Nonprofit Software:
Have You Been Oversold

Avoiding a One-Size Fits All Approach

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Introduction:

In today's fundraising climate, it is increasingly important to demonstrate good stewardship of the funds that you raise and manage. The cost of raising funds, in particular, has rarely been under more public and private scrutiny.

One of the primary investments for any development program is donor management or fundraising software. This includes not only the initial purchase price, but also the ongoing costs of necessary maintenance and support to use the software year to year, which can be a significant annual expense. Like any other asset or annual budget expenditure, it's important to establish that you are getting the right amount of value from this significant investment. Software value is frequently diminished because the nonprofit has been oversold or undersold on the software. Specifically, there are three primary areas where software packages often do not *fit* the organizations that have invested in them:

- Too many inflated or additional costs that surface after the initial purchase.
- More feature complexity than the organization's campaigns actually require.
- Too much complexity for the skill level of the organization's staff.

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How Does This Happen?

It's often perceived that there is only one *right* solution for the nonprofit community. Board members or executives who may not actually perform the day-to-day fundraising tasks often make or influence purchase decisions, and choose software based on recommendations from colleagues or other organizations, even though those organizations may be significantly different than their own. They may be looking for the "safe bet" by picking a brand name that they have heard of, or make the mistake of believing that something that is expensive is bound to be the best solution—when it actually can be overkill.

Just because other organizations are using a solution, or you recognize the name, does not mean that a solution is right for your organization. A product that was built for larger organizations with more staff and different programs is not always the right solution to meet every organization's specific needs.

Does Your Software Fit?

Nobody knows how important it is to make every dollar count more than nonprofit executives, and consideration for a software package is no exception. If you have invested in a product, are you getting your money's worth from that investment? If you paid for a full version of the package, is your staff using all of the features or only a portion of them? Or, do you pay annually to maintain and support features that do not fit your organization's needs? The following outlines some more specific questions to ask yourself to find out if you need a better, more efficient fit. (If you do not use your software directly, be sure to ask your staff for the specific details.)

You may be spending more than necessary for the functionality that your staff actually needs—and you may be paying for it each and every year!

Trend 1: Price Fit – Is your total cost of ownership too high?

- Are you paying for modules that you don't use, or only use a portion of, while waiting to *grow into them?*
- Are you continually subjected to expensive hardware costs just to stick with the same solution?
- Does staff turnover make it impractical to pay for a full training session every time you hire or assign a new team member?
- Are you paying over $2,000 a year in support and maintenance fees — even though you have fewer than five users?

Trend 2: Function Fit – Are you paying for features you don't need?

- Do you have unused features, such as tabs for detailed data, that remain empty and unused?
- Do you have the staff resources or time to find and enter the data to fill in the empty tabs and start using those features?
- Do you have more than two key features that you keep meaning to learn more about but lack the time to undertake?
- Do you have hundreds of standard reports but only use fewer than 10?
- Despite all of these standard reports, do you still have to create custom reports outside your system?
- Is advanced training required to use the query tool to segment the data that your staff really needs?

Trend 3: Staff Fit – Is your software too complex or complicated for your staff resources?

- Who is using this product? Does their ability allow for them to be comfortable with more complex software applications and data queries?
- If you commonly experience staff turnover, do new users need extensive training on the software?
- Is paying a full-time, dedicated database administrator affordable for your organization?

If you answered "yes" to more than three of these questions, you may have been oversold or may not have the right product fit for your organization. You may be spending more than necessary for the functionality that your staff actually needs — and you may be paying for it each and every year!

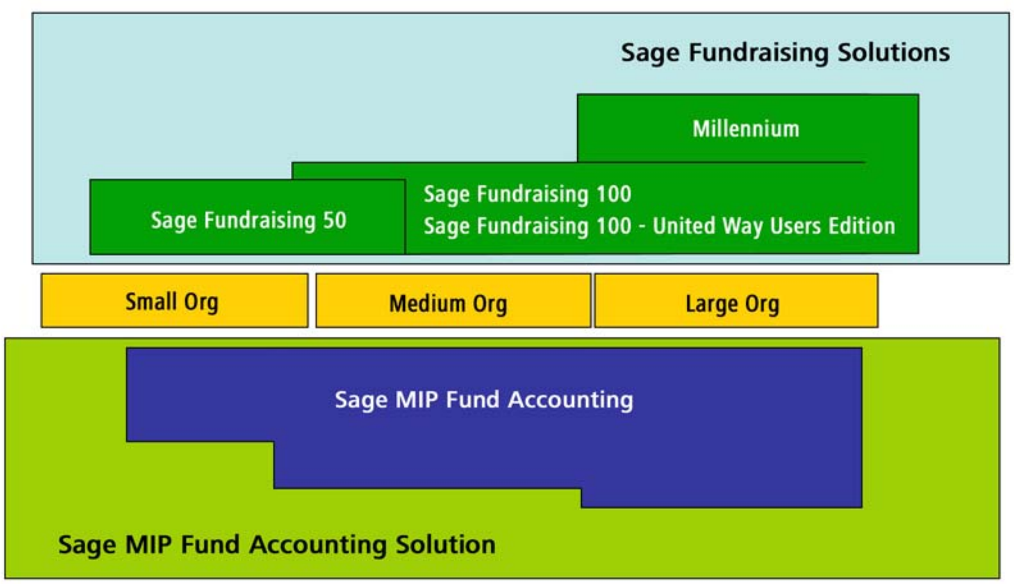
Of course, it may have been a good fit at the time of purchase, but given the recent recordbreaking staff reductions in the nonprofit sector, you may no longer have the staff you once had when you acquired or inherited your current software system. Naturally, the right budget fit can be even more critical for organizations that have experienced recent downsizing or hiring freezes. Plus, nonprofits may be subjected to new accountability standards such as those recently launched by the United Way and some state-based associations.

One Size Does Not Fit All: Get the Right Fit with Sage Software

You can't work in the larger nonprofit world very long without realizing the incredible diversity of this sector: Nonprofits vary tremendously in the types and sizes of their organizations, their missions and project types, plus budgets and staff resources. Yet all too often, products and services for the nonprofit sector take a one-size-fits-all approach to this highly diverse market. It's inevitable that software vendors with only one high-end product offering will oversell smaller nonprofits, and vendors with only basic solutions will "underprovide" to organizations with sophisticated needs. Overkill or under-providing of features, and matching budget and staff resources appropriately, become increasingly important during tough economic times, when every resource must be used at just the right capacity.

At Sage Software, we work with you to determine the right product to fit your needs, preferences and budget for today, while preserving your ability to grow and change in the future.

At Sage Software we recognize this diversity. We understand that one product and one price simply cannot meet the needs of all nonprofits. We seek to provide the right fit for each organization by offering several high-value product options — so you get a feature set that fulfills your specific needs, and meets your budget and other resource requirements. That is why we offer a wide range of fund accounting and fundraising products. At Sage Software, we work with you to determine the right product to fit your needs, preferences and budget for today, while preserving your ability to grow and change in the future.



Sage Software has a team dedicated to the nonprofit sector that has been delivering software solutions to this community for more than 20 years.

A New Approach: Customers for Life

Sage Software has a team dedicated to the nonprofit sector that has been delivering software solutions to this community for more than 20 years. This team knows that in order for our business to thrive, the nonprofit community must thrive. We know they rely on quality products that meet specific, real-life needs. We recognize that overselling small customers may impair them, rather than support them. We have a publicly stated corporate value called Customers for Life. This is a compendium of policies and attitudes designed to foster nonprofit success by providing superior products and services to our customers beyond the initial purchase — nurturing the customer for the life of their organization. To help you feel secure about your purchase and manage your budget when making a software investment, Sage Software offers:

- **0% financing options.** We offer special no-interest financing to help nonprofits manage tight budgets.
- Of course, your organization will change over time. You may have new projects or programs that need managing, or receive additional grants that need tracking. So Sage Software makes it easy to grow within the system by offering:
- **A suite of integrated product lines.** Only Sage Software offers a full range of fundraising and fund accounting products, with options to fit every organization, plus a complete planned giving and endowment management solution.
- **Significant discounts on complementary products.** We provide “family” discounts when you purchase an integrated solution in the Sage MIP Fund Accounting product family.
- **Built-in migration path and upgrade tools.** Keep the right fit over time with a planned migration path to accommodate your growth, and tools to smooth any migrations.
- **Trade-in credit.** You don’t buy a whole new system to grow! If you need to upgrade, you get credit for your current solution toward a new system.

Have the Right Fit—But Still Have Other Problems?

Sage Software knows that even when nonprofits have purchased the right level of software to match their needs, staff skills and budget, there still can be unsatisfied customers. We know because these organizations call us every day to request product demonstrations. Slow systems, inconsistent reports and annoying fee increases from your vendor can still mean you are not getting the value you expected from your software relationship. If you are looking to increase the value you are getting from your development software, and your software vendor, call Sage Software to review your options and get the right fit for your organization’s needs.

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