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A TECHNOLOGY BOOST FOR FUNDRAISING

Solutions such as mobile point of sale, mobile apps and data analytics **help nonprofits improve the implementation and effectiveness** of their critical strategies to raise money.

EXECUTIVE SUMMARY

Technology is dramatically changing the way nonprofits raise funds, first with the advent of online giving and then through mobile giving and social media campaigns. Nonprofits that have adopted new technologies have been rewarded with increased donations. Among the most effective technology tools for fundraising are mobile point of sale (mPOS) solutions, mobile applications and data analysis tools. Each of these technologies plays an important role in a productive fundraising program.

Nonprofits that deploy mPOS solutions find that these tools improve personal interactions with donors, allowing for speedier, more efficient donations while enabling data capture and analysis efforts. Mobile apps have proven to be a boon to nonprofit fundraising efforts. They improve the relationship between nonprofit organizations and their donors, and they make it easier for both donors and recipients to manage and understand their giving. Nonprofits that employ data analysis tools gain insights to improve both the efficiency and effectiveness of their fundraising efforts.

Technology and Nonprofit Fundraising

Technology is a powerful tool for nonprofit organizations. A 2016 Digital Outlook Report from the Nonprofit Technology Network indicates that nonprofits spend only about 10 to 20 percent of their overall fundraising budget on digital strategy.

This technology push occurs along three axes: mPOS solutions that streamline fundraising and fulfillment, mobile apps that help nonprofits forge deeper and more durable relationships with givers, and fundraising management software that enables organizations to gather, analyze and act on data. Together, these platforms have a transformative effect on fundraising.

Mobile apps are emerging as an important channel. A 2015 study by nonprofit news outlet npENGAGE found that mobile donations to nonprofits increased by 45 percent from 2014 to 2015. Mobile apps cultivate more durable relationships between donors and nonprofits — the kind that produce larger gifts and repeat giving. These apps let users access their giving history and information, make donations, and link to others via contact lists and social media integration.

On the back end, nonprofits recognize the value of robust data gathering and analysis to help shape campaigns, optimize channel outreach and maximize gift giving. Donor management software brings customer relationship management (CRM) tools to nonprofits, enabling them to capture and mine data to make better decisions. Data analysis enables nonprofits to:

- Optimize channel communications to match donor preference, increasing conversion rates
- Provide personalized interaction that increases the likelihood of giving by targeting messaging and programs to suit donor interest

Buy versus Build

The decision to buy a mobile app platform or build one yourself can be difficult. Each approach has tradeoffs, both in the short term with acquisition and integration, and over the long term with software maintenance and updates. How do you decide which approach works for your nonprofit?

Gauge your IT quotient: Do you have a robust IT staff with experience in writing and maintaining applications? If so, writing your own code — or managing consultants to build your software for you — is a viable option.

Check the time: In a hurry? Developing an app from scratch amid rushed deadlines probably won't work. Buying an off-the-shelf solution allows nonprofits to quickly address integration challenges.

Look downfield: Have you considered the cost of keeping custom apps up to date? Weigh the burden of maintaining and updating your mobile apps, including against security threats. If you don't want the hassle, consider buying an app.

- Increase donor retention rates and convert more first-year donors into multiyear donors via customized communications and benefits

Mobile POS solutions transform face-to-face interactions with donors. Just as online and mobile donations have streamlined the process of mailing a check to an organization, mPOS puts an end to filling out pledge cards or writing checks at fundraising events. The combination of instant fulfillment and robust data analysis offers significant advantages for nonprofits that utilize mPOS solutions.

Mobile Point of Sale: Transforming Face-to-Face Fundraising

Most mPOS solutions are built around smartphone or tablet devices and employ peripherals to authenticate credit cards, print receipts and handle other checkout chores. For nonprofits, mPOS offers a flexible and affordable way to expedite in-person donations. Among the benefits:

- **Instantaneous transactions:** With the swipe of a credit card, donors fulfill pledges that in the past relied on the time-consuming and cumbersome process of following up on pledges through phone calls and mailings. Mobile POS transactions reduce costs for postage, phone bills and staff time, while eliminating unfulfilled pledges.
- **Data collection:** Before donors swipe their cards, they may be asked to enter contact information, including phone number, email and mailing address. The information can be instantly stored for future use.
- **Price:** Although mPOS solutions come with associated costs (such as hardware, software and maintenance), these are typically lower than for fixed point-of-sale solutions.
- **Security:** Data from mPOS transactions is often stored and managed in the cloud, meaning that lost or stolen devices won't result in lost information about donors. An mPOS solution should support the Payment Card Industry Data Security Standard (PCI DSS) Point-to-Point Encryption (P2PE) program. End-to-end encryption ensures that data is scrambled upon receipt and remains so throughout its journey on store systems.

Behind mPOS solutions are integrated systems comprising several different hardware and software components. These include:

- **Magnetic card and chip readers:** These attach to smartphones and tablets, allowing agents to swipe or read credit and debit cards for payment.
- **Computing devices:** Smartphones and tablets are widely used, while some organizations prefer ruggedized devices built to withstand the rigors of field operation.
- **Point-of-sale software:** Many mobile applications are available to help nonprofits accept donations, with a wide array of costs and feature options, such as reporting functions, location tracking and donor emailing.
- **Receipt printers:** A receipt printer gives donors the option of receiving paper receipts, rather than receiving them only via email.

- **Wireless infrastructure:** Internet access is required for mobile point–of–sale systems.

These components can be assembled in ways suited to each organization's fundraising needs. For example, some software products integrate with nonprofit accounting, management and event software. The choices available in each product category allow an organization to tailor the technology to its needs.

Mobile Apps:
Connecting Donors and Nonprofits

Nonprofit organizations have long recognized the value of phone–based donations. A 2016 study by fundraising research firm Dunham+Company finds that the use of mobile devices by donors to charity websites increased by 80 percent from 2013 to 2015.

93%

The percentage of donors who said they use a smartphone or tablet [1]

Many organizations have accommodated mobile giving through deployment of responsive websites, which automatically arrange themselves for best viewing on the display of the user device, from large PC monitors to compact smartphone screens. These nimble site designs provide a more welcoming experience for mobile donors, and benefit from the emphasis Google Search places on mobile–friendly sites.

Driving donations from smartphones and tablets is one thing — leveraging those devices to create more durable relationships with donors is something else. With slick interfaces and robust functionality, mobile apps provide a comprehensive user experience that spans gift giving, event registration, social media integration and a host of other activities. With multiple mobile platforms to support — including Apple iOS, Google Android and Windows–powered tablets — organizations face a choice:

The Path to Data Integration

Mobile apps, mobile point of sale and fundraising management solutions all rely on seamless access and flow of data to produce value. Yet, that data is often scattered across multiple repositories, as well as unmanaged spreadsheets, documents and email. What's worse, many nonprofits are siloed along operational and organizational lines, which can trap information and create potential conflicts. For instance, a major–gifts group may have little incentive to share hard–won donor information with other teams.

A strong data integration effort is essential to breaking down these silos. Working to gather, clean, store and structure information in a central data warehouse yields major benefits, eliminating data conflicts and enabling organizations to work with consistent information. To achieve these gains, organizations must break down silos that keep information disparate and distinct. Among actions to consider:

- Assess the presence of silos in the organization and determine how they can be broken down

- Develop a global view of all donors that avoids pigeonholing them by type, gift amount, channel or other characteristics

- Perform an audit of data assets, including unstructured documents and spreadsheets, and create a plan to migrate them to a central store

- Plan an update of the data infrastructure (servers, storage, network and cloud resources) to accommodate the newly integrated scheme. Consider engaging a service provider to help with this task.

1. **Develop native mobile apps that are fine–tuned for each platform and deliver the most robust and compelling user experience.** This approach offers the highest levels of functionality, performance and customization. However, the effort to write and maintain multiple apps can be both expensive and time–consuming.
2. **Develop hybrid, web–based apps that offer broad compatibility across platforms, allowing a single code base to address all devices.** Hybrid development tools are used to package web apps so that they can be distributed via device app stores and run like native apps (rather than in a mobile browser). This reduces workload, but yields a less sophisticated user experience.
3. **Employ established mobile apps for fundraising.** This approach enables nonprofits to work with proven mobile app platforms, and avoid investments into code development and maintenance. Opportunities to customize the mobile app environment may be limited, and software updates are handled by the vendor.

The decision on mobile app deployment should be made in the context of the broader software environment. Mobile apps must integrate with back–end systems, including fundraising campaign software and CRM solutions. Mobile apps also have a role to play internally, providing staff members with tools to better manage the responsibilities and logistics of fundraising.

Data Analysis:
Deeper Understanding for More Generous Giving

Data analytics solutions have emerged as vital fundraising tools, helping nonprofits better understand and focus their activities, from donor outreach to campaign management. These tools do more than simply glean insight into donor behaviors and preferences; they establish a vital feedback loop that allows

[1] Dunham+Company, "Dunham+Company Study: Explosive Growth in Donations Via Mobile Devices," March 2016

nonprofits to engage in data-driven efforts. The result: more efficient and effective fundraising.

Most nonprofits face challenges in finding donors, strengthening relationships with existing givers and securing larger donations. Sophisticated data analytics addresses these challenges.

For example, fundraising services company Amergent found that new donors who give large first-time gifts are more likely to give in higher amounts with later gifts (and are more likely to transition into loyal donors, giving for longer than other first-time donors). By identifying the subset of new donors who give large first-time gifts, nonprofits can focus on these donors specifically, as they represent a potentially stable source of funding. Amergent also found that personalized request letters, sent when donors are most likely to give based on historical patterns, produce better returns.

Data analysis products arm nonprofits with the tools to take action on such insights. They help nonprofits to:

▪ Identify and maintain a base of loyal donors, including high-value donors that consistently produce the highest returns on investment
▪ Improve donor retention rates and shift focus to value-added activities such as boosting the performance of returning donors
▪ Apply metrics to target and segment donors for optimal channel outreach
▪ Assess historical trends to determine the best time to reach out to specific donors

Data is the fuel that drives these activities. On-premises and cloud-based data warehouse and management platforms — such as those from IBM, Microsoft, Google and Amazon Web Services — offer flexible and scalable infrastructures for storing and analyzing data. Cloud approaches promise sharply lower capital outlays while easing the burden on IT staff. On-premises solutions afford greater control and allow nonprofits to extend existing investments in data infrastructure.

These assets are then leveraged by visualization tools and dashboards, enabling knowledge workers to run sophisticated analysis, detect trends and patterns, and drill down on items of interest.

CDW: A Nonprofit Partner That Gets IT

CDW provides technology solutions and end-to-end services that guide a nonprofit organization's effort to improve fundraising and other operations. Our team of certified engineers provides numerous services that span mobile point of sale, mobile app development and deployment, and data analytics. Among the services:

▪ Assessment, planning and design services, including RFP support, engineering design and review, cost assessment and benchmarking, and contract negotiation
▪ Hardware implementation services
▪ Software installation services
▪ Data migration services
▪ Managed services that include monitoring, upgrades, maintenance, reporting, and hardware and software incident management for storage networking solutions

To learn more about how CDW's technology solutions and services can help your nonprofit improve its fundraising, visit CDW.com/nonprofit

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IBM

IBM® MaaS360® is a secure and comprehensive enterprise mobility management (EMM) platform to quickly and easily deploy devices, deliver email, documents and apps, and enable secure content collaboration on personal or organization-owned smartphones, tablets and notebooks.

splunk>

Splunk® software makes it simple to collect, analyze and act upon the untapped value of the machine data generated by your technology infrastructure, security systems and business applications — giving you the insights to drive operational performance and business results.

Microsoft

With Office 365, you get the latest Office applications. At its heart is Office itself — the familiar Office applications businesses use everyday — now offered as a cloud service, so it's always up to date. But Office 365 is also so much more. It's about bringing enterprise-grade services to organizations of all sizes, from online meetings to sharing documents to business-class email.

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