Personify®

# Technology Buying Guide for Associations and Nonprofits

How to Make the Buying Process Less Painful and More Fun

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## Think about the last time that you purchased a new system or tool for your organization. Was the process overwhelming and a little stressful? For many organizations, the answer is yes.

A 2019 Global NGO Technology Report found that 48% of nonprofits[1] in the U.S. increased technology spending in 2019. Similarly, a recent report by NTEN found that 56% of respondents[2] from nonprofit organizations implement a new cloud service in just the last year.

If you're adding new technology or migrating a current system to the cloud, your team may have a number of questions and potential concerns about the process. How long will it take to implement? How much will it cost? When will my organization reap the benefits, whether that's a growth in membership, increased donations, or a less cumbersome process for staff?

Buying new technology for nonprofits and associations can be an overwhelming process, whether you're adding a tool to your existing technology stack or replacing core systems that serve as your organization's source of truth. But it doesn't have to be.

**HERE IS OUR STEP-BY-STEP TO MAKE THE BUYING PROCESS MORE STREAMLINED, EFFICIENT AND ENJOYABLE:**

# 1. Understand (and Align) on your Strategy Upfront

### PUTTING THE CART BEFORE THE HORSE. RUNNING BEFORE YOU CAN WALK.

At one point or another, all buyers have been so dazzled by an innovative feature, conversation or industry event they find themselves with a technology in search of a business problem to solve.

That's why it is important to do some due diligence and pre-planning upfront to develop your strategy before you start talking to vendors.

What should that strategy look like? It should help you answer how the investment of this new technology or tool helps support your vision and organizational objectives. Asking the simple question, "What processes drive our success?" can quickly help identify the tools (technologies) that are needed to support those processes.

The answers may include essential administrative and operational capabilities, specialty applications important to different areas and functions and/or required integrations between systems. The answers to the questions above will also provide visibility into your needs and define, at a high level, the requirements the new system must meet.

- What information do we need to capture about our members or donors? What information would we like to be capturing? How will the information be used?
- What transactions fund our organizations? Fundraising? Dues? Event fees? How are they received and managed today?
- How are we engaging with the different types of stakeholders within our organization? How do we communicate with our members, inspire volunteers and enable collaboration?
- Who is using our membership technology? Is it a few internal staff members with control or do numerous stakeholders each maintain individual responsibility for specific areas? How do members manage their data and activities?

Before you meet with any vendors, take time to connect with departmental stakeholders beyond the buying committee. Outline the teams and departments that will be using the technology. This can and should include staff that are creating new member and donor profiles and signing up people for programs, executive members who are leveraging the data to develop insights and drive forward the organization, and events staff who are planning your annual conference. Are all of these individuals represented in the committee that is compiling your needs and goals for the new system or tool?

When gathering this information, evaluate the business processes that are needed to effectively use your new technology. This exercise creates an opportunity to reevaluate legacy business processes and areas of inefficiency.

### HOW TO MAKE IT FUN?

Consider a nontraditional format to brainstorm your goals and strategy for the new technology. For example, Lean Coffee is a structured, but agenda-less meeting format where participants gather and build an agenda together democratically. Depending on the size of the group, you could also have participants' favorite coffee beverage ready for pickup at their local coffee shop on the morning of the meeting.

# 2. Outline Your Needs and Requirements

Once you've got a strategy in place, start building a list of requirements that takes into account the goals and objectives of each area of the business and their wish list of what they hope to achieve with the new system. Understand their unique use cases, or a list of actions or event steps typically defining the interactions between a user and a system to achieve a goal. Examples may include:

### MEMBERSHIP

- Streamline new member acquisition, with ability to properly follow-up on and convert new members
- Provide greater visibility into constituent needs and trends
- Support complex membership and event types
- Deliver efficiencies to maximize staff time

### OPERATIONS

- Provide ROI and data to support the organization's initiatives and illustrate quick, fast results
- Accommodate custom reporting, data intelligence, workflow-based budgets and clear audit trails are just a few of the great tools used for managing budget and finances

### MARKETING

- Manage increasingly personalized communications including the ability to leverage targeted email, member-specific content alerts, event calendars, event management platforms, surveys and more
- Integrate with best-in-class marketing tools without sacrificing data integrity
- Include deep reporting and analytics to help understand what's working…and what's not

### HOW TO MAKE IT FUN?

Consider hosting a supermarket sweep-style game for participants to identify what's most important to them in the list of requirements. Instead of groceries, you can print out potential features and benefits for a new piece of technology. Your buying committee is then timed and has to "run through the supermarket" and quickly pick the features/benefits that are most important to them. You can then hold a discussion at the end where you prioritize these across the group.

# 3. Build Your Proposal

Once you have a clear understanding of your organization's needs and specific criteria, you'll be ready to start crafting a request for proposal (RFP) or a request for information (RFI) that describes your objectives, requirements and questions for potential vendors. An RFI is helpful when you are early in the search process but need more information from potential vendors before you're ready to issue an RFP.

Once you've established your requirements, the next step is to draft an RFP describing your objectives, specific requirements and vendor questions.

It should accomplish these goals:

**1**
Establishes a baseline against which you will measure all submitted proposals

**2**
Clearly establishes the project scope for vendors, providing them a frame of reference in which to present how their solution (and features) resolves the most critical use cases for your organization

**3**
Creates transparency around how the bids are to be received and evaluated, and sets the initial framework for the contractual relationship between the organization and your selected vendor

**A Well-drafted RFP should include:**

- [ ] Detailed Functional Systems and Requirements – Presenting vague requirements in an RFP creates unnecessary ambiguity in the procurement process and elevates the risk of contract disputes down the road. Clearly drafted requirements in the RFP can go a long way toward minimizing "scope creep," the single greatest cause of failure (and frustration) for any project.

- [ ] Statement of Work (SOW) – The SOW clearly defines exactly what you expect the vendor to do. Ensure that the presented SOW addresses the functional and system requirements outlined and accounts for critical project dates, important milestones, deliverables and how other expectations for your vendor, such as project updates, documentation and training.

- [ ] Instructions for Submission – Straightforward instructions regarding what an interested vendor must do to submit a proposal and what format the proposal should take eliminate last minute phone calls and meetings – saving your organization valuable time! Qualify vendors by requiring information regarding their corporate history, qualifications and resources. Validate the quality of their work by requesting references for projects of similar size and scope.

- [ ] Evaluation and Selection- Provide vendors with a description of how you will evaluate the proposals with a summary of assessment factors and their relative importance.

**HOW TO MAKE IT FUN?**

While an RFP doesn't stand for "really fun process," that doesn't mean it has to be boring and vanilla. When evaluating technology for nonprofits, many RFPs ask the same generic questions over and over such as, "What relevant experience do you have?" and "Do you have case studies to share?" While these are important, consider unique questions such as, "What's something you believe in that some of your peers may disagree with" or "What risks do you feel are present that we haven't included in the RFP?"

# 4. Select Your Technology Vendor

Your hard work has paid off and now you have multiple responses to review. Which will be the best fit for your organization?

To create an effective process for selecting your vendor, we recommend that you bring your cross-departmental team of subject-matter experts back together to ensure the needs of all departments are being met by the proposals that have been submitted. Filter out any proposals that do not meet the requirements you shared in your RFP.

For the remaining proposals, evaluate each one based on the qualifications and ranked importance that you previously aligned on with the team. You can then set up product demos (virtual or in-person) with your top vendors to answer additional questions and have a better understanding on how the technology will meet your needs.

Based on your evaluations of each vendor's technical offering and proposed price, information obtained during due diligence, and any presentations or demonstrations, rank the proposals and then select the one that provides the best value.

**PRICING CONSIDERATIONS**

With any large software purchase, the cost depends on multiple factors. There is the cost of the software, which may depend on the modules most important to your organization and/or the number of users requiring access.

Beyond the price of the software are the costs associated with ensuring it works the way you need it to. Understand the scope of your project up front. Are you replacing a highly customized solution? Are you upgrading from a homegrown system? Accurately scoping, and budgeting for, your implementation is critical for success.

**HOW TO MAKE IT FUN?**

Add some spice to the standard product demo process by requesting your vendors to show off their skillsets in new and interesting ways. You can ask your vendors to structure their demo around a particular theme such as, "What kind of superhero would your technology be, and why?" Bonus points if your vendors show up in costume.

## Wrapping Up

Buying new technology doesn't have to be overwhelming, and it can be fun! Understand the needs of all stakeholders in your organizations to get a clear picture of what the new technology will need to do. Identifying the right fit is much easier (and more effective) if you know in advance exactly what you expect from the piece of software that you're buying, and which features are most important to your organization.

While implementing a new tool—particularly if it's mission critical for your organization—may seem daunting, your organization and constituents will benefit from the ever-expanding capabilities of today's newest technology. Enter the process with an open mind and prepare to take your organization to new levels.

# About Personify

A trusted solution that allows for infinite possibilities, Personify is the technology foundation that provides insights to maximize engagement and deliver value across each and every interaction with members, donors, volunteers, attendees, exhibitors and more. For over 20 years, Personify has been a trusted partner to associations, nonprofits, show organizers, YMCAs and JCCs—helping them maximize engagement, improve insights, optimize operations, increase revenue and drive productivity. For more information, visit www.personifycorp.com.

## References


[1] The 2019 Global NGO Technology Report, 2019. https://assets-global.website-files.com/5d6eb414117b673d211598f2/5de82e1550d3804ce13ddc75_2019-Tech-Report-English.pdf

[2] Cloud Computing for Nonprofits A Guide, February 2020. https://www.nten.org/wp-content/uploads/2020/02/Cloud-Computing-for-Nonprofits_-February-2020.pdf


  

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