

# Raise More Dollars in Less Time - Why the Right Software Matters!

*There are approximately 1.5 million nonprofits in the US, according to the National Center for Charitable Statistics, and fewer than 100,000 or so use any type of professional fundraising and constituent relationship management (CRM) software. Like accounting software, fundraising software comes in many forms and many different price levels.*

Most nonprofits try to make due with general purpose business software like Excel, Microsoft Access, FileMaker Pro, or QuickBooks to keep track of mailing lists and donations. These are good software products, but they aren't designed to provide numerous critical features necessary for successful fundraising. It's no surprise that organizations that start out with such programs soon encounter significant problems.

If your nonprofit is struggling with the wrong software tools, you are missing out on the two key benefits of professional fundraising software — **raising more money and saving your valuable time.**



## 1. Raise More Money With the Rights Tools

Why use fundraising software? Because you will raise more money. It's that simple. In a recent analysis, over 1,000 organizations that used a leading fundraising software solution reported an average fundraising increase of 21% in their very first year!\* Compare that with 4% growth for the average US nonprofit, reported by Giving USA.

### **How?**

#### **Constituent Relationship Management (CRM)**

Fundraising software can allow you to store and manage data for all your constituents – donors, volunteers, board members, event attendees, etc. in one database. This means not only tracking the type of relationship the constituents have to the organization, but also to each other. For instance, your database is likely to include multiple members of the same family, organizations that employ many of your constituents, etc.

With sophisticated tools for linking related records, and coding and filtering donor attributes, you can have a centralized information resource that understands your donors' relationships to your nonprofit and to each other. For example, by knowing that Donor A and Donor B work for the same company, and Donor A told you their company will match their donation, you can get a matching gift from Donor B as well.



### **Targeted Fundraising Efforts with the Right Tools**

Fundraising software helps you reach the right people with the right message! From generating targeted solicitations to keeping notes on potential major donors, good fundraising software provides the tools for communicating, tracking and managing your

campaigns and results. Remember, the number one reason why people give money is because they are asked. If you do not have the right tools to track your constituents, you will never be able to raise more money because you won't be able to ask the right people in the first place.

**More focused solicitations reap better results!** Good software will let you select or create lists based on any type of information you choose, such as recency and frequency of giving, who gave "last year but unfortunately not this year" (LYBUNT), and more. You can then personalize your fundraising communications by merging into mailings, emails, or generating specific telephone call lists and more!

Since (as a general rule of thumb) more than 80% of your donations generally come from less than 20% of your donors, you should be able to group contact activities into a concerted effort to allow development staff (whether professional or volunteers) to plan, coordinate, and track cultivation efforts for these major donors.

Filters									
Build New Selection Filter   Use Last Filter   Build New Compound Filter									
Rows 1 to 114 of 114									
	ID	Name	Type	Shared?	Created	Created By	Last Used	Last User	
Select	339	# BF Gifts > 500	Standard	Yes		MS			
Select	502	# of Children	Standard	Yes	07/12/2013	sle2demo	07/12/2013	sle2demo	
Select	503	# of children is 2	Standard	Yes	07/12/2013	sle2demo	07/12/2013	sle2demo	
Select	150	\$5000 Board Member Giving Club	Standard	Yes		MS	10/18/2013	sle2demo	
Select	352	Accelerated New Gift (3X AVG_GIFT)	Standard	Yes		DPOadmindpo			
Select	448	All 2010 Gifts	Standard	Yes		annb1	07/30/2012	sle2demo	
Select	281	All Constituents	Standard	Yes		DPO	08/01/2013	sle2demo	
Select	2	All donor records	Standard	Yes		sysgen			
Select	282	All Donors	Standard	Yes		DPO	05/15/2014	sle2demo	
Select	306	All Donors this Month	Standard	Yes		DPO	09/05/2012	sle2demo	
Select	305	All Donors this Week	Standard	Yes		DPO	06/21/2013	sle2demo	
Select	309	All Donors this Year (Calendar)	Standard	Yes		DPO	11/28/2012	sle2demo	
Select	308	All Donors this Year (Fiscal)	Standard	Yes		DPO			
Select	307	All Donors Today	Standard	Yes		DPO			
Select	304	All Donors with Multiple Gifts	Standard	Yes		DPO	12/21/2011	sle2demo	
Select	458	All Philadelphia Supporters	Standard	No	08/17/2011	sle2demo	06/20/2012	sle2demo	
Select	437	Ann's demo filter	Standard	Yes		annb1			

*Filtering your lists allows you to target the constituents you want!*

## Powerful Reporting & Analysis with the Right Tools

All good solutions will include powerful reporting and analysis tools to track donors, uncover hidden trends, refine solicitation activities and analyze your results. You should also be able to easily modify and create your own unique, professional reports.

Comprehensive Donor Revenue Analysis as of 05/01/2015				
	Current Year 05/01/2015	Prior Year 05/01/2014	Two Years Ago 05/01/2013	Amount Difference Current Year vs. Prior Year
<b>Active Donors</b>				
Number of Active Donors	1	2	14	-6
Total Revenue	10,600.00	13,950.00	132,500.00	-3,350.00
Number of Gifts	20	25	26	-5
Revenue Per Donor (Year to Date)	10,600.00	1,992.86	9,464.29	8,607.14
Revenue Per Gift (Average Gift)	530.00	558.00	5,096.15	-28.00
Gifts Per Donor	20.00	3.57	1.86	16.43
Number of 2+ givers for year	1	3	1	-2
<b>Retained Donors</b>				
Number of Retained Donors	1	2	2	-1
Donor Retention Rate	14.29%	14.29%	11.11%	0.00%
Retained Donor Revenue	10,600.00	9,750.00	117,250.00	850.00
Revenue Retention Rate	100.00%	69.89%	88.49%	30.11%
Revenue per Retained Donor	10,600.00	4,875.00	58,625.00	5,725.00
Average Donor Lifetime	1.17	1.17	1.12	0.00
Lifetime Donor Value	12,402.00	2,331.65	10,600.00	10,070.35
<b>New Donors</b>				
Number of New Donors	0	4	4	-4
New Donor Revenue	0.00	3,700.00	12,050.00	-3,700.00
Number of New Donor Gifts	0	8	4	-8
Revenue per New Donor	0.00	925.00	3,012.50	-925.00
Revenue per New Donor Gift	0.00	462.50	3,012.50	-462.50
Gifts per New Donor	0.00	2.00	1.00	-2.00
<b>Reactivated Donors</b>				
Reactivated Donors	0	1	8	-1
Reactivated Donor Revenue	0.00	500.00	3,200.00	-500.00
Number of Reactivated Gifts	0	1	8	-1
Revenue per Reactivated Donor	0.00	500.00	400.00	-500.00
Revenue per Reactivated Gift	0.00	500.00	400.00	-500.00

Some key report areas that help nonprofits raise more money are:

- **Campaign Effectiveness reports** help you analyze your fundraising efforts by solicitation method and/or campaign.
- **Donation Summaries and Analyses** that break down your donations by giving levels, fund designation or other criteria. Reports like these help you understand trends, improve campaigns and enable you to make better decisions for future fundraising efforts.
- **Grant Tracking** provides detailed reports to track grant requests, funding status and critical dates, so that no grants 'fall through the cracks' and every grant request has the best chance of being funded.
- **Constituent Reporting** on individual donors and their giving histories such as a Five Year Giving Report and a LYBUNT Report- this last one literally being your GOLD MINE to cultivate at the end of each year.

## 2. Fundraising Software Saves Your Valuable Time with the Right Tools

By automating time-consuming tasks, such as entering a record and gift once and having it automatically acknowledged, posted to your ledger, and sent to your accounting software, you can save immeasurable hours – to say nothing of avoiding costly errors and omissions.

## 3. Comprehensive Donation Processing with the Right Tools

No matter the gift type or method of donation, good fundraising software provides a fast and accurate process for entering, recognizing, and managing every gift and pledge.

There are many unique types of gifts that nonprofits must handle such as Pledges, Soft Credits, Restricted Gifts, Matching Gifts, In-Kind Donations, Split Gifts, and Memberships. General purpose accounting software typically doesn't provide a simple way to properly record & process these types of gifts. Even common tasks like processing credit card transactions may involve specialized aspects, such as the need to securely store credit card data for monthly pledges or facilitating online donations which don't easily fit into commercial "shopping cart" models. Even posting check payments requires an efficient method of not only entering the data but tracking information such as solicitation method, which is needed for analyzing your results and later when you need to cultivate your donors again.

The most universally recognized critical factor in fundraising is to recognize every gift with an acknowledgment. Good software will ensure that each gift is automatically acknowledged with the most appropriate thank you letter, or it will set in motion any other acknowledgment such as a phone call, award or thank you gift. It's recommended that acknowledgements be sent within 48 hours of receiving a gift. Why? Because donors who receive timely acknowledgments to their gifts are MUCH more likely to give again in the future. Everyone likes feedback to their donation- the quicker the better. [Getfullyfundedblog.com](http://Getfullyfundedblog.com) notes "The longer it takes you to send out a letter thanking the donor, the less meaningful it is when it arrives." With ad hoc software, this is hard or even impossible to do.





Finally, some fundraising software solutions integrate your website with your software, so if someone makes a donation online, there is virtually no data entry on your end, and the gifts are processed automatically and funds are sent right to your bank account! Engaging and providing timely service to constituents 24 hours a day through your organization's website is one of the keys to growing and keeping current a large database of constituent email addresses and establishing permanent fundraising success!

## Summary

Fundraising CRM Software specifically designed for nonprofit fundraising and constituent relationship management will help your nonprofit:

- Provide a unified tool and view for everyone in your organization.
- Improve all interactions with constituents
- Facilitate better reporting to guide your decision making and share with your board.
- Thus — saving time and allowing your organization to raise more money.



### ***About the Author***

Jon Biedermann is Vice President of SofterWare, Inc. He has served the nonprofit community for over 20 years. In 2001, he launched DonorPerfect Online, which pioneered SaaS fundraising solutions for nonprofit organizations. He has presented numerous seminars on the use of fundraising technology for nonprofit organizations and is recognized as an expert on Internet-based fundraising strategies.

If you have any questions, please feel free to contact Jon directly at [\*\*jonb@donorperfect.com\*\*](mailto:jonb@donorperfect.com)