

Top 10 Do's and Don'ts in Selecting Non-Profit Software

Discussion Paper

Investing in technology can make your non-profit organization more efficient, increase revenues, reduce costs, and improve member satisfaction. But unless you choose the right automated solution, you may not experience the benefits that you envisioned.

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Introduction

As part of a non-profit organization, whether a YMCA, YWCA, or JCC, you are committed to strengthening the physical well-being of your members. You manage member interests, oversee fitness assets, and manage reports and revenues. For these reasons it is imperative that you have a robust software system in place that supports and streamlines every area of your organization. Selecting the right software solution, however, can be easier said than done. With so many software solutions available on the market, how do you know which one is right for you?

This paper discusses the Top 10 Do's and Don'ts when evaluating non-profit software packages to help ease the selection process.

Top 10 Do's and Don'ts in Selecting Non-Profit Software

▶ **Don't:** Begin Your Search Without Identifying Your Needs and Defining Your Requirements

Do: Determine Your End Goal and Establish Organizational Needs and Priorities

Before beginning the software search, know exactly what you're looking for. It sounds simple, but quite often organizations either have too many requirements or don't know exactly what they're looking for and instead, hope the software vendor can shed some light. Start with the "Why": Why are you looking right now? What is the end goal? Is it to increase efficiencies, improve customer service, increase revenue, or to save time and money? Once you have your goal determined, define the requirements of the system that will help achieve your goal and ensure they are prioritized. Prioritizing a requirement as a "must have" or "nice to have" will help you compare and narrow down the list of software solutions.

▶ **Don't:** Start the Selection Process Without Seeking Input from Key Stakeholders

Do: Solicit Input and Buy-in from a Variety of Representatives

Choose personnel from across a variety of levels to be a part of the 'selection committee' to represent the needs of their particular business area. This may include Directors, Member Service staff, and even Board members. This not only assists with employee adoption of the new software, it also offers each business area a 'voice' so that its needs may be met. Rely on this team to participate in the research, questioning, product demos, buy-in and adoption of the software.

▶ **Don't:** Take a "Features Only" Approach

Do: Consider Factors Beyond Features

Features alone are not enough to make a software solution a long-term fit. There are many other important factors that must go into this software decision, such as scalability, flexibility, technology platform, customer support, total cost of ownership and implementation process. While it's important to know what features you need and what features each software package offers, it's also important to understand the full scope of the solution and evaluate the features as only your first step in narrowing down potential software partners.

▶ **Don't:** Make a Decision Based on Low Upfront Costs

Do: Understand the Full Cost of Ownership

Beware of software packages that are too cheap or discounted and be equally aware of software packages priced at the top of the list. By doing your due diligence in evaluating several potential software solutions, you will be able to identify a price range that falls within 'industry standards' at a price realistic for your organization. That being said, make sure in looking at the high and low ends of the pricing scale that you understand the total cost of ownership for the software solution. Additional fees may come in the form of transactions, credit cards, customer service support, upgrades or maintenance, monthly retainers, additional licenses, etc. Request that the vendor provide you with a breakdown of the total cost of ownership for the software this year, next year, in five years and even in ten years to make sure it's a software package that your organization can afford to keep and grow with for the long-term.

▶ **Don't: Buy Software without Considering Your Specific Reporting Needs**

Do: Ask About Report and Data Output Options

You are likely tasked with not only tracking revenues, inventory, assets and expenses, but also with tracking a wide variety member information, including gender, class level, registrations, and contact information. Staff members use this information to tailor their programming and activities to better meet the needs of the population that they serve. It's absolutely vital that your software package offers customizable reporting and data output options to meet the needs of each of your constituents.

Without customized reporting options built into the software solution, the responsibility of pulling specific data relies on savvy IT departments, assuming they have specific training or Crystal licensing, for example, and this translates to a time-consuming process for IT personnel.

▶ **Don't: Be Distracted by "Bells and Whistles"**

Do: Buy Software that Can Grow With Your Organization

Ease of use is an extremely important software quality, particularly at non-profit organizations where the skills of computer users vary greatly. After all, if your staff and members can't use the software, it won't benefit your operations and it puts an unnecessary burden on your IT resources. Instead, start with more of the basic functions that you need and look to add on additional features or modules over time. What's important when evaluating software packages is that you choose a software solution with the scalability to grow as your organization's needs change and buy from a vendor that will be around long enough to support the growth.

▶ **Don't: Buy Software at the Beginning or End of Its Product Life**

Do: Choose Software with Tested and Stable Technology

Possible consequences of purchasing a software package too early or too late in its product life include incomplete features, unstable technologies, lack of functionality, untested upgrades, and even limited technical support. Look at the platform of the software, the environment, the longevity on the marketplace and the life cycle to date to

ensure you're purchasing a software program that is proven, established and reliable, but also technologically advanced to continue to be supported for years to come.

▶ **Don't: Buy Software Just Because a Neighboring Non-Profit Did**

Do: Ask for Referrals, References and Recommendations

No two businesses operate exactly the same. Your colleagues have different business processes, needs, budgets, staff and technologies. It's unwise to base your software selection on someone else's success, or perceived success, using a particular solution. That being said, you should still ask for referrals and recommendations to understand how a particular software solution met the needs of a variety of different business models; just don't base your decision solely on a peer's opinion.

Utilize a variety of mediums to gain exposure to the many software solutions available on the market. Attend trade shows, read industry publications, attend conferences and peer discussions, request proposals and ask for recommendations from other organizations.

Once you've created a list of possible vendors, start narrowing them down based on the features they do (or do not) offer, the company background/standing, user reviews and testimonials. Create a list of specific evaluation criteria and questions to ensure you're comparing each software package equally. Criteria can include features, modules, technology platforms, integration capabilities, reporting system, customization options, cost of ownership, implementation schedule, customer service hours, etc. Then, with your list of questions compiled, invite the potential software vendors to come on-site and perform a demonstration for your group of influencers to show how their respective software packages can meet your specific needs.

It's also advisable to ask the software vendors themselves for references. Talk to the companies' existing customers and understand how the software packages have met their particular needs and how much, if any, customization was involved.

▶ **Don't: Buy Software without Researching the Software Company**

Do: Conduct Your Research and Perform Internet Searches on Each Company

Once you've narrowed down your list of potential software packages, evaluate each of the companies. Ask yourself if this is a vendor that you can develop a long-term partnership with, and if the vendor has the stability and history to stay in the marketplace. Consider how long they've been in the business, their financial track record, technology, industries served, and even what people are saying about the company. One of the best ways to learn more about a company's standing with the public is to perform a quick Google search. These are huge clues into the credibility and overall customer satisfaction a company may or may not have earned over the years.

Additionally, look for a vendor willing to align with, and adapt to, the current technological landscape. For example, look for a vendor that understands the value of hosted technologies (remote Web-based access, low upfront costs, no license or maintenance fees, fully maintained infrastructure, and fast implementation), offering solutions for client-server or hosted, Web-based deployments. Look for a vendor that assists with payment processing, as to offset your organization's responsibilities associated with PCI compliance. Bottom line, look for a vendor that stays abreast of the latest technological advances, but proceeds strategically once the environment or platform has proven valuable.

▶ **Don't: Select Software Without Considering the Implementation Process**

Do: Understand Your Role in Preparing for the New Software

Ask vendors to provide details of the implementation, training and set up of the software. Some software vendors may not be compatible with existing hardware, equipment, or software systems, translating to additional costs, time and IT investments. On the other hand, some software vendors may actually be able to manage the entire implementation process in a matter of days and be willing to work around your schedule to make it happen. Make sure you understand what will be expected of you for the implementation, what additional costs there may be, the time required to complete the implementation, the process to transfer data, and anything else that you feel may be relevant to your particular organization.



Conclusion

You've invested a great deal to provide quality facilities and programs to your members, so it's important to invest the time and effort into finding the right software package to streamline your operations, improve efficiencies, and provide your members with the best customer service available. Though the software selection process does require planning and process, choosing the wrong software package that has to be replaced in the short-term would be even more time-consuming and a waste of valuable resources. Put in the work now and reap the rewards of the right software package for years to come.