

# *“Selecting an Online Fundraising Technology: Larger Organizations”*

NTen – Nonprofit Technology Conference  
New Orleans, LA  
March 20, 2008



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Selecting an Online Fundraising Technology: Larger Organizations

# 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

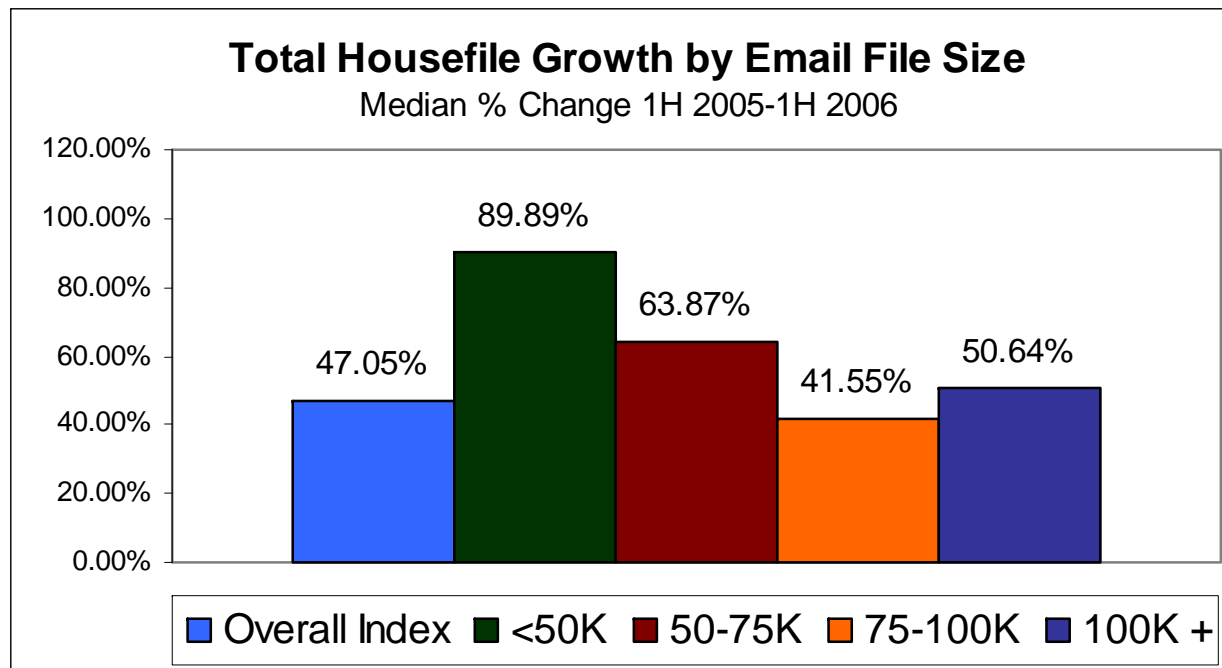
<i>Educational attainment</i>	
Less than High School	36%
High School	59
Some College	84
College+	91



Source: Pew Internet & American Life Project, January, 2007  
[www.pewinternet.org/trends/User\\_Demo\\_1.11.07.htm](http://www.pewinternet.org/trends/User_Demo_1.11.07.htm)

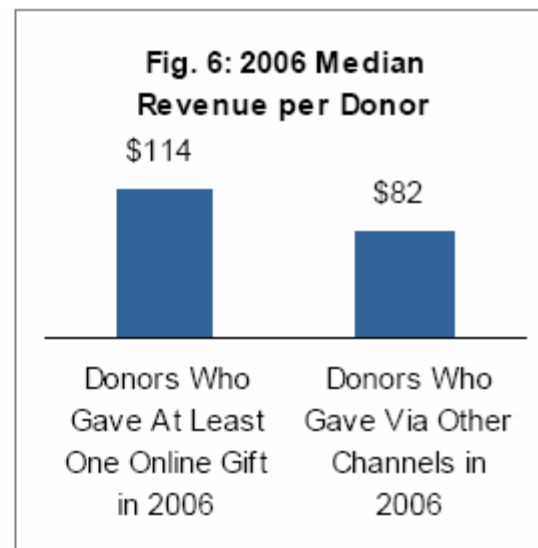
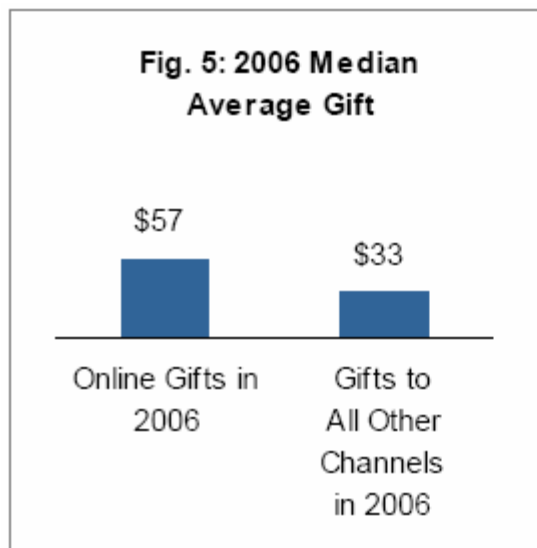
# Why do you need Online Fundraising Technology?

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



# 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.



# 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?
- 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

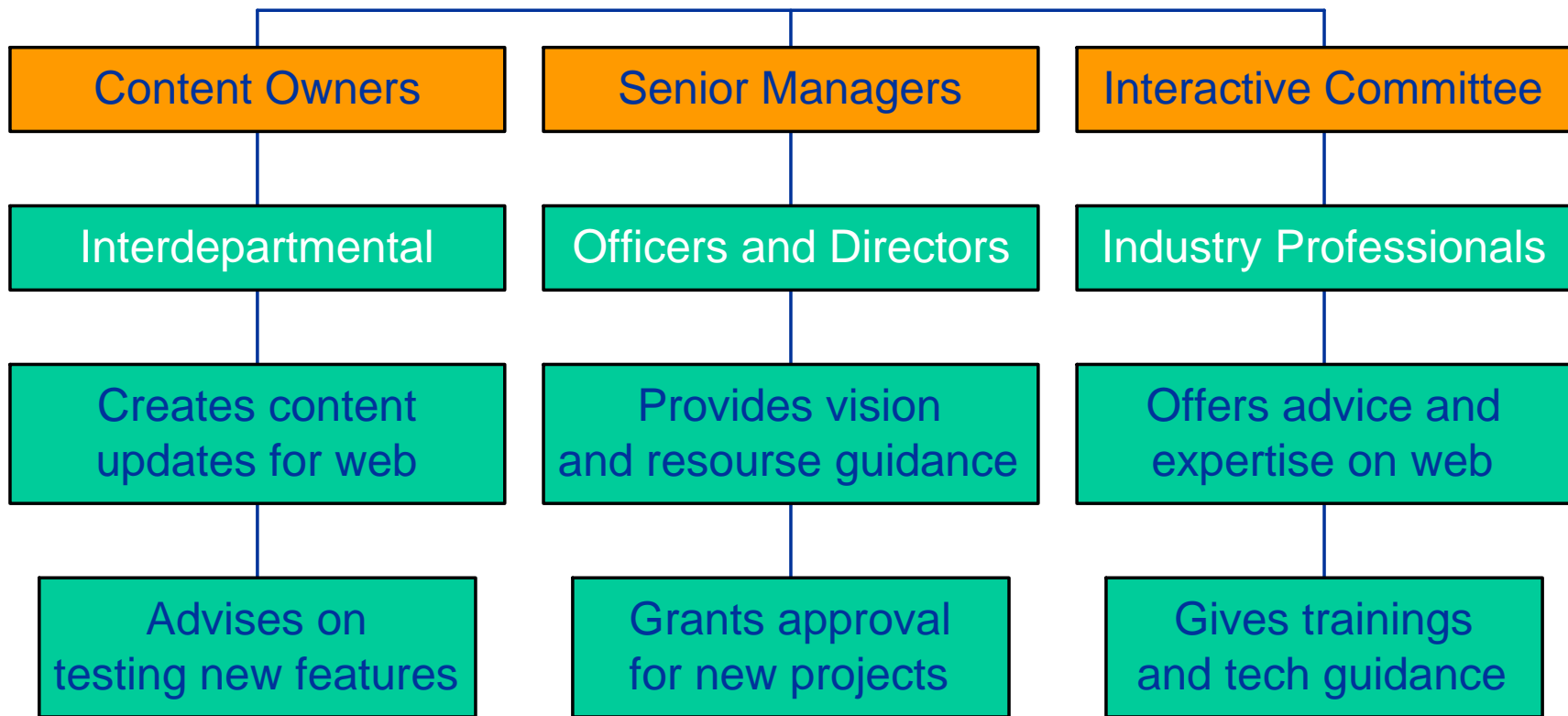
- Step 1: Get support
- Step 2: Build the team
- Step 3: Provide training
- Step 4: Evaluate the team
- Step 5: Announce the team





# 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 - 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, 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.



Did you go to the  
NTen Science Fair  
and meet the vendors?



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# 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>



# Case Study: Online Red Kettle – Peer to Peer Marketing

- Selection
- Implementation
- Results
- Lessons Learned





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# Case Study: Online Red Kettle – 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



# Case Study: Online Red Kettle – Lessons Learned

## ❑ Lessons Learned



# Audience Discussion

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

