How to Select the Right Peer-to-Peer Fundraising Software for Your Nonprofit

PRO TIPS FOR FINDING, REVIEWING, AND NEGOTIATING THE CONTRACT FOR YOUR NEXT PLATFORM

Cathexis PARTNERS

INTRODUCTION

You might just be starting out with your nonprofit's peer-to-peer fundraising program. Or, maybe you've been running peer-to-peer fundraising events and campaigns for years. No matter where you are in your peer-to-peer fundraising journey, there comes a time when you need new peer-to-peer fundraising software to support your organization's goals, or you're simply ready to see what new and exciting solutions are on the market today.

But if you're like many nonprofit professionals, selecting new software is not exactly your favorite activity. After all, it's not your day-to-day job. It can leave you wondering things like:

- How do you know that it's the right time for new software?
- How do you create a short list of possible software products?
- How can you make sure your final choice is the best one for your organization?

At Cathexis Partners, we've worked with many nonprofits on their technology projects, and we've seen what works when it comes to choosing the right software for their unique needs and goals.

That's why we've put together this guide — to share some of our top tips on how to select the right peer-to-peer fundraising platform for your nonprofit. In this guide, you'll learn:

- What signs will tell you it's time for new software
- How to review various platforms through either a more formal request for proposals (RFP) process or a less formal process to get the results you need
- What common functionality and capabilities to look for in your new software
- How to make the most of software vendor demos so you can make an informed final selection

Let's dive in.

COMPANION RESOURCE

Be sure to check out this online, interactive tool. Used with this guide, it will give you a strong start for your peer-to-peer fundraising software selection.

VIEW THE ONLINE TOOL

3 Signs It's Time for New Peer-to-Peer Fundraising Software

If you're reading this guide, you probably have a hunch that it's time to look for new peer-to-peer fundraising software. Maybe you realize that getting things done just isn't as easy as it used to be. Or, perhaps your nonprofit is growing and evolving, and you can't seem to get done what you need to using your current peer-to-peer software. Or, maybe you have been running peer-to-peer fundraising campaigns for quite a while with the same old software and you're pretty sure that there must be a better tool available.

But, how do you know when it's really time to make the move to a new solution?

Here are three signs that you need to find new peer-to-peer fundraising software:

1 Your peer-to-peer participants aren't as happy as they should be.

Your participants will let you know when they're finding the online experience for your peer-to-peer campaigns and events difficult to navigate — even if they don't tell you directly. Here are some things to look for:

- **Registration abandonment** — Some number of people will start to register for your campaign or event and then get distracted or change their minds. But, if you see a high number of people abandoning the registration process, or if that number starts to go up, it might be a sign that you need software that supports an easier and more intuitive participant-facing online experience.

TIP

Track registration abandonment in Google Analytics to identify trends that can give you insights into the effectiveness of your sign-up process.

- **Support requests** — Similarly, if you find your staff is receiving an increasing number of support requests for your peer-to-peer campaigns and events, it's a signal that your software might not be as easy for participants to use as it should be.
- **Survey responses** — After each peer-to-peer event or campaign, it's a good idea to send participants a survey to capture their feedback. Be sure to ask questions about their online experience. They'll let you know if the experience is clunky or outdated.

2

Your staff productivity is decreasing.

Another sign that it's time for new software is that your organization's peer-to-peer fundraising team doesn't seem to be working as efficiently as they should be. They might even be letting you know that they're having challenges getting things done. For example, you might hear them say that:

- It's difficult to run reports and get to the information they need when they need it.
- Making changes to the participant-facing design is difficult and/or they aren't getting the results they expect after making changes.
- It seems to take too long to set up and/or edit a new campaign.
- There are new things they want or need to do (such as fitness tracking or livestreaming) to support new event strategies (such as virtual run/walk/ride events) that they simply can't do using your current software.

3

Your organization's strategy is evolving (but your software isn't).

As your organization evolves, it's not uncommon for technology that once met your needs to no longer work for you. Here are some things to watch for that will tell you that your organization might have outgrown your peer-to-peer fundraising software:

- Your peer-to-peer fundraising platform will not integrate with your donor database or customer relationship management (CRM) platform, email marketing platform, or other key software that your organization is now using or plans to add soon.
- Your organization's strategy has expanded to include more social media, apps, SMS, and other technologies, but your peer-to-peer software does not support or integrate with those technologies.
- Your organization has shifted money or resources toward other software, and you need a more cost-effective solution.

How to Use a Review Process to Find Your Peer-to-Peer Fundraising Software Match

Once you know that it is, indeed, time for new software, then it's time to find the right software for your nonprofit. One of the best ways to do this is to issue a request for proposals, or RFP.

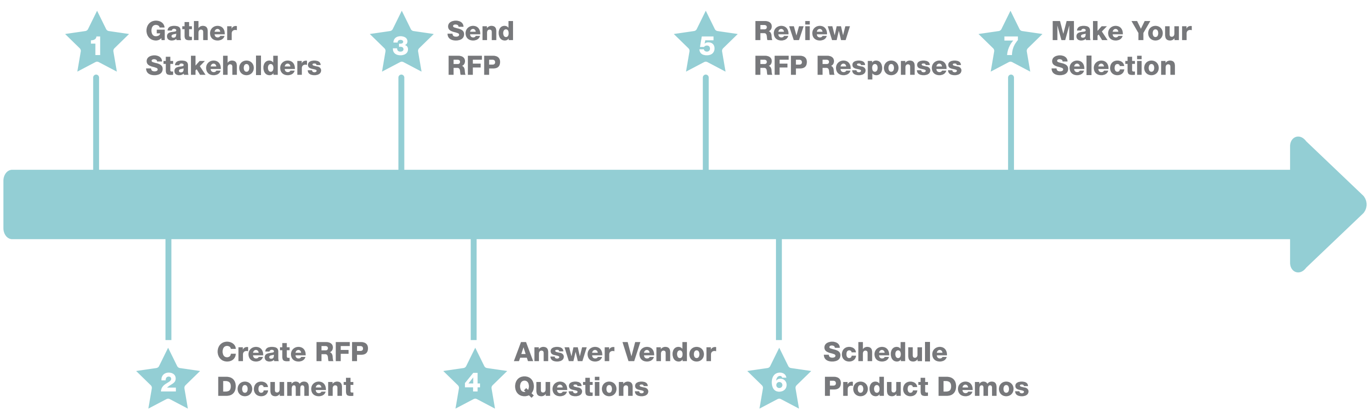
An RFP is a document that helps you gather proposals and understand how well potential products meet your requirements. It includes details about your project and requests bids from vendors. A well-developed RFP can go a long way toward the success of your peer-to-peer fundraising software selection.

TIP

If the RFP process seems like more than you want to tackle, then at a minimum, be sure to compile a list of requirements and "nice-to-haves" (part of step two below) before scheduling any vendor product demos. This will help to ensure you see a demo that shows how well the product meets your needs versus only what features the vendor wants to highlight.

Seven steps for a successful RFP process

Here are seven key steps for creating and issuing an RFP that will get you the most high-quality responses to choose from:



1

Gather stakeholders.

Your peer-to-peer fundraising software is used by multiple people. To ensure your new software meets the most needs, pull together a team of stakeholders to create a list of pain points from your current platform as well as a list of requirements and nice-to-haves for your new platform. Your team might include:

- Software administrators
- Past top participants of your peer-to-peer events and campaigns
- Top fundraisers from your past peer to-peer events and campaigns

2

Create your RFP document.

Some things that your RFP document should include:

- Non-disclosure agreement (if applicable)
- Your organization's mission and background
- Your peer-to-peer fundraising campaign history, including online and offline fundraising goals and results as well as challenges with your current software
- A complete list of your software requirements (see the next section for ideas on what to include in your list of requirements)
- A list of your nice-to-haves
- Your RFP timeline/deadlines, including:
  - Vendor questions
  - RFP response
  - Product demos
  - Selection timeline
  - Preferred/required implementation start and go-live dates
- Your RFP response requirements, including:
  - Proposal format/outline
  - RFP questions/responses that you're requesting
- Your criteria for evaluating RFPs
- How to reply/contact information

3

Send the RFP.

Send the RFP to a short list of your top vendor candidates. There are dozens of peer-to-peer fundraising software platforms on the market today. You can narrow the list by doing some initial research online or by working with a software services firm like Cathexis Partners that can help you quickly focus on a handful of technology options that will work best for your organization.

4

Answer vendor questions.

Respond to vendors' questions as quickly as possible so they can give you a thorough and accurate proposal. Consider sharing the questions and answers with the other vendors as well so that all vendors have the same information.

5 Review RFP responses.

Review all RFP responses with your team of stakeholders. Aim to reduce the number to your top three choices to make the final selection process easier. Notify the other vendors that they were not selected.

6 Schedule product demos.

Ask your top vendors to provide demos of their products. To ensure you see the areas of the products that are most important to you, give the vendors a prioritized list of functionality you would like to see. Plan for about 1.5 – 2 hours for each demo.

To help evaluate each product, give your stakeholder team a score sheet that lists requirements and nice-to-haves. Ask the team to score the vendor on each item and take any additional notes to help them remember each product's features. Compile the scores and meet with your team to discuss any lingering questions that you might want to ask each vendor. Also, give the product vendors a copy of the scorecard so they know what needs to be covered in the demo.

(See page 15 for more tips on how to get the most out of software vendor demos.)

RESOURCE

Need a sample scorecard? Here's one you can view and download to use as a starting point for your scorecard:

SAMPLE SCORECARD ➜

7 Make your selection.

Meet with your stakeholder team to make a final selection. Have your demo scorecards handy for reference, and discuss the pros and cons of each platform.

Start by tallying the scorecards to keep the discussion focused on how well the platforms meet your requirements. Individuals will have opinions about the platforms based on a variety of reasons, so initiating the discussion around overall scores will help to highlight the areas of strength and weakness of each platform.

You might find that some individuals rated the same features very differently. Discuss those items and, if there is still disagreement, add it to a list for the vendors to provide clarification and more focused demos if needed.

The final software selection won't necessarily be everyone's favorite, but you'll be off to a shaky start if key members of the team don't feel like their concerns and needs were considered. Ensure that everyone has had a chance to voice their opinions and concerns about each platform before making the final decision.

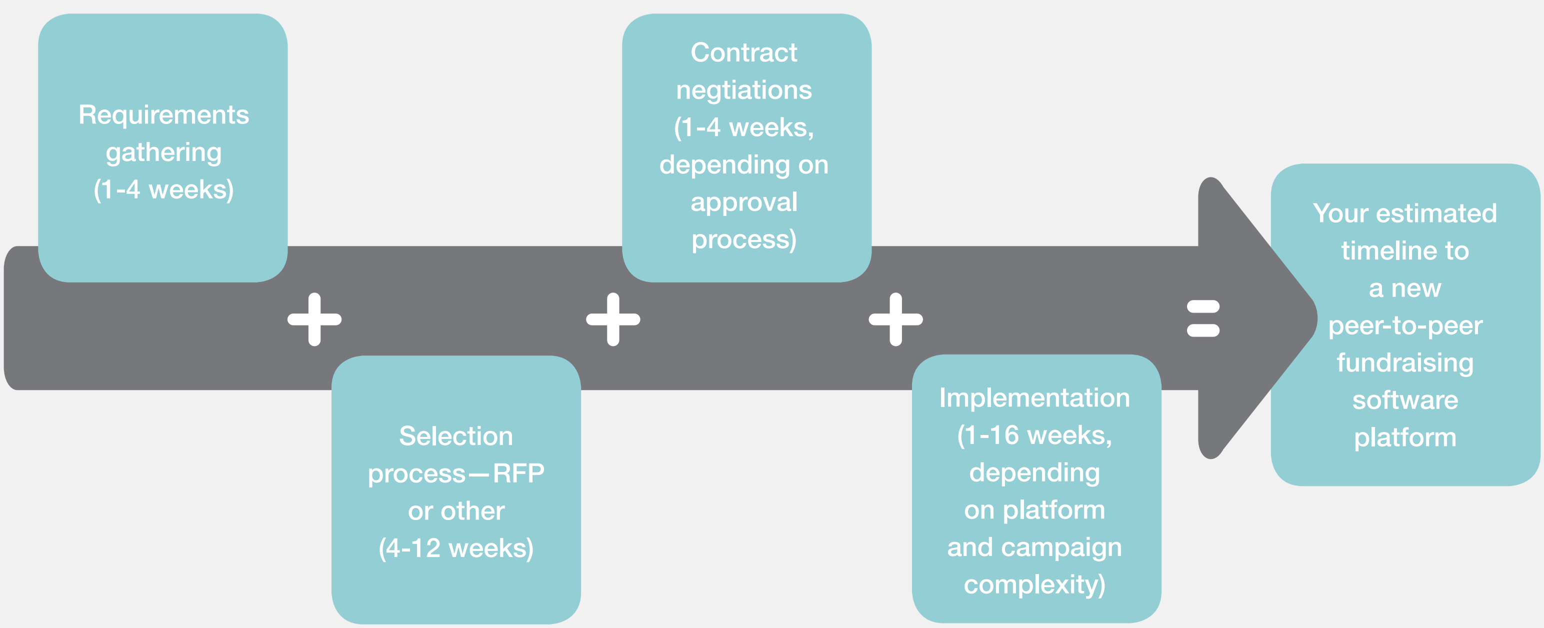
TIP

Keep in mind that pricing is important, but not always the most important factor when selecting software. Many vendors will negotiate on pricing to win the business, so be sure to select the technology that meets most of your organization's functional needs.

Timeline Considerations

There are unique considerations when it comes to implementing peer-to-peer fundraising platforms. Migrating to a new system after participants have already registered and started to fundraise can lead to frustrations for them, their donors, and you. So, be sure to coordinate the timeline of your implementation and the launch of the new platform with the launch of a new campaign season.

Here is a formula to use as a starting point for your timeline:



What to Include in Your List of Software Requirements

As you develop your RFP document (step two), or even if you're following a less formal process, you will need to create a list of software requirements — a mix of functionality and capabilities that are most important to your organization. While every organization's list will be different, there are some common categories of functionality and capabilities that are important for most peer-to-peer events and campaigns.

TIP

Many of the techniques in this guide can be used for selecting any new software for your nonprofit. This section, however, is more specific to peer-to-peer fundraising software.

As you develop your list of peer-to-peer fundraising software requirements, here are some important considerations:

- **Design** — Are you looking for ready-to-use design templates, or do you want a fundraising site that looks and feels like your organization's main website? Some platforms provide their own design with limited editing, while others give you the option to customize. Make sure you know how much the software environment can be customized (many platforms have limited configurability, even with custom coding). And, be sure to find out how much HTML/CSS knowledge is needed, if any, to maintain your campaign's site.
- **Time** — Ask platform providers how much time it takes to have a functioning peer-to-peer website — from the time you sign a contract to when you can start fundraising. Some systems can be set up in a couple of hours, while others may take several days or even months based on setup requirements. A quick setup isn't necessarily better; just be sure to understand the time requirements and weigh them against your needs.
- **Compatibility** — What other systems do your organization use that your peer-to-peer platform needs to integrate with? Peer-to-peer events are a great way to capture data. So, be sure that you will be able to move data automatically from your peer-to-peer platform to your other systems so you can access this information and use it across your organization.
- **App integration** — Find out what types of apps the platform integrates with to help you create more of a sense of community for your peer-to-peer events. For example, fitness apps, such as Fitbit, MapMyFitness, and Strava, help participants share how they are training for a physical event — even if the event is virtual.

- **Fundraising tools** — Get a good feel for how easy it is for participants to fundraise and what tools they have access to that will help them raise more. Some platforms have a separate fundraising center with a variety of tools, while others may have everything located on the person's fundraising page but offer less fundraising guidance.
- **Responsiveness** — These days, most platforms are responsive (optimized for viewing on a wide range of browsers and mobile devices). But, given how many people use a mobile device for peer-to-peer fundraising, this is something you should still research. Make sure that the entire peer-to-peer website (not just the home page) is responsive.
- **Payment processor/true cost** — Be sure to ask questions to find out the true cost of a fundraising campaign. For example, does the platform need an additional payment processing system, or is it included with the product? Sometimes there is a payment processing fee in addition to the actual cost of the product (and not all platform vendors are transparent about this!).
- Ensure all fees are clearly defined, including:
  - Monthly/annual fees
  - Implementation fees
  - Transaction-based platform fees
  - Transaction-based merchant services fees
  - Training

RESOURCE

Here is a simple template for determining the true cost of a software platform.

- **Other setup requirements** — Ask if there are any other "pieces" needed to set up a campaign. While a platform demo might look like it was easy to set up, that might be the case only if you already have other systems in place, such as a payment processor. During a demo, be sure to ask what all the pieces are that will need to be created before your site can truly go live.
- **Offline data entry** — Do you need to enter offline registrations or donations? If so, make sure the platform allows for this.
- **Reporting** — What data do you need, and how easy is it for staff to pull reports? Are there dashboards that give you quick progress updates? Is it easy to download information that you might need on event day? Does the system collect information that will be useful for analyzing campaign metrics?
- **Creating new events** — Once you have one campaign set up, is it easy to create a new one? Be sure to research how much others in your organization will have to rely on you (or a developer) to set up a new event versus how much independence you can give them.

- **Ability to create security categories/roles** — You might not want everyone who works on a campaign or event to have the same access to the platform. Be sure to ask about the platform's ability to restrict certain users' access.
- **Ability to grow** — Do you plan on adding more events or other kinds of campaigns in the future? Whatever the future holds, you'll want to pick a platform that will give you room to grow.
- **Ease of use** — How easy is it for participants and donors to use the website? Test the platform from both a participant and donor perspective.
- **Special characteristics** — Many peer-to-peer platforms are set up for basic registering and fundraising for run/walk/ride events. But does your virtual event or campaign have unique requirements? Ask platform vendors how they can handle anything unique to your event or campaign.
- **Additional assistance** — If you need help, how easy is it to contact customer service? Do they offer basic guidance on building your campaign, or are they there just to troubleshoot problems? Is training provided so you can understand how to use the peer-to-peer software?
- **Company overview** — How long has the vendor been in business? How many clients do they have? Where is the data stored, what's the back-up schedule and security policy, and what is their system uptime? Do they have a knowledge base /online client community/ training resources?

How to Get the Most Out of a Software Vendor's Demo

When you're on the buyer's side, product demos can be tricky. Time is limited, and it's important that you see all you need to see to make the right selection for your organization and feel confident in your decision.

Here are some tips for getting the most out of a peer-to-peer fundraising software demo:

- In advance of the demo, **give the software vendor a list of features** that are important to you so that the vendor doesn't just show you a generic demo. If you created the scorecard mentioned on page 9, then be sure to share it with the vendor. They probably won't follow it line by line because of how the demo flows best for them, but it helps ensure you see everything you need to see in the product.
- Ask the vendor to **record the demo** so you and others can view it again.
- Make sure you **know who from the software vendor is presenting the demo** so you understand their roles. This can help the conversation to run more smoothly.
- **Make sure they show you how things work in the actual product** (not just slides or screen captures). If your demo includes more than 10 minutes of slides, ask them to redirect to a live demo at the earliest convenience.
- **Write down questions** as they come to you. Don't assume you will remember them when the opportunity arises to ask. Depending on the length of the demo, you and your team's questions will likely result in a more focused and detailed follow-up demo to clarify any points of interest.
- **Ensure that the demo stays on track** and focused on your organization's needs and not just the features the vendor wants to highlight. Otherwise, the vendor might gloss over the things they might not do as well as you need.
- On the flipside, **give the vendor a chance to impress you** with "sizzle." In other words, give them time to show off what sets them apart. You might just discover an important feature you didn't even know was an option.
- **Plan to set aside about 1.5 – 2 hours for each initial demo**. Also, plan on additional time for follow-up demos to dive more deeply into specific items unearthed or unclear from the initial demos.

In general, there are multiple people participating in demos, and it can be easy to get sidetracked. Try to clarify your expectations with your team and the vendors in advance to streamline the demos, keep them focused, and save everyone's time.

Just remember that you will be investing several hours in demos. Some pre-planning and organization can make that time much more valuable for everyone.

TIPS FOR NEGOTIATING THE CONTRACT FOR YOUR PEER-TO-PEER FUNDRAISING PLATFORM

Once you've completed the RFP process and selected the software that's right for your organization, it's time to negotiate the contract. But, be sure not to assume that the initial proposal/contract is the final word.

Software vendors are often willing to work with you on costs, such as contract length, annual fees, and transaction rates, as well as other points in the contract. Talk with them about your organization's needs and concerns, and ask what they can do to adjust the contract.

There are several "levers" that can be pushed or pulled during the negotiation process, but keep in mind that you won't normally get concessions in all areas. Here are some example areas for negotiation:

- Ask for a small reduction in the per-transaction fee. If you expect a large number of transactions, then this might have a big (positive) impact on your organization.
- Ask if the vendor will give you a discount if you sign a contract for more than one year.
- If you have a legacy event that has consistently raised $100K+ online, then you might be able to get any annual platform fees reduced or waived because the vendor is confident in covering their costs and profit margin through transaction fees alone.
- If there are implementation fees, ask if there are implementation options (different packages in which your team does more of the work or even works with a third party, such as Cathexis Partners, to implement).
- If you have had a very favorable payment processing merchant fee with your current software, the new vendor can often match or beat that rate.

Get Ready to Find Your Peer-to-Peer Fundraising Software Match

Your organization's ability to run successful peer-to-peer fundraising campaigns and events depends heavily on the software platform you use to run them. Be sure you have the best technology in place for your nonprofit's needs so you can work efficiently and deliver the modern online experience your participants expect.

At Cathexis Partners, we help nonprofits like yours use technology to raise funds and spread the word about their missions more effectively and more efficiently. If you have questions or would like help selecting the right peer-to-peer fundraising software for your nonprofit, contact Cathexis Partners today:

www.cathexispartners.com

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