# Evaluating Nonprofit Software:

## A Guided Workbook for Your Project

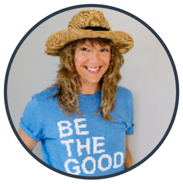
While investment in new software requires a significant outlay of time, energy, and resources, it can pay dividends in the long term—especially if carefully researched and selected.

We hope this guided workbook informs your organization's planning, evaluation, and decision-making process as you explore the best solution for your needs. Read it in detail and use the included resources to meet your specific software goals.

We also suggest engaging in meaningful conversations with your team and seeking out peer organizations that have recently made similar software purchases.

We wish you the best of luck in the software selection process! May your new software result in greater efficiencies and, ultimately, greater impact on the work that you do.

Created in partnership with Erika Orsulak, MPA



# Table of Contents

# Software Selection: Where to Start

When embarking on a software selection process, it can be tempting to jump right in, perhaps starting with vendor product demonstrations or emergency calls to colleagues in the field about what they use.

Instead, we encourage you to take a few steps back and a few deep breaths, and ask yourself: Why are we taking this on? And what do we hope to get out of it?

By investigating your organization's who, what, when, where, why, and how, you can identify purchase priorities and plan your activities before you launch the evaluation process. This initial legwork will help ensure that you end up with software and a vendor/partner that meet your organization's specific needs.

There are a few ways to kickstart such an analysis:

- You might consider hosting one or more brainstorming sessions during which you and your colleagues (and maybe even a few of your donors, volunteers, or clients) answer the questions listed in Resource 1 on the following page.
- You might conduct a more thorough review of the other resources contained herein, and return to this list afterward to summarize your thoughts.

# Resource 1

## Key Questions to Ask

Why are we considering new software?

Which pain points do we want to address?

Who should be involved in the process? In which activities?

What are important features? Define why these are important.

What information do we want to collect? How will we collect it?

How will we make decisions?

What is our implementation deadline?

# Selection Process Planning Example

You might also draft a simplified work plan outlining important elements of the selection process such as:

- **Stage:** Outline key phases of the selection process.
- **Timeframe:** Identify the timeline for evaluation and selection.
- **Activities:** List information-gathering and decision-making activities for each stage to help track progress.
- **Stakeholders:** Identify which stakeholders to involve and their roles at each stage.

***Selection Process Planning Example:***

Stage: Get Organized
- Timeframe: May
- Activities: Establish goals; document must-have and nice-to-have features; identify stakeholders, activities, and timeframe

Stage: Gather Information
- Timeframe: June-July
- Activities: Identify vendors and software products; review vendors on independent, third-party review websites; talk to peer organizations and vendors' current clients; hold demos

Stage: Evaluation Options
- Timeframe: August
- Activities: Create evaluation rubric, conduct evaluations, hold meetings with evaluators and decision makers

Stage: Negotiate Services and Pricing
- Timeframe: September
- Activities: Negotiate and finalize pricing, finalize services, finalize timeline, sign contract

Stage: Implement
- Timeframe: October-December
- Activities: Train staff, train external users (e.g., volunteers, donors), implement software

Use Resource 2 on the following page for your own planning process.

# Resource 2

*Selection Process Planning Tool*

| Stage | Timeframe | Activities | Stakeholders |
| --- | --- | --- | --- |
| Get Organized | | | |
| Gather Information | | | |
| Evaluate Options | | | |
| Negotiate Services and Pricing | | | |
| Implement | | | |

# Why are we considering new software? Which pain points do we want to address?

Most often, organizations shop for new software because they want tools that can make them more successful. Perhaps you sense that your team can perform more efficiently. Maybe you want to provide stakeholders with more timely, relevant information. Or perhaps you're anticipating future needs.

Whatever your reasons: They are valid! And we encourage you to keep them in mind and incorporate them into your evaluative activities as you proceed through the selection process.

Can your team perform more efficiently? What tools can help make you more successful?

# Resource 3

*Sample Checklist: Common Reasons for Considering New Software*

Do any of the following sound familiar to you and your team? Consider this your "go/no-go" indicator. If you agree with most of the statements in this checklist, you're probably at the right point to consider new software.

***We want to:***

- ☐ **Save time:** Reduce the time spent on tasks, both at specific stages and when moving data from stage to stage.
- ☐ **Improve data entry:** Enter information once, into one software, or a well-integrated constellation of software solutions.
- ☐ **Simplify tasks:** Streamline multiple tasks into one.
- ☐ **Eliminate paperwork:** Conduct as many activities as possible in the software and as few as possible on paper.
- ☐ **Increase automation:** Automate activities, movement of data from stage to stage, communications, and more.
- ☐ **Increase collaboration:** Allow multiple users to view, comment on, edit, and/or track each other's work.
- ☐ **Grow or change our work:** Include functionality that will meet anticipated future requirements.
- ☐ **Increase communication:** Incorporate nurture campaigns, triggered emails, and segmented content based on the interests of your prospects. Maximize merge templates for meaningful and personalized touchpoints.
- ☐ **Improve stakeholder experiences:** Engage internal and external stakeholders and maximize their continued participation.
- ☐ **Enhance stakeholder relationships:** Capture key information, track touchpoints, and create stewardship tasks and reminders.
- ☐ **Improve reporting:** Enable on-demand reporting at all stages of the process, from both standardized and customizable reports.
- ☐ **Enable data-driven decision making:** Gather information, conduct analyses, and pinpoint opportunities for strategic improvements.
- ☐ **Save money:** Increase return on investment.

# Who should be involved in the process? In which activities?

One of the most important steps in the software selection process is identifying key stakeholders and involving them in appropriate activities.

There's no single right way to involve your colleagues; some organizations invite all of their key users to participate in the evaluation and decision-making stages, while others form strategic "task force" groups to evaluate and make decisions. Your selection team and how you employ them will be as unique as your organization.

You might use a table such as the one outlined in Resource 4 on the following page to determine who will be involved and how. Think about users of the software as well as those who should weigh in with their opinions as part of selection activities.

# Resource 4

*Checklist: Who to Involve and Their Role(s)*

Note: **Users** are those who will use the software in their roles. **Evaluators** are those who will provide feedback during the evaluation process. **Decision makers**—ideally one or two individuals—will make the final decision(s), based on evaluators' feedback.

| **Stakeholder** | **Role(s)** | | |
|---|---|---|---|
| Executive director | User | Evaluator | Decision maker |
| Executive committee members | User | Evaluator | Decision maker |
| Board members | User | Evaluator | Decision maker |
| Finance director | User | Evaluator | Decision maker |
| Finance staff | User | Evaluator | Decision maker |
| Procurement staff | User | Evaluator | Decision maker |
| Development director | User | Evaluator | Decision maker |
| Development staff | User | Evaluator | Decision maker |
| Database staff | User | Evaluator | Decision maker |
| Marketing director | User | Evaluator | Decision maker |
| IT director | User | Evaluator | Decision maker |
| Data security staff | User | Evaluator | Decision maker |
| Program director | User | Evaluator | Decision maker |
| Program staff | User | Evaluator | Decision maker |
| Donors | User | Evaluator | Decision maker |
| Volunteers | User | Evaluator | Decision maker |
| Clients | User | Evaluator | Decision maker |
| Other stakeholder________________ | User | Evaluator | Decision maker |
| Other stakeholder________________ | User | Evaluator | Decision maker |

# What are important features?

Once you've considered your rationale for selecting new software, think about what features your dream software might include.

Working with your colleagues, develop a list of which features seem most important to your organizational activities and workflow. You might divide such a list into "must-have" and "nice-to-have" features. Your "must-have" features will likely include those that are non-negotiable in today's purchasing environment, such as industry best practice security standards, automated donor emails, and standardized reports.

You may find that you add to, and/or subtract from, your feature lists during the evaluation process, especially as you learn more about specific vendors' offerings and how peer organizations manage their tasks.

As you develop your feature "wish lists," consider your organization's intended trajectory. If you anticipate organizational growth and change in the coming months and years, include any different or additional capabilities in the list.

Think about what features your dream software might include.

# Resource 5

*Sample "Must-Have" and "Nice-to-Have" Features Wishlist*

| Must-Have Features | Nice-to-Have Features |
| --- | --- |
| **Sample "Must-Have" Features:**<br>• Industry best practice security standards<br>• Core accounting, fundraising, and CRM activities<br>• Ability to track various fund restrictions<br>• Online donation portal that's easily embeddable into our website<br>• Automated donor emails<br>• Standardized reports | **Sample "Nice-to-Have" Features:**<br>• Constituent summary with communication touchpoints and donation history<br>• Exceptional customer service<br>• Ample training resources<br>• Custom fields |

# What information do we want to collect?

Once you devise your feature wish lists and know who will participate in evaluation and decision making, your next steps involve gathering information directly from vendors.

Ideally, collect the same information from all of the vendors you engage with so that you can do as close to an apples-to-apples comparison of products as possible.

The following pages include two questionnaire-type resources you might use. Resource 6 covers a broad range of topics, from information about the vendor, to product features, to data security. Resource 7 hones in on product pricing and its nuances.

Collect the same information from all vendors for an apples-to-apples comparison.

# Resource 6

*Sample Questionnaire: Question Prompts for Software Vendors*

- Tell us about your company. How long has it been in business? What makes you different from other vendors?
- What differentiates your product(s) from others?
- Describe how a typical client uses the software.
- What about atypical clients? Do you have examples of how others use the software in special or unique ways?
- Knowing what you know about our activities, workflows, and must-have/nice-to-have features, what are important software features you'd like to demo?
- Must-have feature __________: Describe how clients use this feature.
- Nice-to-have feature __________: Describe how clients use this feature.
- Describe reporting capabilities. Are reports available at all stages of the process? Are there standard reports already in-system? Can we customize reports?
- Describe how our administrators will be trained. Are there opportunities for future training pending product updates? What training methods/channels do you use?
- Describe customer support. What is available to administrators and when? What's available to other users, such as clients, donors, and volunteers?
- Describe your software's data security. How do you manage potential threats?
- Describe software advancements and/or updates. How often do you update the software? Are there any updates on the horizon that would be important for us to know about?
- Describe your pricing. Is it standardized? If so, based on what? What is included at different price points? Are there specific services that have additional fees? (Use Resource 7 to tailor your pricing and cost questions even further.)
- Can you refer us to other clients with organizations similar to ours? Or organizations that use the software in ways similar to how we might use it?

# Resource 7

*Sample Questionnaire Outline*

| Product/Service | Questions to Ask |
| --- | --- |
| **Activities** | Cost?<br>What time period is covered?<br>What's included?<br>What's not included? |
| **Maintenance** | Cost?<br>What time period is covered?<br>What's included?<br>What's not included? |
| **Integrations** | Cost?<br>What's included?<br>What's not included?<br>How much more will distinct integrations cost?<br>What's required by which parties?<br>Is there additional training time? (If so, how much?)<br>How are integrations supported? |
| **Data migration** | Cost?<br>What type of data can be migrated?<br>From which sources?<br>For one-time or ongoing data migration? |
| **Implementation** | Cost?<br>What's included?<br>What's not included?<br>What's the estimated timeline? |
| **Training** | Cost?<br>What's included?<br>What's not included?<br>When will this take place in the process? Estimated timeline? |
| **Product Support** | Cost?<br>What's included?<br>What's not included?<br>What's available to administrators?<br>What's available to other user groups? |
| **Additional Product/Service** | • Cost?<br>•<br>• |

# Creating an Evaluation Rubric

It's common for organizations to devise evaluative tools to conduct objective assessments of multiple software products.

Capturing quantitative scores allows you to understand general impressions, while qualitative notes or anecdotal sections provide opportunities to focus on the details or differentiators among products.

In advance of scoring, consider assigning an internal rating of how important each feature is to your decision. For example, industry best practice security standards might be of the highest importance, while integration might be of the lowest importance. Using this type of weighted scoring may allow you to more easily judge your team's scores against your needs and wants.

The following snapshot of a rubric lists just a few examples of feature categories. You may also consider technical requirements, data security, training and support, pricing, and any other department-specific needs.

| **Category** (Examples) | **Feature** | **Importance** 1=low; 5=high | **Score** 1=low; 5=high | **Notes** |
|---|---|---|---|---|
| **Interface** | | | | |
| **Reporting** | | | | |
| **Fundraising** | | | | |
| **CRM** | | | | |
| **Accounting** | | | | |

# How will we collect the information we need?

There are many ways to gather information and evaluate products against your wish lists. You might use a few of the methods listed below, or combine all of them into a more robust research endeavor.

**Conversations with Vendors**
While an initial phone or video call with a vendor might last just 15 or 30 minutes, that first discussion can answer high-level questions about whether their software meets your organization's needs.

Good vendors will tailor requests for proposals and product demonstrations (see next page) based on what they learn from you during these exploratory conversations.

**Conversations with References**
Discussions with vendors' current clients can be invaluable. Ask vendors for references, or seek out users among your professional associations or at industry events.

Look for clients who use the product similarly to how your organization might use it. If possible, talk to multiple users and ask for examples of how they use the software to accomplish their goals.

**Vendors' Case Studies**
Many vendors showcase client case studies on their websites or in marketing materials. These frequently detail how a vendor has helped a client problem solve and create meaningful results.

Focus on those most relevant to your organization and its needs. If you don't see case studies specific to clients like you, ask the vendor if they have any available or can prepare such examples for you.

**Product Demonstrations**
Product demonstrations, often hosted via video call or in-person, include visual walk-throughs of software functionality and features guided by an expert on the vendor team. Demos, as they are often known, typically last from 30 to 90 minutes and should include plenty of time for your questions.

A first demo can serve as a general introduction to the software, while a second or third demo can address your organization's specific activities, workflows, and feature needs. You might have an evaluative tool available when attending demos, indicating which of your requirements are met and to what extent.

Consider requesting recordings of demos. They can be referred back to later in the decision-making process or shared with colleagues.

**Third-Party Software Evaluation Websites**
Websites such as Capterra and G2 have searchable databases of unbiased, authentic software product reviews written by clients themselves. Learn what users like and dislike about a solution and whether they'd recommend it to organizations like yours.

> There are many ways to gather information and evaluate products—use one or two, or combine multiple.

# How will we make decisions?

After you gather information about vendors and their software, your team must make a final selection. While that will be unique to your organization and plan, it could involve one or more of the following activities:

- **Meetings:** Much, if not all, of your information gathering and decision making can be done via phone or video calls. Though you might otherwise decide that in-person conversations, with visuals from product demonstrations, work best for focused analysis.
- **Scoring:** Create a template evaluative rubric in a spreadsheet program, then add columns for each evaluator with formulas to combine or average scores. Or share the standard rubric with each evaluator and appoint one person to collect and aggregate individuals' scores.
- **Full group versus small group:** Host conversations with all of your evaluation team, allowing everyone's input to guide the final decision. Alternatively, lead one or more full group meetings to discuss scores, information gathered, and outstanding questions; then assign a small group to make the ultimate choice.

Remember to ensure that the assigned decision makers have appropriate authority to take such action and move the procurement process forward.

Ensure that assigned decision makers have the appropriate authority to take action.

# What is our implementation deadline?

Your organizational and programmatic needs should drive your software implementation timeline. Determine when your team needs software to be fully functional; then work backward to plan pre-implementation activities.

Also, consider important dates for your current software solution. For example, some vendors require notice well in advance of a contract's end date if a client does not intend to renew.

Remember: Software selection is only one of your organizational priorities! Other strategies, tactics, and projects might impact your timeline; be sure to factor those into your work plan.

In general, your timeline might look something like the following example with distinct stages:

- **Finalize Contract:** Negotiate and finalize pricing, services, and timeline; sign contract.
- **Planning and Preparation:** Decide which data you want to move to the new system and how you want to organize it (for example, program structure, chart of accounts, fundraising statuses and categories).
- **Import/Migrate Data:** Collaborate with the vendor to move data to the new system.
- **Staff Training:** Capitalize on vendor resources, participate in software training activities, and set up the software to function per your organization's activities and workflows.
- **Go-live:** Begin managing live data in software.

# Example Implementation Schedule

| Stage | Finalize Contract | Planning and Preparation | Import/Migrate Data | Staff Training | Go-live |
|---|---|---|---|---|---|
| **Timeframe** | | | | | |
| **Activities** | Negotiate and finalize pricing<br><br>Finalize services<br><br>Finalize timeline<br><br>Sign contract | Determine which data to move to the new system<br><br>Determine how to organize it | Work with the vendor to move data | Train on the software's basic and advanced features<br><br>Customize the software to organizational activities and workflows | Go "live" with the software |
| **Stakeholders** | Executive director<br><br>Finance director<br><br>Procurement staff | | | Finance users<br><br>Development users<br><br>Marketing users | Finance users<br><br>Development users<br><br>Marketing users |

# Summary

Most worthwhile investments require thoughtful planning and execution, and software selection is no exception.

We hope that this guided workbook helps make that experience a bit easier for you and your team, and help you ultimately identify the best solution for your organization and its needs.

For even more on evaluating and implementing software, read Nonprofit Software Solutions: 9 Reasons to Focus on Your Core and Nonprofit Software: Determining the Return on Investment (ROI) for Core Solutions.

"Words may inspire but action creates change."
~Simon Sinek

Dear Reader,

Thank you for spending time reading our words.

While we seek to inspire, you are the changemaker. Your philanthropic work moves the world forward and inspires others to action.

We hope you have found inspiration, education, a call to action. . . or maybe all three. If you'd like to keep going, please explore the next stop on this educational journey with Foundant.

Our mission is to help maximize the impact of the philanthropic community. To learn more about how the people of Foundant seek to fulfill this mission through forward-looking software solutions and exceptional client service, check out our website:
**www.foundant.com**

Yours in Philanthropy,
The Foundant Team

FOUNDANT
technologies