

Getting better connected

Diane Sim presents the findings of *Civil Society IT's* third annual Charity CRM Software Survey

Figure 1: What CRM software supplier do you use?

	%
Microsoft (Access, Excel, Outlook, Dynamics CRM)	25%
Blackbaud (Raiser's Edge)	16%
Bespoke	13%
IRIS (CARE, Donor Strategy, Integra, Charisma, Concept)	9%
ASI (ProgressCRM, iMIS)	9%
ESiT (thankQ)	5%
Donorflex	3%
Westwood Forster (Visual Alms, Alms.net)	3%
Salesforce.com	3%
DonorPerfect	1%
Constant Contact	1%
Sage (Sage Act!, Sage CRM)	1%
Other	12%

Figure 2: What is your main CRM package?

	%
Raiser's Edge (Blackbaud)	16%
Bespoke	13%
Access (Microsoft)*	13%
ProgressCRM (ASI)	8%
Excel (Microsoft)**	7%
thankQ (ESiT)	5%
CARE (IRIS)	3%
Donor Strategy (IRIS)	3%
Outlook (Microsoft)**	3%
Donorflex	3%
Salesforce.com	3%
Visual Alms (Westwood Forster)	2%
Dynamics CRM (Microsoft)	2%
iMIS (ASI)	1%
Integra (IRIS)	1%
Constant Contact	1%
DonorPerfect Online	1%
Other	14%

* Only counted when used as main package, rather than in conjunction with a specialist CRM package

** Only counted when used as main package, rather than in conjunction with a specialist CRM package or Microsoft Access

'It's not what you know but who you know' is an apt – albeit crude – summary of the core philosophy underlying any organisation's customer relationship management (CRM) activities. As the UK recession continues to bite and charities find themselves competing for diminishing resources from public, private and commercial donors, the ability to grow and maximise the benefit of the supporter base is critical.

While UK charities enjoy a wide choice of specialist CRM systems, *Civil Society IT's* 2010 Charity CRM Software Survey suggests that not all charities and civil society organisations are taking advantage of it. For the 33 per cent surveyed this year that are using generalist business software to meet their CRM needs, there is plenty of scope for development if the business case for investment can be made.

Now in its third year, the survey attracted the participation of 208 organisations. Half of these have an annual income of between £1m and £10m, while the other half is split between those in the <£1m income bracket (34 per cent) and the £10m+ income bracket (16 per cent).

Around two-thirds of those surveyed use a CRM package specifically tailored for charities or the wider civil society community (54 per cent) or a bespoke package designed specifically for their organisation (13 per cent). The remaining third use a commercial CRM package not specifically tailored for charities or generalist business packages such as Microsoft's Accessor Excel (see figures 1 & 2).

For the third year running, Raiser's Edge from Blackbaud is the most popular

specialist package, used by 16 per cent of all charities surveyed. Aimed at mid-range to larger charities, it is used by 31 per cent in the £10m+ income bracket and 20 per cent in the £1m-£10m bracket, but has no penetration of the smaller charities surveyed in the <£1m income bracket (see figure 3).

The second most popular specialist CRM package is ProgressCRM, developed by Fisk Brett, which was acquired by ASI in June 2008. Designed for charities with annual income between £0.5m and £10m, the package has around 180 clients, says ASI's global fundraising product manager Robin Fisk. It is used by 8 per cent of all charities surveyed and 13 per cent of charities in the £1m-£10m income bracket.

ASI's other specialist CRM product iMIS, designed for civil society organisations with annual income of £5m and above, also features but to a lesser extent, perhaps reflecting the lower representation of those in the £10m+ income bracket.

IRIS has a similar penetration level to ASI in that they each supply the main CRM package for 9 per cent of all organisations surveyed. IRIS's share is, however, split between five different packages: CARE, Donor Strategy (acquired in September 2008), Integra, Charisma and Concept. According to IRIS NFP Solutions head of product management Charles Bagnall, DonorStrategy is aimed at small-to-medium-sized charities and has around 300 clients, while CARE is targeted at large-to-enterprise-sized charities and has 85 clients.

Perhaps the most striking feature of this year's CRM software package league table is the performance of its biggest new entrant, Salesforce.com, which is used by 3 per cent of all charities surveyed. Although usage figures are not that high, user feedback is really quite impressive: Salesforce.com tops both the supplier and package league tables and is recommended by 100 per cent of its surveyed users (See figures 4, 5 & 6).

Salesforce.com is a web-based



Figure 3: Packages by charity income

		% using package	% would recommend
£10m+			
1	Raiser's Edge (Blackbaud)	31%	71%
2	CARE (IRIS)	17%	60%
3	Bespoke	10%	0%
£1m – £10m			
1	Raiser's Edge (Blackbaud)	20%	84%
2	ProgressCRM (ASI)	13%	83%
3	Access (Microsoft)	10%	50%
3	Bespoke	10%	43%
<£1m			
1	Access (Microsoft)	25%	43%
2	Bespoke	17%	56%
3	Excel (Microsoft)	16%	56%

Figure 4: Would you recommend your current supplier to other charities?

	Yes (%)
Salesforce.com	100%
Westwood Forster	100%
ESiT	90%
Donorflex	83%
Blackbaud	80%
ASI	72%
Bespoke	55%
Microsoft	51%
IRIS	50%
Other	58%
Overall	66%

software as a service (SaaS) solution that is made available to not-for-profit (NFP) organisations by the Salesforce Foundation on highly advantageous terms: for eligible organisations the first ten user licenses are donated free of charge and the cost of additional licenses is discounted by almost 80 per cent.

Salesforce.com has been available to NFPs in this way since 2002 but take-up is gaining momentum: "Usage has grown by 52 per cent over the last 12 months and we now have 459 NFP users in the UK," says Isabel Kelly, international director of the

Salesforce Foundation. Moreover, there have been some impressive client wins including Business in the Community, which has an annual income of £21.4m, and Teach First, which has annual income of £4.5m.

Specialist vs generalist

The bulk of the generalist packages used for CRM purposes by the charities surveyed are supplied by Microsoft. They include Access and Excel and, to a lesser extent, Outlook and Dynamics CRM. While many charities use Access, Excel and Outlook alongside their main CRM package, for almost a quarter of charities surveyed, Access, Excel or Outlook is the main CRM package.

Unsurprisingly most of these are smaller charities in the <£1m income bracket, though there are some notable exceptions to this such as a charity with annual income of £16m, which cites Access as its main CRM package, and a charity with annual income of £2.4m, which uses Excel as its main CRM package.

While some claim that a generalist package is adequate for their needs or all that they can afford, many are looking to upgrade to the increased functionality of a dedicated CRM package and this segment is prime hunting ground for specialist CRM software suppliers.

There is a broad consensus – shared by users and suppliers alike – that charities need charity-specific CRM software, due in the main to the complexity of the relationships between their different stakeholders.

"Charities need to recruit, nurture and retain donors, volunteers, supporters and beneficiaries with absolute confidence," says Bagnall at IRIS. "At charities, these relationships are often much more complex and multi-tiered than in corporate organisations. For instance, a beneficiary may evolve into a volunteer, then a donor and then a mentor."

There is also the wide range of activities that charities undertake – particularly in the area of fundraising – that generalist CRM packages would find difficult to accommodate,

says Peter Flory, an independent IT consultant to the civil society sector. "Gift aid, payroll giving, matched funding and legacy administration are just the start of a very long list of charity-specific requirements," he says.

Flory believes that charities are well catered for in terms of specialist CRM software and have a great deal of choice in terms of suppliers: "There are over 100 suppliers and around 40 that should be taken seriously. Charities have great choice and most should be reasonably happy with their CRM arrangements," he says.

Satisfaction levels

Satisfaction levels amongst the 200+ charities surveyed are good but are certainly capable of improvement. Some 66 per cent of charities would recommend their supplier to other charities, up from 63 per cent last year, while 60 per cent rate their supplier as 'good' or 'very good' and 56 per cent rate their CRM software as 'good' or 'very good.'

The overall recommendation rating for suppliers given in figure 4 is of course pulled down by charities using bespoke systems, which are – after all – designed to meet a specific organisation's needs, and charities using generalist packages, which do not purport to accommodate charity-specific requirements. This is reflected in the comparatively low recommendation ratings for bespoke systems (55 per cent) and Microsoft (51 per cent), which generally lag behind the higher ratings given to suppliers of charity-specific CRM software.

While IRIS lags behind the pack, it is clear from figure 6 that CARE is more highly rated by its users than Donor Strategy and this has affected the overall recommendation rating for IRIS given in figure 4. Clearly some suppliers fare better than others and this year's



We'll be good for each other or it's FREE*!

The Raiser's Edge® Grow

Your fundraising goes up

We keep you as a client

“We use so many different spreadsheets that it becomes difficult managing them all. Writing reports takes forever and the reports we produce are sometimes unreliable or even inaccurate.”

“It takes such a long time to trawl through contact lists and use filters to find things. We don't know who has contacted who, when or what the outcome was. Everything takes a long time to do!”

Can you relate to the above statements?

With The Raiser's Edge Grow, you can manage all of your fundraising, communications, volunteers, events, gift aid, reports, queries and much more, all in one centralised database.

Small charity resource, big charity outcome...
Find out how! Visit www.blackbaud.co.uk/raisersedgegrow/grow.aspx.

0845 658 8590 – solutions@blackbaud.co.uk

*Terms and conditions apply

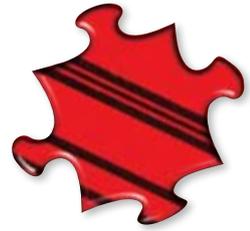
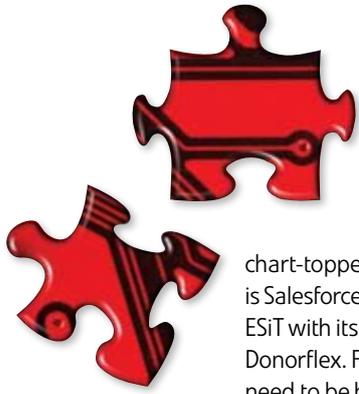


chart-topper – as alluded to above – is Salesforce.com, closely followed by ESiT with its thankQ package and Donorflex. Figures for these products need to be handled with care as they come from smaller samples than some of the other products in the table, but they nevertheless provide an interesting guide.

Given the distribution model of Salesforce.com, one would expect

the exceptionally high rating it receives for 'cost' (see figure 6), though it also scores highly for 'functionality' and 'integration'. Where it scores less well is 'ease of use' and this is alluded to by some of its users: "Clearer indication of how difficult the installation and data cleaning process would be in the first place would have been welcome," comments the CEO of a charity

with annual income of £300,000.

Kelly is aware that there is a gap between donation of the software and its adoption by the recipient and says that the Salesforce Foundation has put "steps in place and a structure around the license donation to encourage usage".

ProgressCRM from ASI is also highly rated by its users in the areas of 'functionality' and 'ease of use,' as is thankQ from ESiT, while Dynamics CRM from Microsoft is rated highly by its users for 'functionality' and 'cost'. It is noticeable that ProgressCRM appears higher up the league tables than its supplier ASI and this, along with several user comments, suggests some concern over the recent change of ownership of Fisk Brett.

"Progress CRM has not lost any customers as a result of the acquisition and we are keen to ensure that they reap all of its benefits," says Fisk. "These include access to an externally audited and accredited technical support team, improved response times, a dedicated product manager, a newly launched product advisory council that will prioritise areas for development, as well as increased security over the future of the product," he says.

Figure 5: How do you rate your CRM software supplier?

	No. of responses	Technical support	Knowledge of charity sector	Commitment to charity sector	Overall
Salesforce.com	6	2.50	1.83	2.50	2.50
ESiT	10	2.40	2.40	2.40	2.40
Donorflex	6	2.00	2.00	2.17	2.17
Bespoke	22	1.95	2.14	2.23	1.90
Blackbaud	30	1.87	2.00	1.93	1.87
ASI	18	1.56	2.00	1.94	1.83
Westwood Forster	5	1.60	2.40	2.40	1.60
IRIS	19	1.26	1.39	1.42	1.37
Microsoft	37	1.19	0.95	0.94	1.03
Other	25	1.72	1.68	1.68	1.68
Overall	178	1.67	1.72	1.75	1.67

Figure 6: How do you rate your CRM software?

	No. of responses	Functionality	Cost	Integration with other systems	Ease of use	Overall
Salesforce.com	6	2.50	2.83	2.50	1.83	2.50
ProgressCRM	16	2.19	1.73	1.63	2.00	2.07
Dynamics CRM	4	2.00	2.25	1.75	1.75	2.00
thankQ	10	1.90	1.80	1.80	1.90	2.00
CARE	7	2.00	1.14	1.43	1.86	1.86
Donorflex	6	2.00	1.67	1.33	1.50	1.83
Outlook	6	1.33	1.83	1.67	1.67	1.67
Bespoke	24	1.83	2.33	1.33	1.63	1.65
Raiser's Edge	32	2.06	1.16	1.41	1.53	1.61
Excel	10	1.30	1.50	1.33	1.60	1.40
Access	26	0.96	2.00	1.12	1.27	1.15
Donor Strategy	7	1.71	1.57	1.00	1.14	1.14
Visual Alms	5	1.80	1.60	0.80	0.80	1.00
Other	34	1.62	1.56	1.06	1.45	1.44
Overall	193	1.74	1.72	1.35	1.55	1.59

New developments

When asked to identify how their CRM systems could be improved, 30 per cent of the 66 charities proposing recommendations specified integration with other systems. These ranged from specialist systems for finance, fundraising, membership management, merchandising and stock control, box office and ticketing through to Microsoft Office applications. A further 26 per cent expressed a requirement for better reporting capabilities and analytical tools, while 8 per cent lobbied for greater web-enablement.

There are certainly indications that suppliers are aware of these needs and are responding to them. The recent release by IRIS of a scaled-down version of its Exchequer accounting system for small-to-medium-sized charities using its CRM systems

The average satisfaction scores contained in figures 4 and 5 are calculated on the basis of 'very good' = 3 points, 'good' = 2 points, 'average' = 1 point and 'poor' = 0 points.

Web integrated CRM solutions to meet the unique needs of all not-for-profit organisations

Striving for optimal performance?

- Maximise the value of your data and centralise processes
- Recruit and retain members and supporters with confidence
- Build a management information system
- Increase income and reduce costs
- Leverage the power of the Internet to widen your reach and build communities

IRIS will deliver the optimal solution to your needs

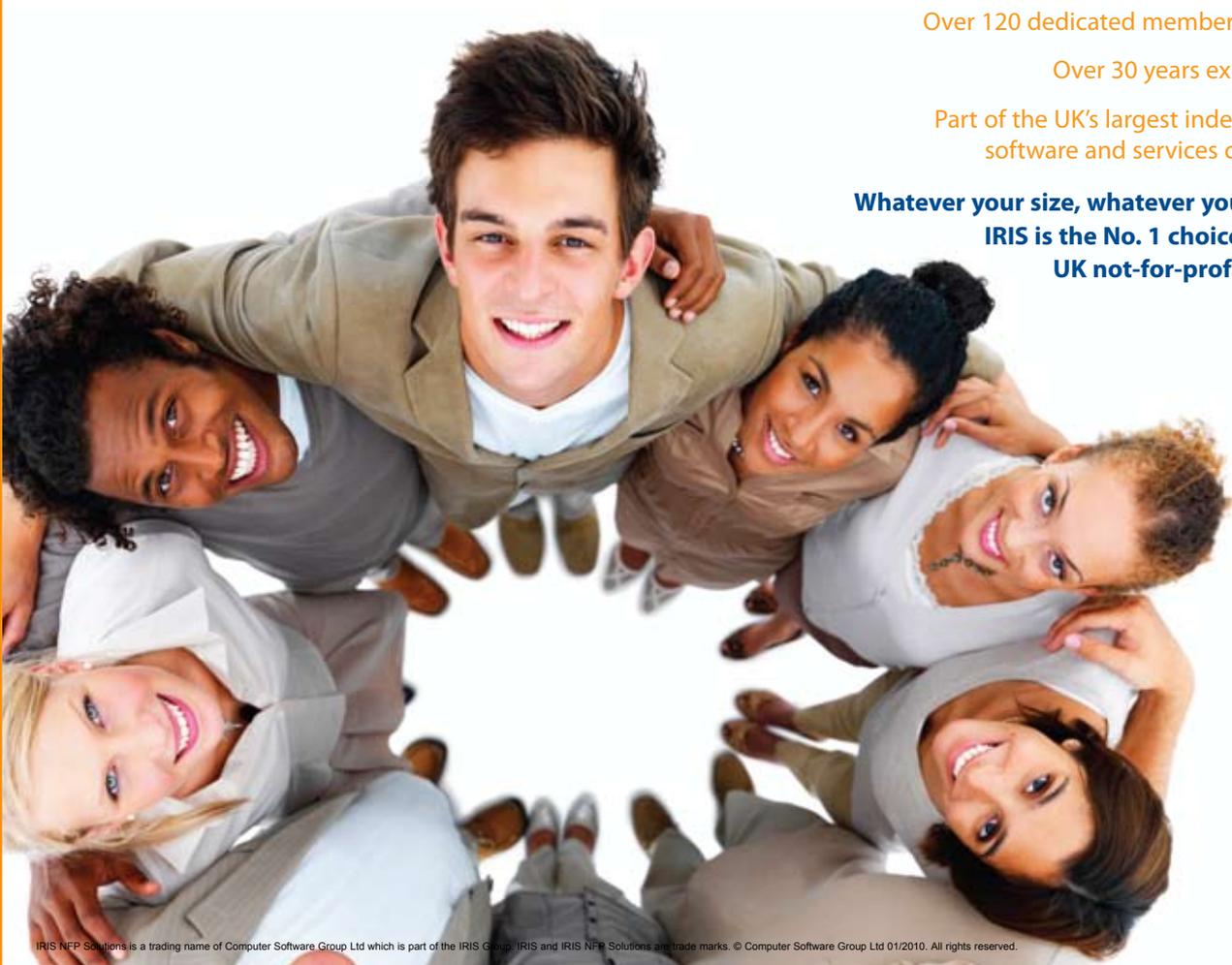
Over 1,000 not-for-profit customers

Over 120 dedicated members of staff

Over 30 years experience

Part of the UK's largest independent
software and services company

**Whatever your size, whatever your cause
IRIS is the No. 1 choice for the
UK not-for-profit sector**



IRIS NFP Solutions is a trading name of Computer Software Group Ltd which is part of the IRIS Group. IRIS and IRIS NFP Solutions are trade marks. © Computer Software Group Ltd 01/2010. All rights reserved.

(particularly DonorStrategy) and the launch of accounting solution FinancialForce.com on the same cloud platform as Salesforce.com are both aimed at charities seeking greater integration of their finance and CRM systems.

Suppliers are also fairly busy with the development of web-based applications for their CRM customers. Blackbaud, for example, has recently launched a scaled-down SaaS version of Raiser's Edge. "Called RE GROW, it is aimed at smaller charities with annual

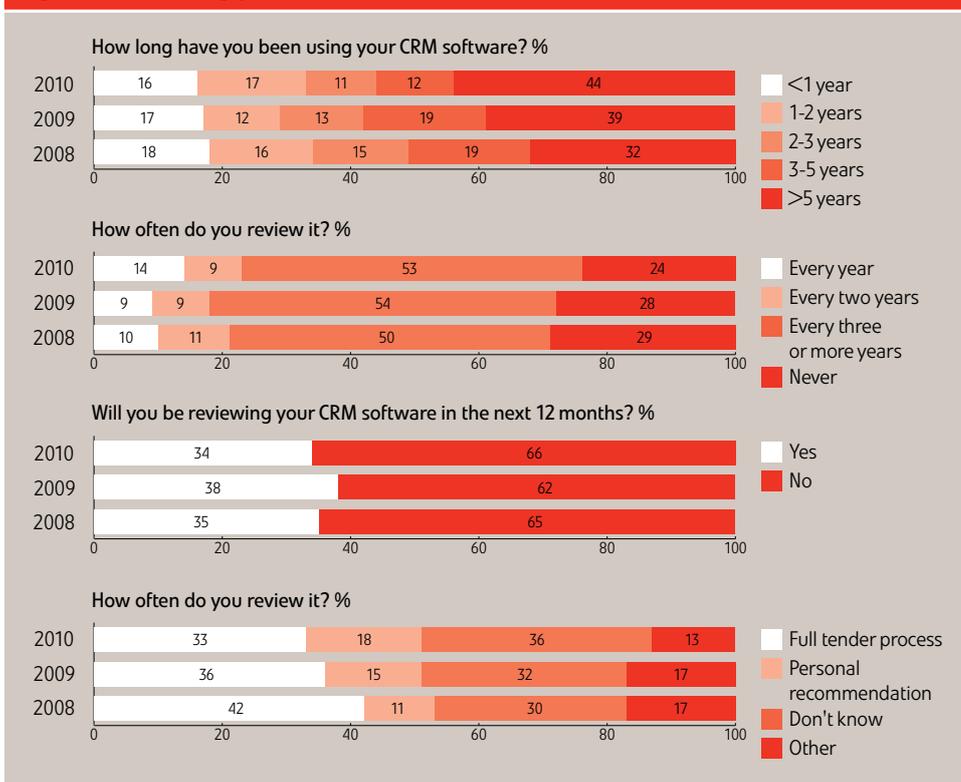
income of up to £250,000 who are likely to be using Access or Excel for their CRM applications," says Adrian Cutcliffe, marketing manager for Blackbaud Europe.

According to Fisk at ASI, the launch of a cloud-based version of ProgressCRM is imminent, while Bagnall confirms that IRIS too "is planning to extend its web and hosted offerings in 2010". Other web-based initiatives recently introduced or soon to be launched by vendors interviewed in the course of this survey include greater

website and database connectivity, facilitating the automatic transfer of data captured via a website to the CRM system, and developments aimed at utilising the power of social networking sites for advocacy and fundraising.

An area which Cutcliffe believes will become increasingly important is "database integration and the consolidation of disparate systems", as charities aim to create efficiencies in data handling and avoid the risk of alienating supporters by duplicate or inappropriate communications.

Figure 7: Reviewing your software



Outlook for CRM investment

There has been a marked increase in the proportion of charities which have had the same CRM software for more than five years, climbing to 44 per cent, up from 39 per cent last year and 32 per cent in 2008, indicating that charities affected by recession have put investment in CRM technology on hold (see figure 7).

This is not borne out, however, by many of the commentators interviewed for this survey. Flory, for example, knows of only one civil society organisation that has postponed its CRM development plans and says that in spite of falling income levels many charities are digging deep to fund developments in this area with a view to streamlining processes and making efficiency gains. "They are spending to save and preparing for the end of the recession", he says.

Mark Higgitt, media services manager for Donorflex concurs: "Charities are facing a tough operating environment at present and are becoming increasingly competitive. There is a feeling that they need to come out of the recession stronger than they went into it."

Undertaking proper cost benefit analysis and making the business case is clearly important, according to ESiT MD John Bird. "Charities are beginning to realise that data is their biggest asset and they need to get more out of it. And if investment in CRM enables them to recover gift aid more effectively, for example, then it's easier to make the case and justify the investment."

Figure 8: Security

