

Comparing CRM Applications for Non-Profit Organizations

Introduction

Technology has become a competitive advantage for non-profit organizations. However, it does add to the operating costs of managing a non-profit foundation. Non-profit resources want to be dedicated to the cause, not to managing operations. Operating costs need to be managed carefully so that they can maximize spending on their non-profit goals.

Often there is an overall lack of IT resources, both on the human and the technology side. Due to their limited budgets, non-profits may not be able to buy and maintain the hardware and software they require. They usually can't afford the salaries of the for-profit sector and have little budget to invest in training and development and rely on volunteers as well as part-time resources which transition frequently. Many non-profits have to make do with few or no dedicated IT personnel at all. Turnover tends to be high, requiring systems to be easy to use and manage as well as being able to store information in a single repository for future access.

What Applications Do Non-Profits Need?

Non-profits need customer management systems, just like their industry counterparts. They have to manage their fundraising efforts, working with prospects, donors and donations. They need to monitor donor activities, manage their communications and report on them to their management, constituents and funders.

Foundations and charities are increasingly leveraging e-philanthropy and accepting donations directly from their websites. Their marketing campaigns have to break through the clutter and produce tangible results, leveraging email, web, newsletters and social media to reach and stay in touch with prospects and donors. Many non-profits also need to manage complex levels of interaction between different entities. For example, a scholarship fund foundation may need to manage its students, sponsors, advisors, prospects and donors. Each of these may require a different and inter-related interaction which needs to be tracked and managed on an ongoing basis.

Most organizations also have to take care of other business functions, such as accounting, finance and HR, or other non-profit product offerings that help the community or the cause they support. Many of these require dedicated solutions that have to be integrated.

While there is a wide variety of CRM systems available that address some or all of the issues mentioned above, there are two packages that seem to enjoy wide popularity in the non-profit marketplace: Blackbaud's Raiser's Edge and Salesforce.com's Nonprofit Starter Pack.

Blackbaud – The Raiser’s Edge

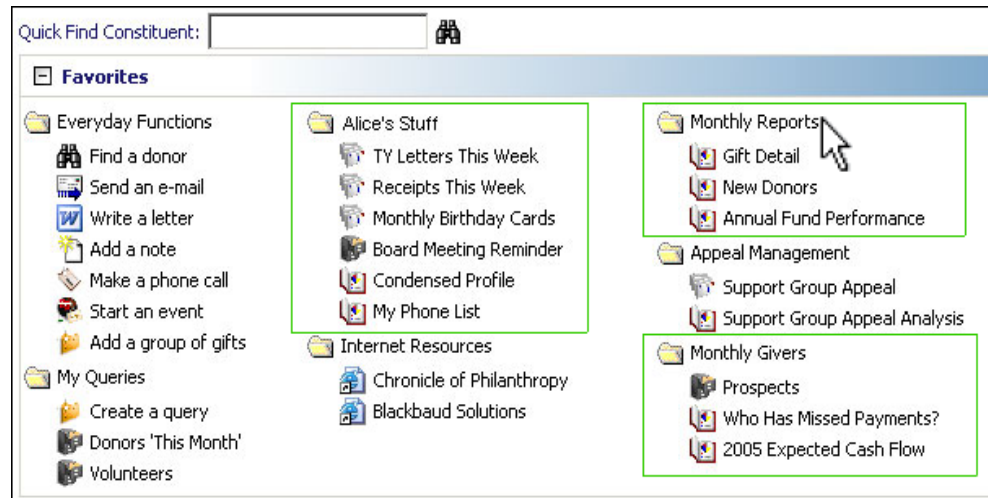
Company Background

Founded in 1981, Blackbaud (NASDAQ:BLKB) offers software and services that are dedicated to helping nonprofits grow and operate more efficiently. They have an extensive customer base of approximately 16,000 non-profit organizations. The Raiser’s Edge is Blackbaud’s flagship solution for comprehensive constituent relationship and fundraising management.

Product Capabilities

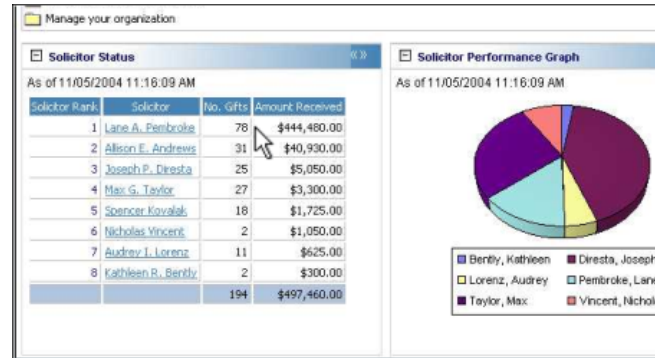
Raiser’s Edge is a comprehensive client/server software package that facilitates prospect and donor relationship management and streamlines daily tasks of non-profit organizations. It allows users to organize and store prospect and donor information and track interactions with each individual. Some examples of the impressive set of features include gift management, batch data entry into a spreadsheet-like screen, Outlook calendar integration, and personalized letter and email management.

The customizable home page lets users choose the tasks and reports they want to view upon login every morning. It can include access to a number of out-of-the-box reports ranging from Top 10 donors, to donor comparison, lapsed donors, giving by location, pledge reports and more.



Blackbaud (continued)

Optional modules include event management, point of sale, volunteer management, alumni tracking, web-based access and application development. Some of these are included in the Enterprise package of The Raiser's Edge.



In addition to software, Blackbaud offers a range of services, from in-house consulting for software implementations, to training, maintenance and support. With many years of expertise these professional teams provide a wealth of non-profit knowledge and expertise and have earned an excellent reputation in the industry.

Strengths

- Comprehensive fundraising application
- Wide range of non-profit functionality
- Strong non-profit experience
- Interface to Blackbaud accounting, Web site management, and more
- Hosting services available

Weaknesses

- Complex system requires training
- High initial and recurring cost
- Not easily customizable
- Requires full-time IT staff
- Older architecture

Salesforce.com - Non-Profit Starter Pack

Company Background

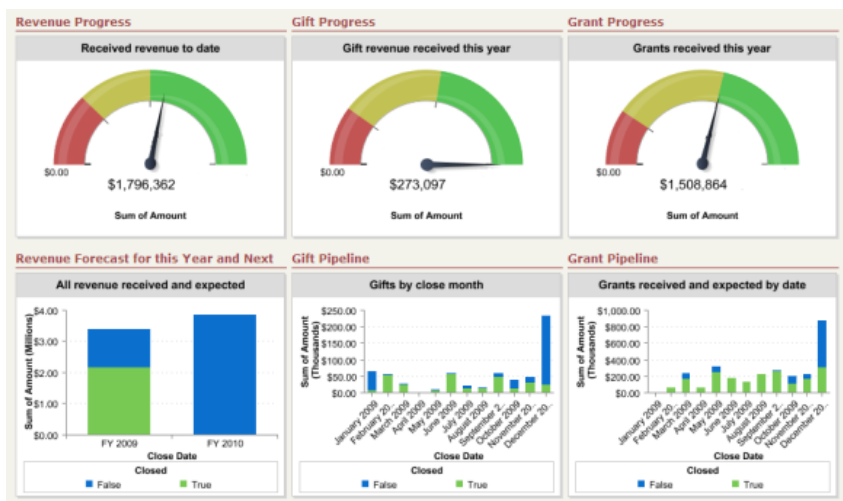
Salesforce.com (NYSE: CRM) is the leading provider of software on demand with 68,000 customers worldwide. The company started out in the CRM space in 1999 and expanded its services to offer a cloud technology platform for customers and developers to build and run business applications on the internet. The Salesforce.com Foundation created the unique 1/1/1 model, based on a simple idea: Give back 1% of employee time to promote a culture of caring and allow employees to spend 6 paid days off a year devoted to volunteerism. Donate 1% of Salesforce product to help nonprofit organizations. And use 1% of the company's equity for grants and volunteer projects.

Product Capabilities

Salesforce.com can help non-profits manage their constituents, and track all of the associated interactions and activities. The application is designed to be easily customized and managed by the end-user. IT management can be reduced to one or two days per week. It provides a central repository of information for tracking donations, grants, memberships and volunteering, as well as planning and executing marketing programs.

The real-time reporting and analytics engine is easily accessible, allowing users to quickly set up dashboards for managing their performance targets.

A number of predefined reports represent non-profit best practices.

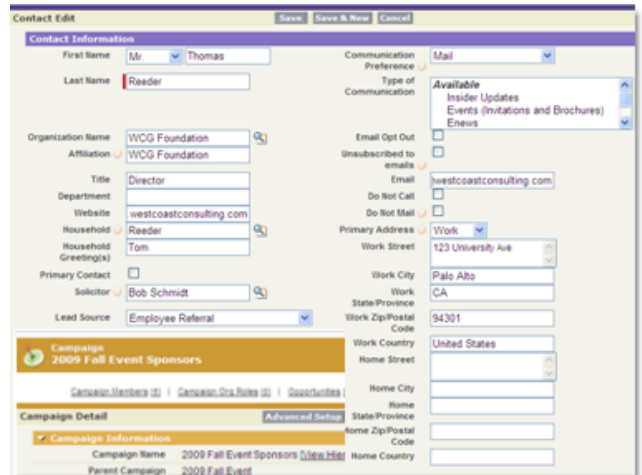


Salesforce.com (continued)

The Salesforce platform can easily be customized and expanded. Backend integration can be performed with the comprehensive API. Salesforce also offers simple ways to build and manage integrated websites, include social media, and leverage a powerful mobile platform. Content and knowledge management tools are also part of the Salesforce.com application.

Salesforce uses extensive security processes and mechanisms to protect customer data. Third-party certifications include ISO 27001, the SysTrust audit and SAS 70 Type II. Equally important is a very granular access security system, ensuring that users can view only the data they are supposed to have access to.

Salesforce also offers the AppExchange, which is a marketplace for enterprise applications. Here non-profits can select and install additional functionality to expand their system, such as effective campaign and marketing tools.



Strengths

- No upfront investment in HW & SW
- Easy to use and customize by non-IT
- Strong reporting and dashboard features
- Powerful Web-to-Lead functionality
- Simple expansion and new app development
- AppExchange marketplace
- Highly granular security features
- State-of-the-art architecture

Weaknesses

- Out-of-the-box functionality less comprehensive
- Requires more configuration

Comparison Chart

Feature	Blackbaud	Salesforce
Application Functionality		
Funding Management	✓	✓
Gift Tracking	✓	✓
Pledge Tracking	✓	✓
Volunteer Tracking	✓	✓
Campaign Management	✓	✓
Events Management	✓	✓
Reporting Functionality		
Pre-defined Reports	✓	✓
Customizable Reports	Limited	✓
Customizable Dashboards	no	✓
Data Export CSV, TXT...	✓	✓
Marketing Functionality		
Mass Email	✓	✓
Automatic email reply	✓	✓
Google AdWords	no	✓
Social Media	no	✓
Integration		
Outlook	✓	✓
Website	✓	✓
API	Optional/Limited	✓
Mobile access	no	✓
Web access	Optional	✓
Security		SAS 70 II
Architecture	Client / Server	SaaS
Development Platform	no	✓
Content/Knowledge Management	Limited	✓
Payment Interface	Optional	Configurable
Access to Other 3rd Party Apps	no	✓
Maintenance/Upgrades	Optional	Automatic

Summary

Both Blackbaud and Salesforce.com products are tailored for non-profits and reflect years of experience in this space. Blackbaud offers a richer functionality plus a number of other proprietary applications on a traditional client server architecture. Salesforce.com provides a highly flexible and customizable Software-as-a-Service CRM platform, which is more state-of-the-art, easy to use, customize and expand.

Cost

A big advantage of Salesforce is cost. The company offers 10 free licenses for nonprofit organizations. Customers do not have to invest in servers, software and additional infrastructure. There are no other recurring costs, like maintenance fees. Additional licenses are substantially discounted and there is a monthly subscription fee. As the user interface is easy and intuitive, training costs are minimal. This leaves room for a professional implementation by skilled consultants, allowing non-profits to get up and running in record time.

Blackbaud does not have this kind of offering and does not give away its product to non-profits for free. The up-front software license cost and implementation costs need to be added to the cost for servers and infrastructure, as well as the yearly hardware and software maintenance fee. Customization requires IT skills, which increases total cost of ownership for non-profits with small IT organizations.

Usability

The rapid growth in Salesforce.com's customer base in recent years is widely attributed to its ease of use and ease of customization by non-technical audiences. The Salesforce analytics engine with its easily customizable reports and dashboards is clearly best in class, providing nonprofits a great advantage. The Raiser's Edge is a complex product that requires significant amounts of training, which adds to the cost of ownership. This makes it less suited for non-profits with high turnover.

Security

Salesforce.com stores all customer data on its own large secure servers and has never experienced a security breach. Most Raiser's Edge users store their data on their own servers. Blackbaud also offers hosting services, but there is an additional cost. Some customers are apprehensive about their data being kept at remote locations, but the idea that this makes it more vulnerable is a misconception.

Summary

Salesforce supports over 68,000 companies, including a number of global banks, who require strict security audits. For this reason, Salesforce maintains state-of-the-art security measures and disaster recovery plans, with a very high degree of redundancy. Small company servers, on the other hand, are much easier for hackers to access and are more vulnerable to disasters and catastrophic events providing no back-up capabilities.

Community

Through its foundation, Salesforce has been able to establish a vibrant ecosystem of non-profit organizations, partners and consulting companies. It offers non-profits a wide range of choice when it comes to best practices, implementation and support. This compares to Blackbauds' more proprietary environment, where the vendor controls services, features and product knowledge.

“...outgrown Raiser’s Edge functionality and moving to Salesforce.com to cut costs and increase product capabilities...”

Audra Smith, Database Administrator, Hispanic Scholarship Fund

About West Coast Consulting

West Coast Consulting Group is an independent consulting firm, helping customers in high-technology, healthcare, communications and financial services move to the cloud. Headquartered in San Francisco, we are a fast paced, innovative and performance driven company that delivers value for our customers. Based on established partnerships with industry-leading cloud solution providers, our certified cloud consultants implement your strategic initiatives successfully with tangible results. For more information, please visit our website at www.westcoastconsulting.com.