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UPDATING...



The benefits of and barriers
to upgrading your CRM system



UPDATING IN PROGRESS...



Is now a good time to change your CRM system? Following on from our annual CRM survey, **Ian Allsop** examines the benefits of and barriers to an upgrade

With the charity sector seemingly in an eternal battle to balance funding challenges with increased demand for services, amid rising costs, the role of technology has never been more critical. And as the annual charity CRM (customer relationship management) survey, run by this magazine in partnership with Charity Finance and now in its 17th year, has mapped over time, CRM systems are a key feature of that.

Yet, while satisfaction levels generally are reasonable, not every charity feels that their CRM does everything they want it to. Or they don't have the internal resource or expertise to get the most out of it. And even where satisfaction is low, there is inertia, with 43% of the over 500 respondents to this year's survey having had their current system for over five years (see figure 2). This year, as well as assessing the value of CRM, and looking ahead, we also explore some of the possible reasons for and barriers to changing your CRM, as well as highlighting the experience of two charities which did.

Challenges and solutions

Stephen Gott, product manager in Access's not-for-profit division, paints the picture for many charities. "Long-term reductions in funding and increased demand for services has left many struggling. Strengthening income streams is essential and a CRM can accelerate this process by helping you to connect with and nurture your

supporters, build retention, optimise regular giving programmes and claim gift aid."

Keith Collins, principal consultant at Adapta, says that CRM, "and related data and business intelligence systems and call centre/case management tools, with an added contribution from AI and increased automation, offer charities an enhanced ability to provide more support to more people, across more channels and at any time of the day or night - in theory, and if implemented well".

"A good CRM is much more than a one-trick pony"

Blackbaud has published research which has highlighted that non-profits can see clear benefits to using technology as part of their fundraising. Dan Keyworth, vice president, customer success modernisation and managing director, international markets and global foundations, says that organisations have found that fundraising CRMs help them strengthen relationships with their supporters, boost decision-making and help their employees do their jobs more effectively. "As such, a CRM can help improve efficiency and operations across the non-profit, allowing them to focus on what truly

matters: enhancing impact. In addition, our research findings suggest that digitally mature, tech-savvy charitable organisations are in a better position to achieve their internal fundraising targets, even if external factors can influence income rises or falls."

Jamie Novick, CEO of Compuco, a CiviCRM agency and creators of the CiviPlus SaaS platform, mentions retaining donor attention. "It's a crowded space out there. Donors get bombarded with requests, and attention spans are short. CRMs help charities personalise outreach, track donor interactions, and identify high-value prospects. Small touches that CRMs make easier, such as remembering a donor's birthday, go a long way in building stronger relationships."

Beacon CEO, Chris Houghton, says: "Charities come to us because they're struggling to manage and make real use of their data. This has a massive impact in every part of their operations. They're spending too much time on manual data wrangling and being pulled away from their mission as a charity. An effective CRM gives charities a full, unified view of their whole operation by managing everything under one roof, and making it super simple to segment, filter and report on. While charities often use CRMs for one specific operation, such as fundraising, a good CRM is much more than a one-trick pony."

Steve Cast, managing director at AdvantageNFP, points out that changes in the workforce, following on

Figure 1: Income of respondents

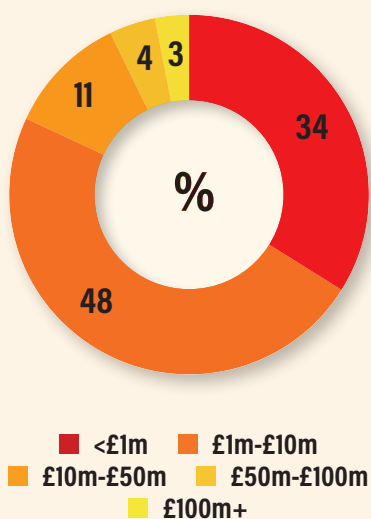


Figure 2: Years using package

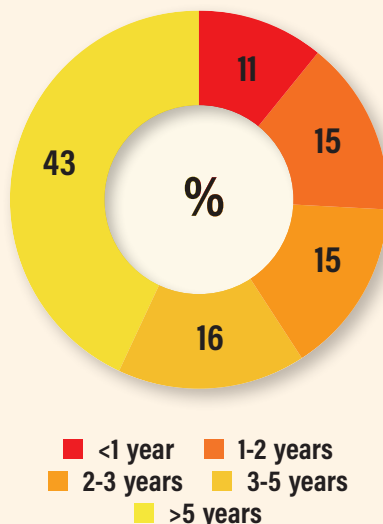


Figure 3: Packages by charity income

Software	%
£10m+	
Raiser's Edge (Blackbaud)	59
Donorfy	16
Blackbaud CRM	9
£1m-£10m	
Raiser's Edge (Blackbaud)	22
Donorfy	20
Beacon	11
CiviCRM	9
<£1m	
CiviCRM	23
Beacon	21
Donorfy	21
GoodCRM	13

from Covid, have resulted in a strong preference for home working, bringing challenges and opportunities for charities. "Charities continue to benefit here by utilising CRM solutions that are location independent, typically running in the public cloud. This also brings its own set of challenges, as this cloud access must be managed securely."

Harlequin managing director, Tom Ellis, says it encourages clients to create personalised donor journeys with the information embedded within their CRM to give the donor a better experience. "Utilising the CRM for general stakeholder management, in addition to fundraising, enables the advantage of team collaboration, cost savings on additional software, and enables a holistic view of the charity's modus operandi. Using data to inform decision-making can enhance the overall impact of the charity and influence strategy."

Changing times

So, what systems are there to choose from? In terms of market share,

Blackbaud's Raiser's Edge product continues its long-held dominance for charities with over £1m income (see figure 3). Donorfy features strongly across all income ranges, while CiviCRM joins Beacon and GoodCRM as the main players at the lower-income end of the market.

"We embarked on a major programme to merge the data into one system"

Some 68 charities said that they have changed package in the last year. Over three-quarters are satisfied so far, with a further 19% saying it is too early to tell. While 43% found the process smooth, over a third experienced some or huge disruption (see figure 8). Of all those expecting to review their system in the next 12 months, 45% think that they might change.

One charity which changed solution

recently is Street Child. Sarah Noak, director of finance and resources, explains that the charity has grown very fast over the past five years having been through a number of mergers or takeovers of smaller entities. "Some of these had different CRMs and we embarked on a major programme to merge the data into one system. However, during the period since Covid, due to the rapid growth in the number of income sources and also staff changes, we had not been entering gift data onto our CRM, instead relying on our finance system to do so. So, we decided to invest in bringing the CRM fully into use as the primary source of gift data and recruited a full-time and dedicated manager to work on this. We also set up the processes that would be needed to capture this information in the CRM moving forward, along with the changes that would be needed to reconcile all data to the finance system."

She continues: "As often happens when someone new comes in, they took a step back and asked whether

Figure 4: How do you rate your CRM software?

Software	Number of responses	Functionality	Cost	Integration with other systems	Integration with website	Ease of use	Accessibility	Security	Ability to customise	Overall
Access Charity CRM	17	3.4	2.5	3.1	2.9	3.1	3.1	3.9	2.9	3.1
Advantage Fundraiser (Redbourn)	6	4.2	4.5	3.5	3.2	4.3	4.5	4.2	3.8	4.2
Beacon	67	4.8	4.4	4.4	4.6	4.8	4.8	4.8	4.7	4.8
Blackbaud CRM	9	3.6	3.0	3.0	3.1	3.1	3.2	3.4	3.3	3.4
Charitylog	5	4.0	4.4	3.2	2.8	3.8	3.8	4.2	3.3	3.4
CiviCRM	54	4.6	4.6	4.1	4.3	4.1	4.1	4.3	4.6	4.6
donorflex	6	2.7	4.0	1.8	1.8	3.0	2.2	3.3	2.0	2.7
Donorfy	92	4.5	4.3	4.3	4.1	4.4	4.4	4.6	4.0	4.5
GoodCRM	27	4.0	4.1	3.7	3.6	4.1	4.0	4.0	4.0	4.1
Harlequin	20	4.2	4.5	3.7	3.4	4.3	4.2	4.4	4.1	4.1
Microsoft Dynamics	8	3.8	3.0	3.1	3.1	3.5	3.3	4.1	3.5	3.5
Raiser's Edge (Blackbaud)	91	3.7	2.8	2.8	2.8	3.6	3.5	3.9	3.0	3.4
Salesforce.com	17	4.0	3.7	3.8	3.5	3.6	3.8	4.2	3.9	3.8
Other	35	3.0	3.4	2.8	2.7	3.1	3.4	3.8	2.8	2.9
Overall	454	4.1	3.9	3.6	3.6	4.0	4.0	4.2	3.8	4.0

*Satisfaction ratings have been determined by assigning responses with values from "very good" = 5 to "very poor" = 1, and then calculating an average

our existing CRM was really the best product for us, mainly on grounds of cost and usability. We didn't invite tenders but effectively ran the tender process ourselves through a combination of our own research and asking for price quotes.

"This information was presented to an internal working group with colleagues from fundraising and finance and collectively we took the decision on a new solution. It was a pretty clear-cut one as there were not many CRMs that offered the functionality we needed."

Price was the most compelling reason for their choice, adds Noak. "But before looking at price we were assured that the new system could also offer the functionality we needed. Our decision was accelerated by us coming

to the end of a three-year deal for our existing licence."

Street Child has migrated all data and is currently at the configuration stage. "This means that we are working without a CRM for a short period, but

"There were not many CRMs that offered the functionality we needed"

we have all of our data and so can still communicate with donors. We were also processing some direct debit collection ourselves directly from the CRM, but have now transitioned this to a third-party provider so that the collection of direct debits is seamless."

Noak says that although there is a small cost increase in not running this in-house, it is more than offset by the savings on the CRM licence and staff time to update and run the direct debits. "We'll decide when the new CRM is up and running whether we continue with this method or move back in-house."

She concludes: "The timescales forced our hand a bit and ideally we would have started the process sooner. Or we could have run both CRMs, which we probably would have done had we been using the system to capture gift data on an ongoing basis. But we were able to have a period with no CRM. However, we are looking forward to having it up and running again and being able to analyse our data to drive decision-making."

Figure 5: How do you rate the ability of your CRM system to:

Software	Number of responses	Integrate with digital marketing tools	Help provide a single view of supporters/stakeholders	Help you automate your business processes
Access Charity CRM	17	3.1	3.3	2.6
Advantage Fundraiser (Redbourn)	6	3.3	3.8	3.8
Beacon	67	4.3	4.6	4.5
Blackbaud CRM	9	2.7	3.1	2.8
Charitylog	5	2.4	3.2	3.0
CiviCRM	54	4.0	4.3	4.2
donorflex	6	1.7	2.8	2.2
Donorfy	91	4.0	4.3	4.1
GoodCRM	27	3.4	4.2	3.5
Harlequin	20	3.5	4.3	3.8
Microsoft Dynamics	8	3.4	3.4	3.1
Raiser's Edge (Blackbaud)	91	2.8	3.6	2.9
Salesforce.com	17	3.4	3.8	3.5
Other	35	2.5	2.7	2.7
Overall	453	3.5	3.9	3.6

Bringing CRM in-house

Charity IT Leaders also recently changed system. CEO Tree Hall says it was prompted to change because having outsourced its admin functions to an external agency for several years, it didn't have its own CRM in place, as all data was managed by the agency. "When we brought admin back in-house, we needed to implement our own CRM system so that we could manage all our members, sponsors and speakers. We didn't want to use the same system that the agency had used as this had never been satisfactory for us."

"The system the agency had used had never been satisfactory for us"

She says that they were fortunate that the digital agency supported them with the process, so they had expert advice at every stage. "We identified our key requirements and mapped out our processes, member journeys and sponsor pathways, and documented all of our user stories so

that we had a clear idea of what we needed a system to do for us. I then researched CRMs, based on reviews from sites such as Charity Digital, and recommendations from members and trustees. I came up with a long list of potential solutions and ranked them against our criteria. I passed this long list to our agency which reviewed the systems against our needs and short listed three. With the agency, we set up demo accounts with the three short-listed systems and spent a week testing the functionality and usability of each option. From this, we arrived at our final two. Our agency met with both suppliers and talked through our needs and from this made a recommendation."

Hall explains that the selection process ensured they now have an excellent product that meets their needs and has capacity to grow and scale up. "We split the implementation into phases with clear goals and objectives for each phase. The phasing was based on our activities and the priorities we had for membership management and comms. This helped us stay focused on the priorities and not get sidetracked by 'maggie' moments when we saw a bright and shiny opportunity within the system, and keep to the project plan."

Implementation and configuration has gone well, as has the data import, says Hall. "Phase one has been successfully completed and we

Figure 6: How do you rate your CRM software supplier?

Software	Number of responses	Technical support/customer service	Provision of updates/upgrades	Knowledge of charity sector	CSR	Investment in development	Overall	% that would recommend supplier
Access	17	3.2	3.5	3.5	3.2	3.4	3.2	41
Beacon	67	4.9	4.7	4.8	4.6	4.8	4.8	97
Blackbaud (Blackbaud CRM, eTapestry & Raiser's Edge)	100	3.8	3.5	4.0	3.4	3.2	3.5	64
CiviCRM	53	4.3	4.3	4.4	4.3	4.2	4.3	96
Dizons (Charitylog)	5	4.2	3.6	4.0	3.6	3.8	3.8	80
donorflex	6	3.7	3.2	3.8	3.2	2.8	3.2	40
Donorfy	86	4.5	4.4	4.7	4.2	4.4	4.5	97
GoodCRM	26	4.4	4.0	4.4	4.1	4.4	4.4	96
Harlequin	20	4.6	4.4	4.7	4.3	4.2	4.6	84
Microsoft (Dynamics, Excel, & Outlook)	13	3.5	3.2	3.1	2.9	3.2	3.2	31
Redbourn (Advantage Fundraiser)	6	4.7	4.3	4.2	3.8	4.0	4.3	83
Salesforce.com	17	3.6	3.8	3.4	3.4	3.8	3.6	75
Other	24	3.3	2.8	3.0	3.0	3.1	3.2	35
Overall	440	4.2	4.0	4.2	3.9	4.0	4.1	79

are using the system for member management and to drive comms. We're consolidating this stage and will then move on to integrate finances and other functions and build out the processes for our sponsors and speakers."

Luckily, nothing has gone terribly awry. "We had to move very quickly on this project as we terminated our contract with the external agency with one month's notice, so we had to put the system in place slightly on the hop and knowing that we would have to work off spreadsheets for a few weeks while we put the CRM in place. Because of this, we had to clean our data as we were working off data exports from the agency, and this needed to be integrated with data islands that we held internally. It would have been much easier if we could have had more time to ensure the data was in the best possible state before proceeding."

She states that in an ideal world, she would have carried out the CRM implementation alongside migrating financial functions in-house so that they could build the systems alongside each other and test the integrations without live data. "But because of the time constraints we had to prioritise the CRM, which means we still have the finance system to set up and integrate while using the new CRM."

Barriers to change

So, what do the CRM providers consider to be the main barriers stopping charities from changing CRM systems, even if they are dissatisfied with their current solution/supplier?

Steph Graham, CEO of GoodCRM, says that changing software can be an extremely daunting task, not to

Figure 7: How often do you review your CRM software?

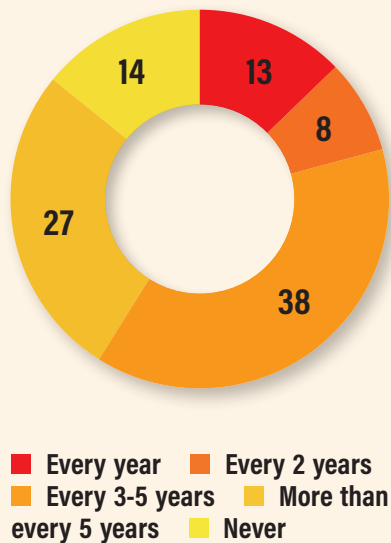
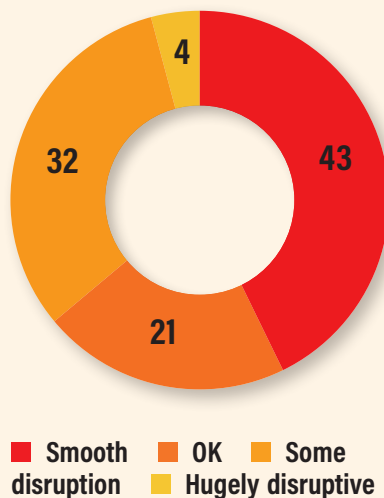


Figure 8: If you have changed your main CRM software in the last 12 months, how did you find the process?



mention time-consuming, and costly. "There needs to be some strong will behind changing suppliers, and the ability to calculate a decent cost or time saving in the future. One of the hardest functions to move can be anything where a large number of stakeholders, such as regular donors or members, need to be contacted and actioned to get their regular gift or payment set up on a new platform."

Robin Fisk, CEO at Donorfy, argues that it is a misconception that migrating to a new CRM is always time-consuming, costly and laborious. "In truth, expert-led implementations can have surprisingly short timelines, be cost-effective and set up the charity for future growth. We regularly speak to charities which are surprised by this, as most assume that integration is always complex and bank-breaking, which makes them nervous about switching.

"Responsible suppliers will work to resolve the issue to the best of their abilities, and if the issue cannot be overcome to the charity's satisfaction, then they should play their part to ensure a smooth transition to a new supplier."

Keyworth explains that choosing a new CRM solution takes time and dedication, and these kind of technology projects typically only happen every five-to-10 years. "Regardless of how tech-savvy the team is, it often takes time to get started using the new CRM and learn how to use it to its fullest potential, making the process seem inconvenient for many."

He says that organisations should also place focus on selecting a technology provider that has an innovation roadmap and is constantly

improving. "This makes it more likely that the technology solution will keep up with the changing technology landscape and meet the non-profit's needs in the long term."

Future developments

Graham thinks people are looking for CRMs to be more multifunctional and wanting to streamline several platforms into one system. "While this can cause some problems – think Frankenstein's monster – it's a great development in CRMs as long as the technology is accessible to all and easy to use. Widespread adoption is key."

Fisk argues that everything comes back to AI, and charities being able to harness it to improve targeting. "This helps get the right messages to the right people at the right time. It's looking to be a real game-changer."

Keyworth also raises AI. "Charities have an abundance of donor information and data, but they are often challenged by making sense of

it in the most effective ways possible. AI, quite simply, is the most efficient and effective tool available to do that without burning through hours of human resources. CRM systems enhanced with AI can unlock huge opportunities by helping charities improve various aspects of their fundraising programmes."

"CRM systems enhanced with AI can unlock huge opportunities"

Novick at Compuco adds that it is important to remember that AI is a tool, and like any tool, it's most effective when used responsibly. "The human touch remains essential in building genuine relationships with donors. When used most effectively, AI serves as a powerful force multiplier, like an additional team member empowering charities

to work smarter, not harder, and ultimately achieving greater impact."

He concludes that there is an exciting future ahead for charity CRM systems. "As technology continues to evolve, we can expect even more innovative features that empower charities to connect with donors on a deeper level, maximise their impact, and ultimately change the world for the better." ■

Ian Allsop is a freelance journalist

Survey methodology

The questionnaire, comprising of 28 questions in total, was sent out to charity subscribers and contacts of Fundraising Magazine/Charity Finance in March 2024, as well as separately by CRM suppliers and vendors to their own clients and contacts. Once the data had been tidied there were 509 usable and unique responses.