 10,951 emails sent in Western Territory
- 375 gifts - 72 hours $73,191
- 1446 gifts - 2 weeks - $215,637
- 33% opened – DisGroup
- 27% opened – DeOther

Case Study:
Online Red Kettle – Results

Year	Peer to Peer Giving
❑2007	$549,832
❑2006	$443,897
❑2005	$130,812
❑2004	$35,151*

Case Study: Web Income – Results

Year	Christmas Web Income
2007	$7,684,774
2006	$6,786,137
2005	$7,149,490
2004	$3,925,439

Cumulative Christmas Web Giving

$25,545,840

Audience Discussion

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