

12 Steps to Find New Fundraising CRM Software

Finding a new fundraising CRM system is like laying the foundation of your house. While it may not be the most exciting task in the world, it has a long-term and meaningful effect, one that is expensive to get wrong. A well-run system selection is much more than simply checking off a list of software requirements. It satisfies a strategic business need that supports every aspect of your organization's mission.

Step 1: Recognize the value of the process

New fundraising system can be a significant investment for your organization, since quality software is seldom inexpensive. It will take careful planning and budgeting to ensure a successful implementation.

Take ownership of this process. While vendors can be excellent co-collaborators, you should not expect them to protect—or even fully understand—your organization's needs. Beginning the process with a clear understanding of your goals will vastly improve your chance for success.

Step 2: Assemble your team

The introduction of a new fundraising system will impact nearly every member of your organization, so it's useful to bring in a variety of perspectives as you plan. Gather a group of leaders and stakeholders who are invested in the project and will see it to completion. Your team may include marketing, finance, membership, IT, researchers and of course, fundraisers.

While two heads are better than one, too many heads will make a monster. We suggest limiting your core team to four to six people.

Step 3: Understand the strategic drivers

Understand the high-level, strategic goals driving the project, and get a guiding vision for where the organization is heading and how that affects the software selection. While you may understand a lot about your organization's software needs, it's important to remember that you don't know what you don't know. We recommend that you discuss common organizational practices with individuals from a variety of job functions and departments. You may be surprised by what you discover when you put everyone in the same room!

DON'T KEEP IT A SECRET

As you identify your organization's needs, remember that effective communication can be the difference between a good project and a great one. Don't wait for people to ask. Proactively share as you go.

Step 4: Define your requirements. Let me say that again...

Define your requirements and write them down. A requirement is a very specific description of functionality you need, organized into categories and subcategories that align with your organization (more on this below). A requirement should capture a single concept to which the vendor will be able to say clearly "yes" or "no." You will have a lot of these (there is no right number, but these lists can run into the hundreds).

Begin by creating a set of requirement categories that roughly align to your organizational structure (direct marketing, events, major giving, IT, finance, etc.). Within those categories, create subcategories that are meaningful to each area. For example, direct marketing may have subcategories of "segmentation" and "acquisition" where major giving may include "moves management" and "portfolio management." Then each of those sub-categories would be filled with specific requirements to which you will ask the vendor to respond. The hierarchy you create here will inform the rest of the process. Use it to organize the RFP, assign priority, and build the vendor scorecard.

Here is an example of a few requirements from a checklist:

Category	Subcategory	Requirement
Leadership Giving	Portfolio management	Track multiple types of solicitor relationships: prospect manager, volunteer solicitor, proposal writer, team member
Leadership Giving	Portfolio management	Assign multiple constituents to single prospect record (e.g., constituent, spouse, family foundation and corporation are part of a single ask)
Leadership Giving	Portfolio management	Notify prospect managers of changes in prospect assignments.
Leadership Giving	Portfolio management	Automatically credit prospect manager for all gifts made by prospect.
Leadership Giving	Portfolio management	Assign prospect managers to prospects, track the dates of the assignment, track assignment history

Your requirements checklist is the ruler you will use to measure the systems. It is essential to achieving a clear-eyed, data-driven selection. We could use this entire paper to describe how to collect and organize requirements. Here's the Reader's Digest version.

WEIGHTING THE BIG THREE

To prioritize "what you care about," meet with the core team and the project sponsor to establish the three core weights: cost, functionality, and vendor. Do you have a fixed budget? Is functionality paramount? How will details about the company—like services, experience in your sector, and references—factor in?

Step 5: Write the RFP/RFI/RFQ

While the caption above may look a bit like alphabet soup, your Request for Proposal/Information/Quotation should be as clear and straightforward as possible (without oversimplifying). In general, the RFP should include the following sections.

- 1.** About your organization: describe who you are and your mission.
- 2.** Strategic focus: explain the key strategic drivers for the selection.
- 3.** Proposal Submission: create a checklist of what the proposal must include, such as vendor information, support and maintenance policies, product improvement methodology, etc.
- 4.** Requirements overview: provide a narrative description of your requirements (using the requirements hierarchy as your guide).
- 5.** Requirements checklist: include a spreadsheet that includes all of the detailed requirements and a place for the vendor to provide responses.
- 6.** Technical overview: clarify how the software is built, delivered, and maintained.
- 7.** Implementation services: clarify what consulting services they offer.
- 8.** Price worksheet: create a standard format that helps you standardized the price quotes across the systems (harder than it sounds).
- 9.** References: ask for three to six references from comparable organizations in different stages of their life with the product.

Step 6: Do your research

While it may be tempting to send your RFP out to as many vendors as possible, focus on quality, not quantity. Start off by researching potential vendors (more than just a Google search). Determine your few “deal killer” requirements, call vendors, check with your peers and colleagues, and consider the help of a consultant. Once you’re armed with a more thorough knowledge of potential vendors, create a right-sized list – let’s say three to five qualified vendors.

Step 7: Create a vendor scorecard

Your list of potential vendors is top-notch, your RFP has been sent out, and the proposals have begun coming in. Before you read a single proposal, take the time to create a “vendor scorecard.” Your scorecard should reflect the requirements hierarchy and the weighting you defined earlier. With the scorecard, you will be able to create a quantified, data-driven evaluation of each proposal.

Step 8: Score the proposals

You cannot manage what you do not measure. This is the step where we actually do that.

At this point, you have all the information you need to make a data-driven evaluation: you've defined your requirements, you have prioritized them (with numbers), you have the vendor's response to your detailed requirements list, and you have a scorecard ready to fill out. As you read the proposals, begin to give each section a grade and make a few notes on why you scored it the way you did. There is a lot of information here. When it comes time to review the scores with your team, it's helpful to note why you gave it a 3 instead of a 4. Again, the goal is to avoid "going with your gut."

Once the scoring is done, you will be in position to determine which vendors you will select for demonstrations.

Step 9: Conduct vendor demos

Keys to a Successful Demo

1. Create a script that is customized to your requirements categories.
2. Give the vendor time to prepare, at least three weeks.
3. Schedule carefully. Demos can run from a half-day to a week.
4. Be a benevolent dictator. Make sure the vendor follows the script. You don't want a canned sales presentation (that's not data driven!). But be willing to go off course a little if it makes sense.
5. Don't be afraid to ask, "Can you show me that?" It's easy for a vendor to say, "yes, we do that" and move on. It feels impolite to say, "prove it!" However, this is a big deal. Make sure that you have seen an actual demonstration of the features that matter to you and can give a dependable score.
6. Request clarification. If you are confused or uncertain, ask questions.
7. Create a parking lot. Keep track of the questions that weren't answered, things you need to follow-up on, questions you want to ask references, etc.
8. Score it. Begin with the proposal scorecard you already have as the base grade, and improve or reduce the grade based on what you learned in the demo. Get the team together and score the vendor at the end of the demo.

Step 10: Check references

Think of reference checks as a step in the continual improvement of the scorecard. You have the proposal, you've seen the demos, now you will talk to people who are using the software in the real world. Use the same approach we used in the demos: create a list of specific questions that are customized to your distinct requirements. Send the questions to the references in advance.

Although the vendors will supply you with references you should try to find one or two additional organizations that you or your peers know.

In addition to contacting references, go the extra mile by asking your professional network what they know about the vendor. You may be surprised by what you find.

Step 11: Celebrate!

At this stage, you've found the right vendor and you're on your way to implementing a software system that meets all of your requirements. Take some time to relish your hard work and pat your team on the back! Then share your news with the rest of the organization. Explain the promise of the new system and start getting your colleagues keyed up for the implementation.

Step 12: Don't forget...

Here are a few ideas to keep in mind throughout the system selections process.

FAIR - make sure all competing vendors have the same information.

RESPECTFUL - the vendor, your team, the references...you are asking several people to give their time and attention - do your best to be efficient.

FOCUSED - don't let flashy program features and pretty packaging distract you. If you haven't defined it as a requirement, don't let it materially affect the score.

CONTROL - establish a budget, a schedule, and a list of participants. Refer to it often. Control doesn't mean the timeline doesn't change, it means that you can anticipate future changes and manage your schedule accordingly. Changes are okay, surprises...not so much.

The consulting firm facilitates the planning process to ensure that the organization is on an acceptable timeline and is true to the outlined process. The consultant is a neutral party for discovery and analysis of collected data and can provide insight and information about benchmarking with similar organizations, as well as best practices.

Step 13: Bonus step! Should I hire a consultant?

People generally hire a consultant when...

- They don't have the time to dedicate to the project.
- They don't feel they have the expertise.
- They have not led a selection project before.
- The internal procurement team needs some subject-matter guidance.
- They are not sure how to create all the materials (RFP, scorecard, demo scripts, reference questionnaires, etc.)
- They need someone to be accountable. New software projects are highly visible, and it helps to have an expert there to shoulder the burden.

Benefactor Group is happy to discuss your specific situation and help you find the right Fundraising CRM Software.