



A Grassroots Fundraiser's Guide to Choosing a Donor Database

By Jon Goldberg

Editor's Note: Although Jon recommends specific databases for the types of groups his consulting firm works with, GIFT does not encourage our readers to select a database based on this article alone. Please use the information in this article as a guide by checking out the referrals Jon provides and considering the issues he raises to the extent that they apply to your group.

MY FELLOW RADICAL TECHNOLOGIST JOSUÉ GUILLÉN once said to me, “Technology is a multiplier—used correctly, it makes us far more effective at accomplishing our goals. Our role is to enable our folks to use technology effectively. A database is a basic tool in that toolbox.”

Unfortunately, for a very long time, there were not good choices for a donor database besides Raiser's Edge, the granddaddy of donor databases, which costs thousands of dollars in setup and maintenance. Today, there are low-cost alternatives—many of which may be a better fit for small grassroots organizations.

About Us

Palante Technology is a worker-owned cooperative that provides tech consulting services to progressive nonprofit organizations. We all have personal involvement with grassroots organizations that precedes our involvement with Palante Tech, such as the Audre Lorde Project, Jobs with Justice/ALIGN, and the Sylvia Rivera Law Project. We formed as a direct response to IT firms who either didn't understand the needs of grassroots organizations, were condescending to them, or recommended solutions that were out of their price range and/or contrary to their political beliefs.

Three years ago, we saw the rise of high-quality, low-cost donor databases. We knew that our clients could benefit from these tools, but we also knew we couldn't specialize in all of them. We set out to pick the one that best served our client base. This article details the lessons we learned and shares how to make the right decision for your organization.

The Existing Resources

Unfortunately, most of the people with the expertise to give this advice are vendors who want to sell you on their preferred solution—including Palante Tech. However, some organizations exist to be advocates for organizations choosing a donor database, and

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they publish some excellent information. We can't cover it all here, but we encourage you to check out the following groups:

Aspiration Technology: Aspiration will help you decide on the best tool, right down to providing free assistance looking over the contract you are offered. They do not specialize in donor databases, but they probably understand the tech needs of grassroots fundraisers better than anyone who isn't one.

Idealware: Idealware publishes the 140-page "Consumer's Guide to Low-Cost Donor Management Systems." A 2013 edition should be out by the time this article goes to press. While not focused on grassroots organizations, they provide a comprehensive overview of dozens of databases, along with excellent advice and in-depth reviews of the top choices. Idealware publishes many helpful articles such as "Ten Common Mistakes in Selecting Donor Databases," by Robert Weiner.

Nonprofit Technology Network (NTEN): Unfortunately, many of NTEN's services are aimed at giant nonprofits. However, the NTEN 2011 Nonprofit Data Ecosystem Survey is the second most useful document for comparing donor databases—well worth the \$50 they charge. The survey is segmented by organization size, which makes it more useful for small organizations.

Planning for Success

Ninety percent of success with a database tool isn't about the tool—it is about having effective processes around it. The resources above cover more than choosing a database—they cover how to make the tool most effective. Databases need ongoing care and feeding, they need champions inside the organization. A good

planning process will ensure success more than the "right" tool will.

Redefining the Problem

In our research, we quickly realized that software that did donor management but nothing else was not an effective solution. Many organizations have "information silos"—collections of data that could not communicate with each other. Much of the software we reviewed embodied a 1990s-era model—excellent for tracking incoming donations and interactions with donors, but no capacity for collecting donations online or sending mass email. The software rarely included tools for event management, membership management, magazine subscriptions, or online advocacy, and if it did, it came in the form of an expensive add-on.

The business world responded to the problem of information silos with a tool called a customer relationship manager (or CRM). CRMs are designed to track all of your interactions with your people. Unfortunately, business CRMs focus on product sales and inventory control; we needed a tool where the "C" in "CRM" didn't stand for "customer" but "constituent."

So we changed our defining question from, "What is the best donor database software for grassroots groups?" to, "What is the best multi-use database that provides excellent donor database functionality?"

Whittling Down the Field

With publications like the Idealware guide available, we thought our research would be easy. Unfortunately, software changes quickly, and we found the guide to be inaccurate on many criteria. We also needed to add our own criteria that would be more appropriate for grassroots organizations.

Faced with several dozen choices, we started eliminating options based on the following:

Price-appropriate for grassroots organizations. Some "low-cost" choices run \$5,000 or more a year. Still others were cheap to start, but required you to pay extra for more simultaneous users, to raise the cap on the number of contacts you could store, or for basic functionality (beware the "add-on module"). Idealware's report lists pricing for common configurations. We eliminated Salsa, Kintera and Convio based on price.

User community. We required software that had a large user base—especially of grassroots groups facing similar problems to our clients. We were concerned about products that didn't have user-to-user forums or forced users into a paid email/phone contract in order to access online support materials.

Wariness toward Blackbaud. Blackbaud has a history of buying other companies and merging their product with an existing

higher-cost product. Because they are owned by Blackbaud, we steered clear of eTapestry, Convio, Kintera, and netCommunity.

Plays well with other software. Is it easy to get data in and out of the software? This was key to reducing the problem of information silos. Some programs provided an interface (sometimes called an “API”) that allowed other programs to automatically get data in and out of them. This is crucial if, for example, you need to automatically sync your donors with your Mailchimp mailing list. Some software didn’t provide this functionality or charged extra—we axed those options.

Multi-function. We gave extra points to software that included features like event registration or volunteer management. We were especially impressed with CiviCRM’s focus on built-in community organizing tools.

Web-based. Software that you have to install on your computer is a poor fit for fundraising in 2013, especially for small organizations. With these programs, you can’t look up donor information on your phone or from home, nor can you integrate your online donation collection without add-ons. While the strong trend is to go web-based, many vendors haven’t yet updated their software. We eliminated them, along with vendors who only went halfway, by offering remote access to a desktop that runs their traditional software. We eliminated Exceed! and Organizer’s Database based on this.

Client-owned data. Many tools operate on the “Software as a Service” (SaaS) model where you pay a monthly fee for access to the database “service.” This isn’t intrinsically bad, especially for small organizations, since it means less need for hiring IT support. However, it was unacceptable to many of our organizations that they could lose access to their data over a billing dispute. Other politically active groups were unwilling to host with providers who would turn over their data to law enforcement without a warrant or without notifying the organization.

No one-trick ponies. There are plenty of platforms that have a unique fundraising capability, which have their place if they play well with a more full-featured system. However, we did not consider tools that didn’t offer a core donor management functionality, including the ability to track interactions and to record all donations regardless of whether they came through the software.

Why Not Develop Your Own Tool?

There are plenty of organizations who, either by themselves or with a volunteer, decided that none of the tools available met their needs. Many created their own tool, often using a product like Filemaker Pro, Access or Excel.

Unfortunately, for each success story, there are several unhappy endings. Many organizations were unable to find someone to

maintain the tool when the original author left. Other tools had design flaws due to inexperience designing CRMs. Other tools met organizations’ needs at first, but didn’t keep up with the changing landscape of donor/constituent management—for instance, providing plugins to synchronize with tools like Mailchimp. Others have a tool that works, but since they are the only users of the software, they often pay high consultant fees when they need features added.

Settling on CiviCRM

After eliminating most tools, we decided that the best tool for the groups we serve is CiviCRM. In addition to scoring well on the criteria above, there were several other unique (or almost unique) points in its favor:

Free/Libre Open Source Software (FLOSS). This means that if you are tech-savvy, CiviCRM costs nothing to download and install. It also means that you are able to modify (or hire someone to modify) the software as you see fit without permission from the original authors. Most organizations who do this choose to contribute their improvements back to the core team so everyone can benefit.

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Huge base of small community organizations. The Progressive Technology Project (PTP) received a large grant from the Ford Foundation to add features to CiviCRM to make it more useful for community organizations. This includes the ability to create online petitions and surveys, generate phone banking and door-knocking lists, mass text messaging, engagement ladders, and more.

Friendly and welcoming community. Top experts volunteer much of their time providing free help to other members of the community.

Community-driven expansion. Grassroots organizations may want a new feature, but have neither an in-house programmer nor money to hire one. CiviCRM has a model where several organizations can contribute to fund a new feature. Examples of successfully funded features using this model include a Kickstarter-style fundraising feature, enhanced soft credit functionality, peer-to-peer fundraising features, and Quickbooks-formatted exports.

Most customizable. The open source nature means that we have been able to add features that wouldn’t have been available at any price for customers that needed them. For example, we

customized CiviCRM for the National Lawyers Guild to support their unique membership renewal policy.

Highly rated by its existing users. An NTEN CRM satisfaction survey rated CiviCRM number one as “most likely to recommend to other organizations.”

Deep integration with website software. Global Action Project wanted to collect emails of people into their database who downloaded their web-based curricula. The National Police Accountability Project wanted to make certain material available online—but only to members whose dues were current. These were both easy to implement with CiviCRM.

Multiple vendors. Unlike software produced by a single company, there are dozens of vendors who offer CiviCRM support.

Available self-hosted or as a service. Many CiviCRM shops offer a self-hosted service for budget-conscious groups as well as a SaaS monthly service model. There are many excellent CiviCRM hosts, like Koumbit, CiviDesk, and PTP. PTP’s “Powerbase” product is especially geared toward small grassroots groups.

Used mostly by small (and very large) organizations. CiviCRM does not target mid-size organizations—its features are geared toward small organizations. It is also used by very large organizations like Wikimedia Foundation and Doctors Without Borders, who need a tool that allows extensive customization. The large groups often fund improvements that benefit everyone.

Other Top Choices

Salesforce is the most popular CRM for businesses. While it is very expensive, the Salesforce Foundation will provide a free starter pack license for up to ten users. While the software has traditionally been ill-suited to nonprofits, they have also made impressive strides toward being more responsive to nonprofit needs.

DonorPerfect and Giftworks have large user communities and affordable starter packs, are web-based, and are rated well for customer satisfaction.

Several software packages also target specific niches—customized for faith-based groups, community media groups, libraries, and more. With consolidation by database vendors serving the top of the market, new alternatives serving small groups are filling the market.

Final Notes

This article doesn’t have space for how to choose a consultant, how to evaluate the cost of migration/conversion (often much less than the cost of the software), or countless other parts of the database selection process. Nonetheless, we hope this gives a grassroots lens to the existing resources that will help shape how you make your decision.

Jon Goldberg works for Palante Tech as a database developer and systems administrator.

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