

## Executive Summary

As a nonprofit in today's world, you face a complex and evolving environment. New organizations added each day make competition fiercer than ever. Your donors are different, too. Today's donor wants more than just a thank you. He or she wants to better understand and engage in your mission. And because of this increased interest and involvement, there is an increased focus on accountability as well. To keep your organization alive and in the forefront of your donors' minds despite these challenges, you may find yourself needing to reinvent your approach to fundraising. That's where technology comes in to play.

# Technology in Fundraising

## The Top Ten Ways Technology Can Help Your Organization

### Contents

Introduction.....	1
Fundraising.....	1
Making better decisions.....	1
Managing your finances .....	1
Managing your operations.....	1
A Closer Look: The Top Ten Ways	
Technology Can Help Your	
Single, holistic view of	
supporters .....	2
Relationship management .....	2
Analysis reporting .....	3
Accountability and stewardship ..	3
Online donor service .....	3
Direct mail .....	3
Pledge management.....	4
Recurring giving.....	4
Matching gifts .....	4
Saving time.....	4

Technology has the potential to improve every aspect of your operations. But where do you start? What is most important? As a development professional, time is precious to you. How do you know where should you invest the majority of your resources — time and money alike? Where should you rely on technology the most?

Although your challenges may be numerous, there are a few key areas in which technology can really make a difference:

### Fundraising

Technology can help you increase your donations, communicate better with your supporters, and strengthen your relationships with your high-value donors.

### Making better decisions

Planning will keep you far ahead of the competition. Technology supports planning by allowing you to maintain a single, up-to-date view of your constituents, identify high value prospects, and strategically plan for your organization's growth.

### Managing your finances

Without technology, reducing the cost of fundraising, tracking, and reporting on the "health" of your organization, as well as complying with nonprofit-specific accounting requirements, would be almost impossible. These days, donors are more demanding than ever when it comes to accountability.

### Managing your operations

Increasing the efficiency of service delivery, optimizing your volunteers, memberships and sponsorships, and improving your internal processes are all areas in which technology can and will make a huge difference in the way your organization accomplishes its mission.

Seem Important? It is! But if your technology doesn't allow you to grow and explore new methods of fundraising, it's not worth the investment. At a minimum, your technology solution should help you in these ten areas:

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1. **Single, holistic view of supporters**
2. **Relationship management**
3. **Analysis reporting**
4. **Accountability and stewardship**
5. **Online donor service**
6. **Direct mail**
7. **Pledge management**
8. **Recurring giving**
9. **Matching gifts**
10. **Saving time**

## A Closer Look: The Top Ten Ways Technology Can Help Your Organization

Let's take a more detailed look at the impact these areas can have on the health and future prosperity of your organization.

### 1. **Single, holistic view of supporters**

How many different ways can a constituent interact with your organization? Immediately, donating funds comes to mind, but there are other ways constituents support our organizations. Within your database, you are likely to find board members, volunteers, and employees. Then there are prospects, patrons, members, advocates, alumni, attendees, and vendors. It's pretty likely that many of your constituents fall into more than one category. The ability to see a holistic view of all the ways an individual interacts with your organization is vitally important. Data silos can damage relationships. Is each office within your organization using a different system for managing these categories? If your systems don't integrate, you could be treating the same person as if they were two separate people. The proper technology will allow you to carefully manage all the day-to-day details and interactions with your supporters and help you build and maintain institutional knowledge within your organization — something that's pretty important in an industry known for high turnover among development staff.

### 2. **Relationship management**

Successful fundraising is centered on the ability to cultivate and manage relationships with your donors. Good communication is important both when you are initiating contact and when you are building the case for a donor's long-term support. Technology can help you with everything from tracking valuable biographical information to ensuring each touch you have with your donors is helping the cultivation process by monitoring staff and donor interaction.

Each person from your organization who comes in contact with the outside world — solicitors, employees, volunteers, etc. — is working to brand your organization. Sharing professional best practices among the group, such as successful email or letter templates, will help ensure they are working together. More importantly, you'll know that your constituents are being treated in a way that reflects positively on your organization.

As nonprofits are increasingly scrutinized and regulated, your ability to ensure that designated funds are managed correctly is critically important.

### **3. Analysis reporting**

What makes your organization successful? Which areas can be improved? Capturing and accessing the information you need to demonstrate the effectiveness of your organization is critical. You will enter a lot of important information into your database, and getting it back out should be a breeze. Once you have the information, you want to be able to share it with board members, donors, and the community at large. The right reports can help you take a flood of data and turn it into insight and action.

### **4. Accountability and stewardship**

There's no hotter topic in the nonprofit world than accountability. As nonprofits are increasingly scrutinized and regulated, your ability to ensure that designated funds are managed correctly is critically important. Being able to easily share information between your financial and fundraising systems, and then present it to donors and stakeholders, will help you demonstrate the impact of every gift you receive. Your technology solution should allow you to share timely, accurate information with key stakeholders, ensure that donated funds are accounted for, verify to your donors that the gifts were used for their intended purposes, and satisfy both internal and external reporting requirements.

### **5. Online donor service**

In 2003, online donors contributed \$2 billion, and recent studies have shown that online gifts average two to three times the amount of those from alternate fundraising methods. With the average American spending 11 hours each week of personal time on the Web, your nonprofit cannot afford to function without an online giving program.

Your Web site is often the first impression your organization will make on a constituent. It's a great tool for catching the attention of new potential donors and providing them the opportunity to give online. Is your site compelling and up to date? Can you personalize your messaging and coordinate your online and offline marketing? Can you recognize and treat visitors as individuals? Actively using your Web site as a tool to learn about your supporters will result in an expanded loyal network of supporters with a lifelong connectivity with your organization. Your technology should support all of these, as well as efforts such as integrated advocacy and "team fundraising".

### **6. Direct mail**

For many nonprofits, direct mail not only makes up a large portion of the communication they have with their constituents, but it also takes up a large portion of their time and resources. Add up all the appeals, membership renewals, receipts, and thank-you letters that your organization is sending out every year. Chances are, the sum will amount to a whole lot of mail, time, and postage. But what about the mail that doesn't even make it to the intended party? Imagine having thirty-seven cents for every piece of mail your organization has ever sent that was a duplicate or went to the wrong address.

The good news is that managing your mailings doesn't have to be as challenging, costly, and time-consuming if your technology solution allows you to automate the process. And with applications such as NCOA updates, CASS certification, and duplicate renewal, you can be quickly on your way to using your time and money in ways that will better benefit your organization.

## **7. Pledge management**

Being able to offer donors the ability to pledge gifts is a boon to nonprofits. By allowing your donors to pay over time, you are setting yourself up to receive more major gifts. However, with the benefits also come challenges. A good technology solution can help you successfully set up payment schedules, keep track of when payments come in, and report on who has missed a payment.

## **8. Recurring giving**

Recurring giving provides amazing opportunities to attract and retain a new generation of donors. It is one of the most cost-effective, long-term fundraising methods available, providing you with a predictable revenue stream, with little ongoing staff involvement. Donors commit to a donation to be paid regularly over a period of time with no specified end. Organizations of all sizes across the world have turned to recurring giving programs to combat falling revenue and high donor attrition rates.

How can technology help? A solution that can handle recurring gifts from end-to-end should be able to report missed payments, protect against lapses by reporting soon-to-expire credit cards, reduce donor attrition by tracking trends in donor activity, process multiple gifts quickly, and serve your donors better by providing modern, convenient giving methods.

## **9. Matching gifts**

The promise of a matching gifts program is that it can greatly increase the contributions your organization receives. The problem is that many of your donors don't know that their company will match their gifts. That part is up to you. Can you easily identify who, among your donors, works for a matching gifts company?

Technology can help ensure that you get your share of the matching gifts pie. The ability to track where your donors work is pivotal. Once you know who their employers are, getting information about their companies is easy — a variety of matching gifts databases is available. Technology can help you target your constituents more effectively in order to cultivate larger gifts. Corporate profiles, lists, and directories will help you know which employers will match gifts and how much they contribute, as well as provide educational vehicles, such as a Web page, where your donors can search for their employers. Then it's back to you to push your donors in the direction of researching their employer's matching gifts procedures.

## **10. Saving time**

The previous sections of this article described ways that technology can help your organization raise funds. But none of them really makes a difference if it takes an eternity to make them happen. Technology should improve your daily processes and drive efficiency within your organization. As a nonprofit, everyone at your organization must be committed to working in the most effective manner possible. The efficient use of time, money, and staff allows you to better deliver on your mission.

Take a look at the technology solution you are using. Can you automate repetitive tasks? Can you access frequent operations from one place? Are you able to integrate with other frequently used applications, such as word processing, spreadsheets, email, and calendars? And finally, do

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you have fast access to the reports and information you need on a daily basis to make strategic decisions?

Technology is an investment that can help ensure your nonprofit is operating efficiently. Clearly, success in fundraising requires more than technology, but if your technology doesn't allow for process automation and easy management of data, you can expect more work in the long run. In the end, the most important thing technology can do for you is to help your staff, processes, and the people you serve all work together seamlessly, providing the best experience for everyone involved.

## about Blackbaud

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