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Choosing a Grant Management Solution

4 Steps to Success

Introduction

As a grantmaker, you are focused on driving social change through your funding initiatives. But to do that, you need clear and fast reporting that gives you actionable data to understand trends. Today's grantees and donors also require more transparency, making accurate information paramount to strong relationships. And you need a flexible application and reviewer process to make sure funds get to quality grantees quickly.

That's hard to do with just an Excel spreadsheet.

With a robust grants management system, you get clear, accurate, and flexible tools to drive impact. You save your team time with purpose-built reporting and easy customization options. Simple integrations create a single source of truth for all your grantee information. And with the right grants management partner, you get a support system eager to help you reach your goals.

Selecting the grants management system (GMS) for your grantmaking organization requires looking closely at the needs of your organization, understanding the value the system should bring to your mission, and identifying the right partner to support you. This guide will discuss these steps in detail so you can find a cloud-based solution best suited to your organization's needs, both now and in the future.

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Step 1: Gathering Your Requirements

Before you start looking at actual solutions, spend some time thinking about your organization's priorities. Consider both your current business requirements and what your organization will need in the next five to ten years. The right grant management solution can help your organization adapt to any changes ahead and grow with them.

Your Requirements Checklist

Anytime, Anywhere Access: Most systems available today are cloud-based, so you have anytime, anywhere access. Whether you are visiting grantees on-site or providing a flexible work environment for your staff, a cloud-based system enables you and your team to access your GMS no matter where they are, as long as they have a connection to the Internet. Check on a potential vendor's track record with cloud-based solutions, including how long they have been offering their solution in the cloud.

Intuitive Interface: You don't have time to spend weeks learning the basics of a system or set up complicated integrations before you can run a simple report. Look for a user interface that is easy to understand so your team can start using it quickly, and easily train new users as they come on board.

Robust Support Options: Decide what type of support you require to help you use the product. Do you like to dig into the documentation to figure it out yourself, or do you prefer to have a slate of videos and live resources to help guide you? Read any online forums about other users' experiences with customer support from the software vendors you are considering. Ask about ongoing workshops, classes, and certifications, as well as how the vendor communicates system updates and new features. You'll quickly find the ones that prioritize the level of support you are looking for.

Ability to Scale: How much growth in your grant activities do you expect over the short-to-medium term? Do you expect to hire staff who will require licenses down the road, or plan to expand impact areas that will require additional reporting capabilities? After you make your projections, you have a good idea of how scalable the software needs to be to meet this growth.

Customizable Workflow Management: As your organization becomes paperless, it's crucial to have a system that aligns with your internal controls. Look for a software program that either has built-in workflow processes or lets you build them to meet your grant management processes. Ask about in-platform automation or integrations that can automate tasks, such as reviewer notifications, to save your team time and keep your workflows moving smoothly.

Strong Data Security: Trust is a key part of your role as a grantmaker. You need to make sure not only your information is protected, but also that of your grantees. Work with your IT team to determine the level of security needed, such as multi-factor authentication and data redundancies, and make sure those requirements are built into your solution or that you can implement the necessary security features into an IT plan to meet these needs.

A Holistic Approach: Consider a vendor that can help you in other areas. Often an overhaul to a specific department or process can uncover other needs that you weren't aware of before. A good vendor will be interested in your high-level goals and find ways to support you in reaching those goals. You should encourage each of the vendors you are interested in to discuss what else they can bring to the table.

Step 2: Making a Business Case

Making the choice to implement any new technology is a significant strategic decision for an organization. To get everyone in the organization on board, think through the perspectives of stakeholders who will be impacted by this change. Communicate the value in their terms: greater efficiency, lower costs, and faster decision-making. If the internal process is organized and signed off at an early stage, the whole process will run much more smoothly.

Tips for creating a business case

Put yourself into various roles at your organization. You have a good understanding of what you and your team need from the new solution but speaking to different teams and departments can help you better understand their current challenges and how they could benefit.
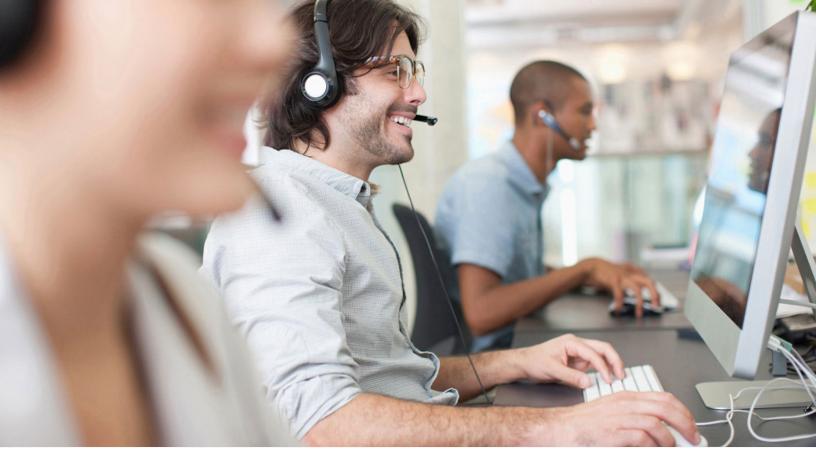
Stick to your objectives. Staying laser-focused on your organization's mission is the best way to keep the interest of your senior colleagues and trustees.

Calculate ROI. With any new purchase, evaluate the return on investment, and be able to communicate it to interested stakeholders. To keep your project on track, you'll need to be able to effectively answer any questions that your CEO, Board members, and others will have regarding the value of this investment.

Communicate your progress. It's important to bring others at the organization along with you on this journey. Share any developments and decisions with the team so people feel like they are part of the process from the beginning.

Understand the approval process. Make sure it's clear who needs to be involved at each level, and who is responsible for the ultimate sign-off when the final choice is made.

Step 3: Evaluating Vendors

Once your organization is on board with the decision to move forward with the purchase, contact the vendors you are interested in and discuss your requirements with them.

Prepare to watch product demonstrations of each solution from the vendors you approach. When asking a potential solution partner to provide your organization with a demo, think about what exactly you want to get out of it. Ensure that you prepare both the vendor and your organization. Make a list of questions in advance so you can set expectations ahead of time, and make sure the right people from your organization are in attendance.

Here are the seven steps involved in the vendor evaluation:

1. Research applicable vendors and create a shortlist to contact

2. Notify vendors of interest, and provide a copy of your RFP, if applicable

3. Schedule a requirements discussion prior to a formal demonstration

4. Schedule a full demonstration of their GMS solution with your designated team

5. Gather feedback from your team

6. Score each vendor based on your requirements

7. Select a finalist

Key things to look for when reviewing vendors

In addition to meeting the requirements you outlined, there are a few less tangible qualifications to look for when meeting with potential partners.

Partnership: The relationship between organizations is always the key to the success of projects. Look for a vendor who is open to establishing a partnership built on communication and reaching your goals. You want a company that will be both proactive and reactive in your relationship, providing ideas and responding to concerns. Find an organization that provides a key contact who will work closely with you, seamlessly integrating into your everyday work on the program. This account manager or customer success manager should provide support, expertise, decisive resolution of any issues, and, very importantly, enthusiasm for the project and for your success.

Track Record: You want an organization that understands what you are trying to do and is familiar with the idiosyncrasies of the philanthropic industry. Does the vendor have a track record of success with organizations similar to yours? How long have they been serving the nonprofit sector? Does the company's staff have experience in the sector outside of working for this vendor? Do they really understand the grant management challenges you face, or are they retrofitting their technology solution for a nonprofit use-case? It is important that you identify vendors that have the necessary capacity and experience to deliver the solution within the project timeframe and on budget.

Reliable References and Industry Approval: Choose a vendor where the majority of their customers have similar processes and requirements to yours, identify vendors who work hard to implement solutions and deliver a service that exceeds expectations and have been successful in building productive long-term relationships with their customers.

Innovation and Continuous Improvement: You work to stay on top of new technology and ideas in the grantmaking space, and you want a software partner that will do the same. Do the companies you are considering embrace new technology and opportunities to find better, more valuable, and quicker solutions for their customers? How often do they review processes, collect and act on customer satisfaction comments and conduct lessons-learned exercises at the end stage of projects? How much do they invest in Research & Development each year?

Organization Stability: Most technology projects are a long-term investment, therefore it's important the vendors have a solid financial foundation, with dedicated members of staff, and many satisfied customers across the grantmaking and nonprofit sector that continue to work with them. Understand the short- and long-term strategic focus of the vendor. Do you get the sense that their organization is managed carefully with their success dependent on their people and their reputation for reliability, honesty, and integrity?

Step 4: Selecting and Implementing Your GMS

The final step is to choose the best solution for your organization. You know what your organization needs and have seen what potential partners can offer you. Now is the time to make your selection and identify a solution that will make your working life easier and drive your organization toward its goals.

Before signing with the vendor, make sure you get:

- Approval from your internal stakeholders

- A Statement of Work (SOW) from the vendor that outlines expectations of both you and the vendor, as well as general implementation timelines

- A clear process for internal sign-off, including approval from the finance team, the legal team, and your Board of Directors

Most GMS implementation plans and timeframes will be tailored to your needs, but it will generally follow these five steps:

1. **Kick-Off**: Preliminary Planning Session: Once your signed paperwork is received, a consultant from your chosen vendor will contact you to schedule your initial planning session. At this session your consultant will provide an overview of functionality and the project implementation steps. This will help you to mutually agree on a high-level timeline for this project.

2. **Discovery and Design Session(s)**: Your consultant will schedule a discovery workshop session to review your workflows and processes, and work with you to determine the best way to make those processes work in the GMS. From these sessions, the consultant can document what you require the system to do. At this stage, you will review with the consultant the data you wish to migrate to the GMS.

3. **Set-up of Your System**: Your chosen vendor will build your system, including your custom application form(s), according to your requirements, and migrate over your data as designated.

4. **End User Training**: During this session, your consultant will deliver onsite training to members of your staff on how to navigate and use your GMS.

5. **Go Live!** Work with your vendor regarding ongoing training and support. Familiarize yourself with the communities around the software platform and clarify how to get information on updates and new feature launches. Also be sure you understand the process for submitting questions or concerns. Will you still have access to your account manager, or will you need to go through a general support system?

Setting Up Your Organization for Grantmaking Success

A grant management system is no small investment, financially or in the time dedicated to researching and learning the new system. But the right solution will help you reach and exceed your impact goals by streamlining your information, surfacing actionable data, and facilitating faster review cycles. Take the time you need to understand your requirements and review the documentation on the vendors you are interested in. Don't let the vendors push you to make a decision before you are ready, or if you aren't getting the functionality you need in a GMS.

Blackbaud Grantmaking™ helps funding organizations all over the world achieve their mission by delivering capabilities that allow customers to streamline workflows, improve collaboration, and measure their impact. When you are ready to find a partner in your grantmaking success, set up a time for us to learn more about your goals. You can review our solutions and request a personalized demo.

Learn more

About Blackbaud
Blackbaud (NASDAQ: BLKB) is the world's leading cloud software company powering social good. Serving the entire social good community—nonprofits, higher education institutions, K–12 schools, healthcare organizations, faith communities, arts and cultural organizations, foundations, companies, and individual change agents—Blackbaud connects and empowers organizations to increase their impact through cloud software, services, data intelligence, and expertise. Learn more at www.blackbaud.com.