THE BUYER'S GUIDE TO CHOOSING A NONPROFIT CRM

NEON ONE

Introduction

To continue to grow your organization's impact, you need to develop meaningful donor relationships that go beyond the "appeal, donation, thank you" cycle.

But before you can focus on donor stewardship to increase retention and deepen your supporter relationships, you need to collect the data that tells you how to do those things efficiently.

At a minimum, you should be tracking who is giving, when, on what channels, how often, at what amount, which programs they support in order to send the right messages, appeals, and support opportunities at the right time.

To collect and manage all of these inputs, you need an organized nonprofit donor database. What you don't need is a confusing, drawn out process to find the right platform that fits your needs and your budget.

To help you make your decision, we're going to go share this two-part guide to help you feel empowered to make an informed decision. This entire process can feel daunting, but once you see it all outlined, it's really not that bad!

Let's get started.

Contents

Chapter 1

WHAT IS A NONPROFIT DONOR DATABASE?

A donor database is a type of software nonprofits can use to track donor data and manage relationships with supporters. Many donor databases include tools to streamline other core nonprofit functions.

For example, online donation forms, fundraising campaigns, membership enrollment and renewal features, email services, and event management are common features you'll find in nonprofit CRMs (customer relationship management).

People use different terms to talk about donor databases, which can get confusing, but common names for this type of software include:

- Nonprofit CRM
- Donor management software
- Donor relationship management software
- Constituent management database

Why are there so many names for this type of software?

Because nonprofits use these tools to support lots of different activities and programs. As a general rule, a "donor database" accommodates donor data collection. You use a donor database to collect and manage things like donor contact information, giving history, payment methods, and communication preferences.

Products referred to as "nonprofit CRMs" generally include donor database tools and additional functionality to track other kinds of support. Robust nonprofit CRMs may include tools for:

- Online fundraising
- Membership management
- Peer-to-peer fundraising
- Event registration
- Volunteer management
- Communication tools
- Website services
- Other constituent management and engagement tools
- Integrations with a variety of other platforms

To Recap

- A donor database helps you track and manage donors' information.
- A basic nonprofit CRM helps you track and manage donors' information and supporters who interact with your organization in other ways.
- A robust CRM can help you do all of that, plus host online campaigns, manage fundraising events, automate email communications, and even more.

Chapter 2

DO I NEED A DONOR DATABASE?

Before we dig into the ins and outs of donor databases, let’s answer the most important question first: Do you even need one?

Value of Donor Databases

Donor databases and nonprofit CRMs (we’ll get into the difference in a little bit) are invaluable tools for the majority of nonprofit organizations today. Most nonprofits will see huge benefits from having a donor database or nonprofit CRM.

With the right tool, you can efficiently manage nearly every aspect of your nonprofit—from fundraising campaigns, collecting donations, payment reconciliation, reporting, email and donor communications, and marketing.

The software can save your organization valuable time, provide robust insights, and allow you to develop more meaningful relationships with your supporters.

Not Ready for a Donor Database Tool

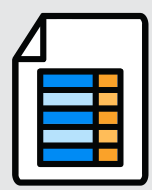
However, if you're a new organization, have a small number of donors to track, are comfortable manually tracking donor information and giving history, *and* your team has the bandwidth for it—it may not be time to invest in this type of software.

Other instances where you might not be ready for a donor database:

- Your organization gets most of its funding from grants or donor-advised funds which you track using other software
- You don’t have the budget to purchase donor management software
- You have a good system in place that lets you track supporters’ activities outside of dedicated donor database software

Helpful Resource

For nonprofits that aren’t yet ready for a donor database, we created this handy donor database spreadsheet. When you’ve outgrown the spreadsheet system and are ready for a nonprofit CRM solution, your data will be nicely formatted and ready to migrate into your new tool.



GET MY DONOR DATABASE TEMPLATE

Chapter 3

WHAT DOES A DONOR DATABASE INCLUDE?

Donor databases help you connect with your supporters, improve engagement, and send more effective fundraising appeals. But what features do they include? And how can those features make you more successful?

Not all nonprofit CRMs are equal, and the tools your organization needs will impact which CRM is right for you.

9 Key Features to Look For in a CRM

1

Comprehensive Supporter Accounts

Your CRM will help you track all of your donor data. Build out your donors' accounts with biographical information, donation history, and other forms of support and engagement.

You'll want to look for a CRM that lets you add custom fields so you can record information unique to your organization. When you have a donor meeting or want to address different segments of your donor base, your supporters' accounts will help you prepare.

2

Relationships, Households, and Employer Information

Track your donors' relationships for deeper insights into how your base is connected. Group supporters by household to keep track of combined contributions, event attendance, memberships, and more.

Next time you meet with one of your donors, you'll have a complete understanding of how they, their families, and even their friends and coworkers are connected to your cause.

You can also track donors' employment information, which can help you identify potential corporate sponsors, plan outreach to local businesses, and get an understanding of where you can spend time building relationships with potential donors.

3

Donation Forms and Fundraising Tools

Some CRMs include fundraising tools in addition to the core donor management features. This allows you to process different types of donations, including pledges, recurring gifts, and one-time donations.

Look for a tool that gives you the option of creating an unlimited number of donation forms (and the accompanying automated receipts) so you can support multiple campaigns at once.

4

Ticketing, Registration, and Volunteers for Events

In addition to fundraising tools, look for a CRM that can also support your fundraising events. You should be able to build custom event registration forms, create different ticket packages for your attendees, and easily move your event registrants' information into their donor accounts. Your donor database should also be able to assign and oversee tasks to your volunteers during the event itself.

5

Custom Forms

Many donor databases offer the option to build custom forms. Look for a platform that supports unlimited custom donation and event forms, but look for other kinds of forms, too. Petitions, membership enrollment and renewal forms, and volunteer forms are all important features you may see included in donor databases.

Ideally, your forms should be branded to match your organization's look and feel so they seamlessly integrate into your website. When looking at the forms supported by your CRM, make sure they're mobile responsive so donors can easily make a gift whether they're on a mobile or desktop.

Neon CRM has an industry-leading form builder
A drag-and-drop interface lets you create branded forms and seamless user-experiences with ease.

SEE IT IN ACTION

6

Scheduling & Automation Tools

Most CRMs include tools you can use to create outreach and communication schedules. Add notes and reminders to constituent accounts and alert staff members when it's time to perform important tasks and duties. You may also be able to automate email communications or workflows.

For example, you could create an automated workflow that sends a new donor a series of emails, adds an outreach task to your director's to-do list, and schedules a follow-up call for three weeks after their gift.

Learn more about how to welcome new donors with our guide, The Fundraiser's Guide to Welcome Email Series.

7

Prospecting Tools

Donor databases usually include some prospecting tools. Features range from simple ones—like the ability to identify donors who give at a certain level who may be willing to increase their financial support—to more powerful tools, like the ability to identify donors that have a high net worth, live in affluent communities, or have given in a major gifts capacity to another organization. Use these tools to identify potential major gifts opportunities or even potential legacy donors.

8

Email Communication Tools

Send mass emails and create automated messages and drip campaigns for different groups of donors. Your donor database should include the capability to schedule emails so they automatically send once supporters take certain actions. You should also be able to segment your donor lists based on their accounts to ensure your outreach is always relevant.

Build relationships with your supporters

The Neon CRM native email builder allows you to create and distribute emails of all kinds with ease.

SEE IT IN ACTION

9

Reporting & Analytics

Since all of your constituent data (and potentially your communications and appeals) is tracked in your CRM, you should be able to run reports on practically anything. Get a high-level overview of your supporters' giving habits, measure email marketing analytics, and compare your different campaigns and events. You can also use advanced reporting and analytics to get specific, granular insights into your base.

Chapter 4

Common Concerns When Shopping For a New Donor Database

Buying a donor database is a big deal. A CRM is a critical tool for multiple activities and it can also represent a significant financial investment. But shopping for a database shouldn't be a stressful process! Here's a rundown of some of the most common concerns and how to address each one.

The Concern: Data Migration Will Be a Huge Hassle

The Reality: Migrating data between systems can be complicated, but with preparation and the right vendor support it can be easier.

Although we're not going to sit here and tell you that your data transfer will be easy, per se, it's not really as bad as it may seem. Your software vendor will help your organization assess its data and determine the best way to transfer it. If it turns out that your data transfer will be especially complicated, your vendor will provide a consultant to help you with the process or even do it for you.

The Concern: My Board Won't Give Me Approval

The Reality: Although convincing your board will take some effort, it's definitely not impossible.

It's important to keep in mind that your board is on your side. They also want what's best for your organization. If you've done your research and can show them that purchasing a donor database will really benefit your organization, there's no reason they shouldn't give you the buy-in.

The Concern: CRM Software Is Too Expensive

The Reality: Most vendors offer many price packages so all organizations can reap the benefits of a streamlined donor database.

The biggest obstacle faced by most organizations during their search for a donor database is cost. Any robust donor database will be a significant investment. Notice how we used the word "investment" and not "cost?" Although purchasing a database will require a significant expense up front, the right solution should bring you a big return down the line. Not only will you be making more money from your improved fundraising efforts, but you'll also be saving a lot of the time staff would be spending on tasks software can do for you.

Did you know?
Neon CRM is one of the only CRMs that doesn't charge by record count. Our pricing is designed to let organizations focus on building relationships—not the number of records they have.

LEARN MORE

Chapter 5

Questions to Ask Before Buying a Donor Database

Buying the perfect CRM for your organization is easier when you and the rest of your team agree on what tools and features you'll need. Here are some questions to discuss with your organization before you choose a platform.

Is a Donor Database The Right Choice for Us?

There are many types of fundraising software out there that were designed to help nonprofits. Before you shop for a donor database, it's important to determine that it's really the best solution to meet your needs. Most organizations will benefit from a donor database in one way or another. That said, if you're looking for something to help you with a very specific initiative, another software solution might be more appropriate. If you only need a bookkeeping program, for example, a donor database may not be the best tool for you.

What Does Our Organization Want to Change?

If you're shopping for a new donor database, it's probably because your organization wants to change something or try something new. Before you start researching potential CRMs, sit down and think about what you want to achieve and how you want to achieve it. When you have your needs at the forefront of your mind, it will be much easier to articulate them to potential vendors. That will help them recommend the right solution, alert you to any obstacles you might face, and suggest specific tools and strategies you can use to reach your goals.

How Do We Currently Manage Our Data?

As you evaluate different donor database tools, your vendors will ask you where and how you're currently storing donor data. This will help them evaluate the best way to import your existing data into your new tool. Determine all the platforms you're currently using, evaluate how you've formatted or organized your data, and identify which records you'll need to bring into your new database. Having a grasp on how your organization is currently managing your constituents' information will help ensure your transition into a new CRM will go as smoothly as possible.

How Many Records Do We Have?

Pricing for many donor database platforms is based on the number of constituent accounts a nonprofit needs to manage. Other systems—including Neon CRM—are priced by the revenue a nonprofit earns. Understanding how many constituents your software needs to accommodate can help you choose the best platform for you, especially if you're considering a donor database that charges by records. Be sure to account for donors, volunteers, members, and other types of supporters.

It's also worth having a conversation about the number of records you want to have. You'll want to look for an option that can accommodate your current activities while giving you room to grow. That platform that would cost you $99 now may end up being too costly as you grow your supporter base and accumulate more constituent accounts.

How Will We Support Our Constituents?

Generally, your nonprofit CRM should help you gain deeper insight into your donors and make it easier to build relationships with them. Think about what programs, outreach, and communication activities you'll want to support with your donor database to support your constituents. If one of your goals is to send more personalized communications to different supporter groups, you'll want to look for a platform that supports email targeting and segmentation. If you're working toward growing your membership program, you'll want to weed out potential solutions that don't include membership management tools.

Which Staff Members Will Use The Software?

Some donor databases include a limited number of licenses with the option to purchase more for a set fee. Think about all of the staff members who will need to use your donor database. Be sure to consider your growth plans, too! If you're a small team that doesn't plan to hire any time soon, a handful of licenses should be plenty. If you're actively growing, look for solutions that offer an unlimited number of licenses or plan to purchase additional seats in the future.

Do We Need to Integrate Third-Party Platforms?

One of the greatest advantages of nonprofit CRMs is that they're highly customizable. Because they're designed to fit an organization's unique needs, your donor database will probably include lots of features and functionality. But every nonprofit uses a different set of tools to support their activities, so you may need to integrate your donor database with other tools or platforms. Double-check that your potential solution can integrate with any third-party platforms you currently use. If you prefer to use MailChimp for your email communications, for example, you'll want to make sure your CRM can integrate with that tool. If it doesn't, you'll have two options: You can switch to another email platform or you can look for a solution that will suit your current activities.

Is The Board On Board?

You don't want to get all the way through the buying process just to realize your board won't give you the buy-in. Before you get to the final stages, you should pitch the idea of purchasing your donor database to your board. If you need a little help, many vendors have resources available to help nonprofit staff members convince their boards. You won't be able to make the purchase if your board isn't on board. Make sure you have the buy-in from the beginning, so you're not shopping in vain.

Chapter 6

Questions to Ask Your CRM Vendors

Keep these questions handy as you prepare for discovery calls, software demos, and the trial process. You'll probably want to include questions that aren't listed here—and that's okay! No two organizations are the same, and anyone you speak with should be prepared to answer even the most specific questions.

What Functions Are Included In the Software?

Ask your vendor what specific features and functionalities are included in their database aside from data collection. Can it support your fundraising activities, or would you need to purchase additional fundraising tools? Will you be able to manage events in your CRM, or will you need to integrate with another event management platform? Answering this question will help you make sure you choose the platform that will suit your organization's needs both now and in the future.

What Information Can We Track?

One of the main benefits of donor databases is their powerful reporting capabilities. But, in order to run the reports you want, your software needs to be able to track the data you want. Think about what kinds of reports your organization will want to generate. Do you want to track your donor retention rate? Your donation form conversion rates? The number of donors who also buy your merchandise? Can the platform you're evaluating accommodate custom fields?

Having a grasp on the type of data you want to collect, track, and report on will be important during the buying process.

How Much Does Your Product Cost?

Nonprofit CRMs come in all shapes and sizes … and price points. Since many platforms can support different add-ons, extra features, additional training, and other tools, it can be tricky to figure out exactly what the tools you want to buy will cost. Even the price of the same base functions can vary drastically from organization to organization. That's why it's important to make sure you know exactly how much a solution will cost before you get to the contract stage.

While most vendors will list their basic price packages on their websites, it's important to emphasize that these usually don't include additional add-ons. The price listed on a vendor's website generally accounts for the number of available user licenses, the number of constituent accounts, and the core set of features included in the platform. However, there can be many other costs that factor into the price, such as:

- Payment processing fees for fundraising tools
- Integrations, expansions, and add-ons
- Training and maintenance
- Expenses associated with updating your software as technology evolves

Ask your vendor to spell out all of the costs for you so you can make sure the solution you need falls within your budget.

Is The Platform Secure?

Any platform that processes credit card payments are required to be PCI compliant—including online donation payment processors. Your vendors should be able to answer questions and provide documentation around how they keep your organization and your donors' data secure. Make sure you ask about their policies, any history with data breaches, and how committed they are to your security.

Did you know?
Neon One offers the industry's first and only PCI Compliance program, for free, to all of our customers. Learn more about PCI compliance and our free program here.

What Other Nonprofits Use Your Software?

Your relationship with your vendor won't end the moment you sign the contract. They'll also help with setting up your account and maintaining it for years to come. Working with a helpful vendor will be an important part of your success.

One of the best ways to determine if a platform and the vendor are right for you is to ask about other organizations that use their services. If possible, ask specifically about their clients that are similar to you. This will help you gauge their experience with organizations like yours, and you can also get an idea about how a platform can help you grow. If you see that a particular donor database has helped support similar organizations, there's a good chance it can help you succeed, too.

Ask your vendor if they can share client stories or provide references for you, or check out vendor profiles on third-party review sites.

Print these checklists and use them in discussions with your team

Chapter 7

What to Expect When Buying a Donor Database

The same jitters associated with buying a new car or making a major purchase can also pop up when you're shopping for a CRM. Here's what to expect as you talk with vendors about their products and evaluate whether they're the best fit for you.

Step 1: The Initial Contact

The buying process starts with you! Once you've decided you're interested in a donor database tool and have considered your needs and goals, the next step is to contact a few vendors. Submit a demo request on your chosen vendors' websites, or pick up the phone and give them a call. Expect to provide some basic information like your name, your organization's name, your location, and the best way to contact you.

Step 2: The Discovery Call

During your initial conversation with your vendor, they'll usually ask to schedule a call with you to learn more about your organization and your needs. The length of these calls will vary based on the number of questions you have and the complexity of your current donor data management system.

Expect to spend around 15 minutes on this call, but build a little wiggle room into your schedule if you have lots of questions or have an exceptionally complicated dataset. During the discovery call, your vendor will probably suggest a specific tool or solution that's the best fit for your organization, and they'll work with you to find a time to schedule a demonstration of the database.

Step 3: The Demo Call

Now it's time to see your potential donor database in action! Your vendor will walk you through a demo that will give you a feel for the CRM's interface. Since the demo is typically held live, the sales team member you talk to can tailor the demonstration to your nonprofit's needs and highlight the features that will be most helpful to you. Don't hesitate to ask questions!

If possible, get key stakeholders involved with the demo. Your development staff or development director, bookkeeper, executive director, and even board members may be interested in seeing the tools in action. Including multiple people who will use the tool in different ways will help you ensure you ask important questions during the call.

Step 4: The Trial and Comparison Process

Some platforms provide free trials or self-guided tours you can use to get a feel for how you'll use their solution on a day-to-day basis. During your demo call, ask your contact for any opportunities to poke around the platform on your own. Try making a list of pros and cons for each platform you're considering. Make sure others at your organizations are involved in this process as well.

Step 5: The Data Review

Once you've found the perfect donor database for your organization, it's time to work with your chosen vendor to start the data migration process. At this stage, you'll provide them with your current data in full, which they'll use to run a data analysis. Depending on how difficult the data migration process will be, your vendor will determine if your organization can handle it alone or if you'll need the full or partial help of a consultant.

Step 6: The Signing

You've found a donor database you love and have a plan for transferring your data to your new tool. It's time to make it official! Your vendor will provide you with a formal contract—all you have to do is read and sign.

Step 7: Training and Onboarding

Depending on your comfort level with your new tool, it's probably a good idea to get some training from your new platform's support team. As you get your account set up and your data in a usable state, take advantage of any educational opportunities available to you.

Support articles and walkthrough videos are a great place to start and are commonly available from most donor database providers. Other companies may also offer onboarding courses that walk you through the ins and outs of their platform, and many service providers offer webinars and workshops that focus on specific functionalities.

If you're dealing with a large data set or want personalized help, you may want to consider springing for dedicated one-on-one training or coaching.

Step 8: Success!

You've found the perfect CRM, migrated your data, and learned how to use your new system. You're ready to go! Your new tool will make it easier for you to track your constituents, communicate with different groups of supporters, run more effective campaigns, and move steadily toward your goals.

Want to see a CRM in action?

Join a no-pressure group demo with a product expert (not a sales person) to see how Neon CRM empowers thousands of nonprofits to create exceptional experiences for their supporters.

SIGN UP HERE

Questions For Our Team

A lot of departments can benefit from having a CRM, so it's important to get everyone's input before reaching out to vendors. This gives you a chance to figure out which features are absolutely necessary and which ones would be nice to have.

- [ ] **What does our organization hope to change?**

- [ ] **How will we support our constituents?**

- [ ] **How do we currently manage our data?**

- [ ] **Is a donor database the right kind of software for us?**

- [ ] **How many constituent records do we have?**

- [ ] **Do we need to integrate other platforms?**

- [ ] **Which staff members will use the software?**

- [ ] **Is the board on board?**

Questions For Vendors

Prepare for your first software demo with these essential vendor questions. They'll help you make sure all your bases are covered.

- [ ] **What functions are included in the software?**

- [ ] **What information can we track?**

- [ ] **How does your product make sure our data is secure?**

- [ ] **How much does the product cost?**

- [ ] **How are donations processed?**

- [ ] **What integrations does your product allow?**

- [ ] **What kind of onboard and training options do you provide?**

- [ ] **What other nonprofits use your software?**