CharityEngine®
Powering the good to be great.

The Ultimate Guide to Selecting a **Nonprofit CRM**

Introduction

All nonprofits share a central truth: each one started with a few thoughtful people and a vision of how the world could be a better place with a bit of advocacy and help.

And you're well on your way. You have a solid list of donors. You have an engaged staff. Your fundraising efforts are paying off. And little by little, you're having an impact.

Chances are excellent you use donor management software. If you don't, you most likely plan to find a CRM soon. No matter which solution you use now, your needs have outgrown it, and you are ready to look into a more sophisticated technology solution.

Thinking about purchasing or switching a nonprofit CRM can be overwhelming. What features do you need, and which are a wasted expense? What can you expect to accomplish if you find the right CRM? What do they cost? What problems might arise when you're implementing a new CRM?

The CRM selection landscape is riddled with questions. **We've got answers.**

This guide will tell you everything you need to know; every question you should ask, and every detail you should ponder as you select a nonprofit CRM. We've taken decades of experience with nonprofits and put all our best guidance in one place for one reason: to educate nonprofits, allowing you to be in the driver's seat and shop smart.

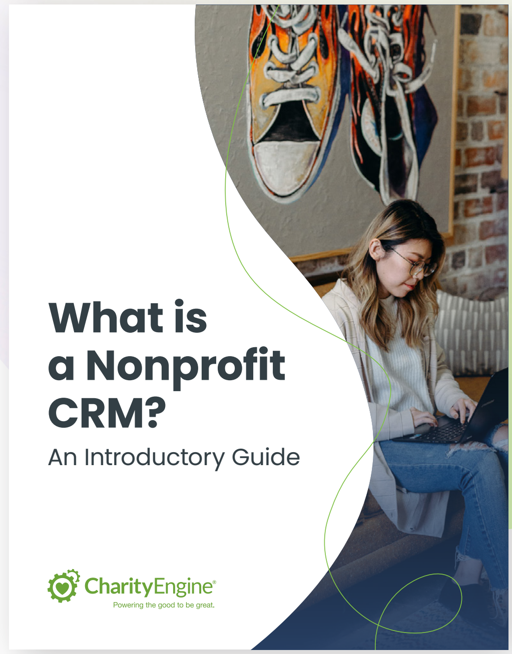
1

What is a Nonprofit CRM?

If you haven't read What is a Nonprofit CRM? An Introductory Guide, you might want to start there.

That downloadable guide will clarify:

- What a nonprofit CRM is
- The benefits of investing in a nonprofit CRM
- Key features of a nonprofit CRM



In short, it will help you decide if you're ready to streamline your donor management and engagement and raise more money for your nonprofit. If you know you need a new CRM but you're not sure where to get started, this article might help.

Now you're ready to move on to common questions nonprofits have as they start to evaluate CRMs.

At the end of this ultimate guide to selecting a nonprofit CRM, you will know:

- How nonprofit CRM pricing is structured and **how much you can expect to spend** on an all-in-one system
- **Common problems** that can pop up when you're implementing a new CRM (and how to solve them!)
- **Best practices** when you are ready to shop for a new nonprofit CRM
- A look at how some charities in different industries **are using a nonprofit CRM** to advance their mission
- A clear set of the **next steps** you can take to narrow down your choices

2

What Will a Nonprofit CRM Cost?

This is, for many nonprofits, the top-of-mind question. And the good news is that while CRM pricing varies, there are variables that you control that can change the cost within each vendor.

Start with a list of features that are most important to your nonprofit and the type of fundraising you do.

There are four essential functions you want in an off-the-shelf fundraising CRM:

- **Donor management software**, meaning that the data about your donors is collected and you can pull reports
- **Email automation**, meaning you can send emails to large groups of donors and their responses trigger follow-up emails
- The ability to **create and customize donation forms** and then collect the data you can use in targeted campaigns
- Basic payment processing, so that donations you collect on your website are processed

Beyond that, you want to add on features that will allow you to create a holistic, strategic fundraising campaign. So consider if you're going to want to add the following, or other tools:

- SMS texting outreach
- Event registration
- Online auctions
- Peer-to-peer fundraising
- Advocacy
- Shopping cart and e-commerce
- Major gifts
- Grant management
- Planned giving
- Sustainer or membership management

CRM pricing is structured in a relatively standard way. For an in-depth look at how it's structured (and how CharityEngine's pricing is structured), you can read this article about what nonprofit CRMs cost.

3

What Drives the Cost of a Nonprofit CRM Up or Down?

As you can see, the number of contacts you have is a crucial figure in CRM pricing. So how can you prepare your contacts so your list is solid?

Best practices require a **contact audit** as your first step.

What is a contact audit?

If your contacts are the core of your nonprofit outreach efforts, every contact is valid, current, appropriate for outreach, and correct. When you're moving, you don't pack broken lamps or a throw pillow from 1972—you take what will to be useful in your new house. Similarly, a contact audit makes sure your database is solid.

The added benefit of a contact audit is that you won't be paying for contacts that will not lead to donor engagement.

Who performs contact audits?

If you have millions of contacts, your team might not have the resources to perform the audit yourselves. In that case, it makes sense to call in some outside help. Many software vendors will provide this audit based on the number of contacts you have. We can also recommend some alternative resources if needed.

If, however, you have a more manageable number of contacts, it's something an internal staff can do.

Here are the most important steps you would take:

- Dedupe data, or remove duplicate entries (this is key, so you're not paying for them!).
- Validate physical addresses with USPS.
- Validate email addresses with an email validator.
- Segment the list into your most engaged donors, your donors you want to nurture, and prospects.
- Make sure each contact is someone that fits your donor profile; for example, don't call someone who has never engaged with your organization.

Next, look at the **number of emails** you think you'll send. Assume you'll send at least one email a week to all the donors on your culled list, so multiply your donors by four to get an idea of the minimum number of emails per month. This is a number you can adjust to change your price.

Finally, **let's talk about money!** If your CRM includes a payment processor, this is the last significant variable in price. How much do you usually raise? Don't fudge this number because these tiers are pretty specific.

But also, don't overstate your expectations, or you'll be paying for optimism! Any robust system can scale up if you are knocking fundraising out of the park.

4

Are there hidden fees when it comes to nonprofit CRMs?

As with everything, being a savvy shopper can pay off. Yes, there can be hidden fees, and they're often hidden in payment processing. For an overview of where you might find them, check out this article on payment processing for nonprofits.

If you choose a payment processor that offers an included donation tool, you can avoid these fees.

Other fees and questions to investigate:

- Anything called a service fee.
- Are software fees per month or per user? Do you pay to add users?
- How much are the implementation fees, and what are you getting for the price? This is an important place to compare apples to apples.
- How much will data migration cost?
- How much do add-ons cost once the account is up and running? These would be specific fundraising tools, like online auctions or text-to-give. Ensure there aren't additional fees hiding here, and make sure you know which are included in your quoted cost.
- How much customization is included in the base cost (dashboards, pipelines, fields, workflows, permissions)?
- Think about the soft costs: how much time (and, therefore, money) will it cost you and your staff to get the CRM implemented, to get you trained, and to get data migrated?
- Finally, what does support look like, and what does it cost?

Vendors aren't out to cheat you. But they're for-profit companies, and you just want to ask the right questions to make sure you're getting what you're paying for without incurring unnecessary expenses. Being an educated consumer helps you set an accurate budget and ensures you won't run into surprises along the way!

5

Common Concerns When Considering a New Nonprofit CRM

As your nonprofit grows, robust technology is essential to your long-term success.

If you're using **spreadsheets and calculators** for donor management and fundraising, it's time to purchase a CRM. If you have a CRM but it's **standing in the way of what you want to accomplish**, it's time to start shopping. Or, maybe your **CRM vendor is merging with another** and you will have to switch systems.

And sometimes you realize that you are **overcompensating for lackluster technology**, or you've **created workarounds** for what should be pretty basic tasks. Sometimes you need to break up with your CRM...but that can cause anxiety.

What might be worrying you? Do any of these fears keep you up at night?

- Buy-in from the Board of Directors
- Convincing your peers (and your boss!) to support the switch in CRMs
- Managing data migration and the integrity of data security
- The time and cost involved in a move
- The implementation and support with a new vendor
- The unknowns - how will this vendor grow? Will it grow with you?
- Which is better, an on-premise or SaaS offering?

We hear from our clients that the same five challenges come up when thinking about switching CRMs. We decided to write down these common challenges and offer potential solutions!

Your fears are valid but not insurmountable. Talk to vendors and find the ones with the software and the customer service—and personalities!—most culturally aligned with what you need and want. **There are CRMs explicitly built for nonprofits**, and those tend to be the most closely aligned with what nonprofits look for.

You're looking for a partner, so make sure you're treated that way.

6

Shopping for the Best Nonprofit CRM

Okay, you've done your research, and list in hand, you're ready to hit the (online, likely) road and start shopping.

But let's make sure you've asked yourself and your staff the right questions:

- What is the primary goal of our nonprofit? Start with your mission statement and turn your goals into specific actions.
- Historically, what has been the most effective outreach method to engage our donors?
- What fundraising tools will be of interest to us (for example, a peer-to-peer campaign or a text-to-give campaign) in the future?
- What holes exist in our current system in terms of needed functionality?
- What's not native to our system? For example, are we using third-party email automation or a payment processing system?
- What integrations do we have in place? Are they recurring? Are they effective?
- What do my staff or I spend time doing that technology could manage?
- What data is in our CRM, and what kind of reports do we need to pull?
- What types of transactions do we handle: split donations, pledges, and sustainers with various giving frequencies?
- Do we need enterprise billing capabilities?
- What reporting capabilities do we need?
- Do we need to incorporate Business Intelligence (BI) for more in-depth insights?

These answers will help you narrow your search.

7

Start Talking to Nonprofit CRM Vendors

All CRM vendors worth a second look will conduct a discovery call with you to learn about your organization, then will schedule a customized demo to show you how their software can help you achieve your goals.

Let's take a second to talk about **how important the discovery call is**. This is a chance for the vendor to learn all about your needs so that they can prepare a thoughtful demonstration of their software solution. This is what you want to see in a good discovery call:

- The vendor's primary purpose is to learn about your nonprofit
- They let you speak and ask follow-up questions
- They don't try to sell you on their software
- They specifically ask about your pain points with your current tech stack
- They demonstrate social or interpersonal empathy
- They show interest and/or expertise in your mission

The discovery call is the first step of a long partnership, so make sure it meets or exceeds your expectations.

Who should you call? Here are the details on some nonprofit CRM solutions worth a look.

Helpful Assessment Tools

Match up what your nonprofit looks like now and where you want to be in a year and ask how that vendor can help you get there. As you meet with different vendors, fill out a CRM selection matrix so you can compare apples to apples when you make your decision.

Here are some questions you can ask potential vendors:

- In which industry do you have the most extensive reach? (Hint: nonprofit is the only satisfactory answer.)
- What do I get in your off-the-shelf SaaS?
- If your solution is on-premise and not in the cloud, talk to me about outages and security. How is this better than a SaaS solution?
- As my nonprofit grows, will I be able to add additional capabilities? How much will they cost?
- What is your growth strategy?
- What is your implementation process?
- What kind of support is available post-launch?

And, of course, go back to the spreadsheets, and match up your desired functionality with each vendor's capabilities to find the best match.

8

What Can I Do With a Nonprofit CRM?

For some smaller nonprofits, spreadsheets work well. They're low cost and not subject to technical glitches!

But as your nonprofit grows, keeping your donor data in one place, updated and accurate, will make a big difference. And you'll be surprised at how you can leverage one bit of donor data to find other giving insights.

Another consideration is expanding outreach methods, and it will be easy to pivot and test different tools when they're all part of a CRM.

The right CRM can help you:

- Manage donor data
- Target your fundraising for better results
- Allow you to develop relationships with your donors through personal communications
- Mine your data for insights
- Produce reports that drill down into where your efforts are successful and where you can improve

To illustrate some fantastic things a CRM can help nonprofits accomplish, we asked some of our clients to let us tell their CharityEngine success stories. But really, the answer is that you can do almost anything with a nonprofit CRM, and it's all about finding the right one.

9

Now You Have the Data to Find the Right CRM

If you've made it through all these steps, you have everything you need to find the right CRM. Let's review what you've learned! You now know...

- What a nonprofit CRM is
- How much it will cost
- How to control the cost of your CRM
- How to avoid common worries
- How to shop for new technology
- How a new CRM can amp up your fundraising
- What to say when you talk to vendors
- How to score vendors to find the perfect match

You're in control. You're ready.

Here are the next steps we recommend to take charge of your donor data and use it to engage effectively and raise more money.

- Take stock of your current system.
- Match up your priorities with what each vendor provides.
- Look at your vendor's client list:
  - Are there many in your vertical?
  - Does the vendor have long-term clients?
  - Are there testimonials or case studies?
- Book a demo and ask the right questions.

We said it in the intro and we'll say it again: nonprofits exist to change the world. Don't let technology stand in your way! Harness the power of the latest technology to make your life easier and your mission stronger.