How to Build a Case for Your Nonprofit to Invest in Technology
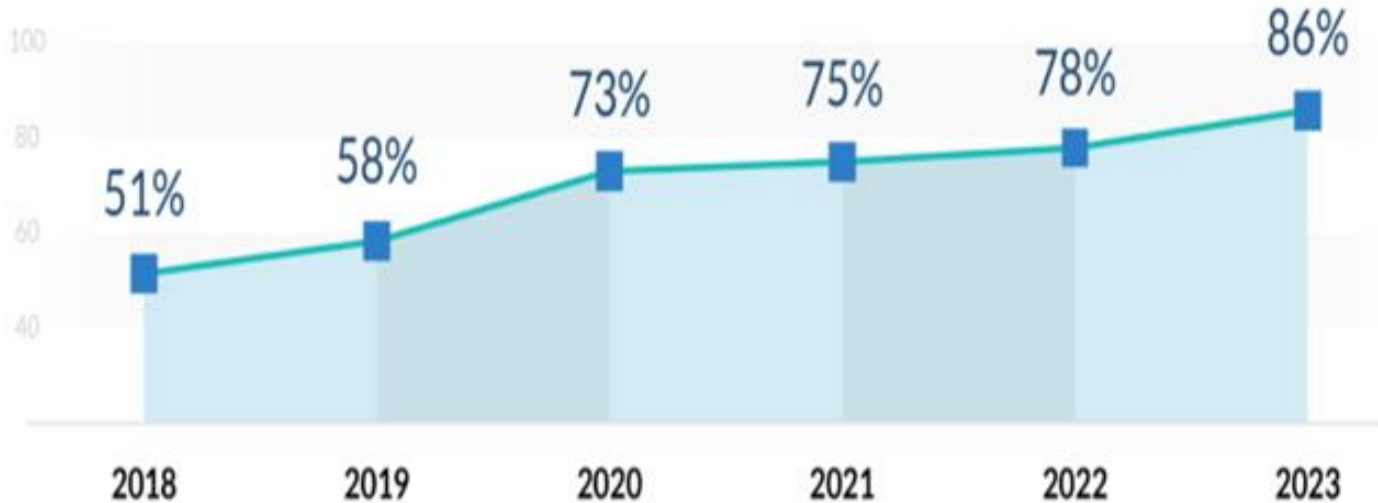
June 28th, 2022

Hello! I'm Kevin

- For-profit experience in managing, educating about and selling/renewing technology
- Passionate about the real-life intersection of technology, people and processes
- Now, advisor with GreenMerits Consulting Inc

The Technology Adoption Trend

Companies running purely on SaaS from 2018 to 2023

Year	Percentage
2018	51%
2019	58%
2020	73%
2021	75%
2022	78%
2023	86%

Most of you already know you need *something*.

Today is about getting others to *buy-in*.

What you should come away with today

1. How to identify and quantify your need for technology
2. How to present your options
3. Cost factors to consider and include
4. How you will measure your return on investment (ROI)
5. Motivate action by creating a sense of urgency

These should give you some building blocks to create a compelling presentation to your board and key decision makers.

It's one thing to *identify* the problem.

It's another thing to *quantify* how much it hurts.

Identify → Quantify

|			Review Potential Data Sources			
Website Complaints	Poorly Organized Events	No Long Term/Strategic Plan		Website Visitor Metrics	Employee Onboarding Survey	Post Event Feedback Surveys
Wasted Administrative Time	Budget Reductions	Staff Turnover		Admin Hours Per Task	Year over Year Operational Costs	Quarter over Quarter Donations
Governance, Risk and Compliance	Poor Stakeholder Outcomes	Over-Reliance on third parties		Yearly Third Party Service Cost	Program Volunteer Hours	Breach Remediation Costs
Unable to try new ideas	Slow/Lack of Communication	Poor Collaboration		Opportunity Costs	Email Opt Ins/Outs	Missed Project Deadlines

Example: HR Management Challenges

Problem

- New hires rarely have all the tools, information and access they needed on their first day.
- Existing team members waste time filling onboarding gaps.
- New employee ramp up period is longer than usual.
- This is costing us in terms of dollars, morale and employee retention
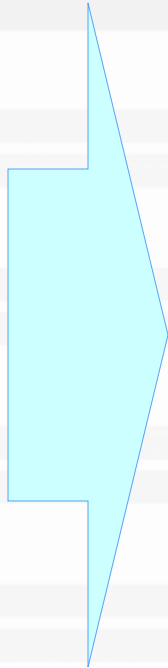
Goal

- Provide a seamless onboarding experience for new hires
- Eliminate reliance on other staff to manage onboarding hiccups
- Have new hires hit the ground running sooner than later
- Reduce onboarding administrative costs while simultaneously retaining top talent

Example: HR Management Challenges

What the numbers tell us:

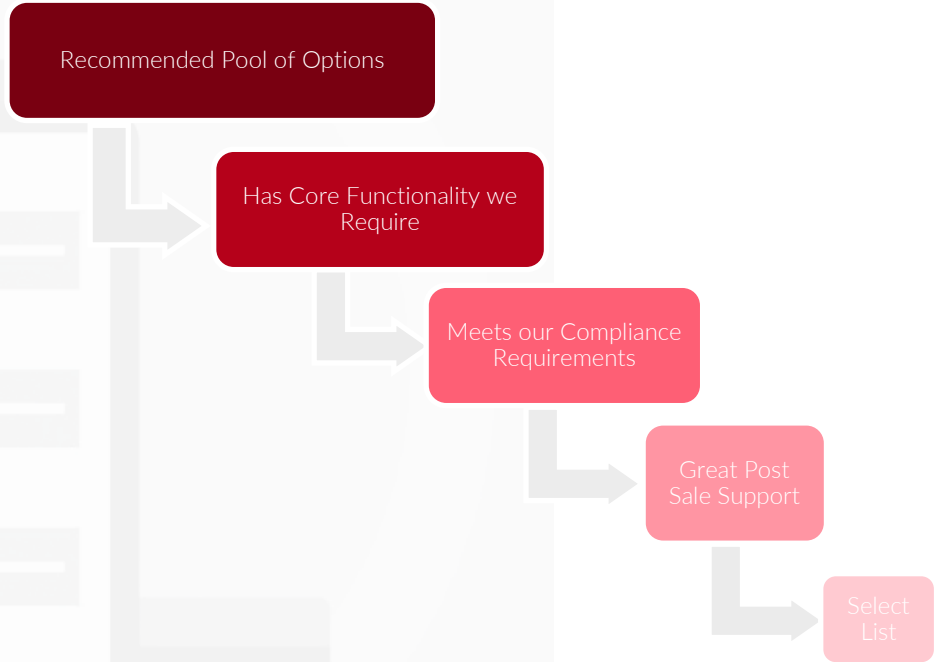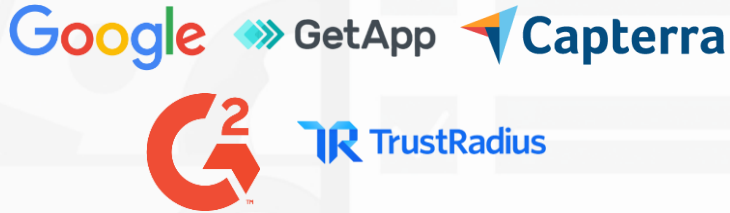|				
Turnover and Onboarding Cost	New Staff Ramp Up Period (unproductive hours)	Support Staff Assisting (unproductive hours)	Employee Onboarding Survey	Industry Survey
Turnover up 25% YoY 4 New Staff x $2000/setup = $8,000 onboard cost	4 New Staff x 60 hrs/mth x Avg $35/hr = $8,400/mth	6 Staff x 5 hrs/mth x Avg $35/hr = $1,050/mth	72% Cited Onboarding as "Needs Improvement"	45% of Nonprofit Employees to Seek New Jobs by 2025

You've illustrated the problem with data points.

Now talk about how you came up with some *options*.

Guide stakeholders through your thought process

- Talked to your network
- Looked at third party reviews
- Reviewed vendors site for (functionality, support, training, customer feedback etc.)
- Sent out initial Requests for Information (RFI's)
- Narrowed down your options
- Selected those you want to dive deeper into and secure budget for

Google GetApp Capterra

G2 TrustRadius

Recommended Pool of Options

Has Core Functionality we Require

Meets our Compliance Requirements

Great Post Sale Support

Select List

Example: HR Management Challenges

	vecando	MCS (Modular Concept Systems)	mothernode	TSYN	ABC Generic Company	BUG COMPANY Solution Specialist
Online Reviews	★☆☆	★★☆	★☆☆	★☆☆	★★☆	★★★
Trusted Peer Feedback	★☆☆	★★★	★★☆	★☆☆	★★★	★★★
Core Functionality	★☆☆	★☆☆	★☆☆	★★★	★★☆	★★★
Risk/Compliance	★☆☆	★☆☆	★★☆	★☆☆	★★★	★★☆
Support	★★☆	★★★	★★☆	★☆☆	★★☆	★★★
Guidance	Nonstarter. Poor scores across the board	Not able to meet data residency needs	Missing important time sheet module	Three trusted peers said post sales support was awful	Good feedback from large number of HR teams	Best reviews, feedback, functionality and support

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Show the various *solution costs* and when you expect them.

Important Cost Factors

Use this time to get an idea of the solution costs.
Then provide an **approximate** budget.

Upfront – Gearing up to Go

- 1st Term Fees
- Setup/Implementation
- Initial training and staff downtime (admins, testing etc.)

Ongoing – On your Journey

- Ongoing Subscription Term Fees + Any Increases
- Ongoing Training and Customization Services
- Support Costs (downtime, upgrades etc.)

Example: HR Management Challenges

Project Plan	July '22	Aug '22	Sept '22	Oct '22	Nov '22	Dec '22	Jan '23	Feb '23	Mar '23	April '23	May '23	June '23	July '23
Vendor Selection	$1k												
Contracting/Purchase		$10k											
Implementation/Setup			$4k										
Training				$2k									
Migration and Go Live					$1k								
Ongoing Support and Services						$1k							
Renewal												$12k	

~$18k Upfront   ~$13k Ongoing

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Present how you will achieve a *Return On Investment*.

Measuring Your Return on Investment

Determine Your Top Metrics

- Pick your top 3 to 5 Key Performance Indicators (KPI's)
- Show how the KPI's equate to achieving a ROI
- Discuss how you will monitor them
- Be open (and conservative) about your assumptions
- Go over accountability (staff and vendor)
- Consider potential risks to success
- Clearly show when you will hit your ROI

Example: HR Management Challenges

		Associated KPI's	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Assumptions
COSTS								
	Purchase		-11,000.00					YoY, change related to: -Lower system training -Lower hands on support -Modules price increases
	Implementation		-5,000.00					
	Training		-2,000.00	-1,000.00	-300.00	-100.00	-100.00	
	Support and Services		-1,000.00	-1,000.00	-300.00	-100.00	-100.00	
	Subscription Fees			-11,000.00	-11,500.00	-12,000.00	-12,500.00	
BENEFITS								
	Onboarding Cost Reduction	ESign, Reference Collection, and Background Check reports		3,200.00	6,400.00	9,600.00	12,800.00	-40% KPI increase YoY -4 new hires/year
	Ramp Up Reduction Savings	Onboarding start and end time reports		3,360.00	6,720.00	10,080.00	13,440.00	
	Staff Time Saved	Staff time/activity reports		1,680.00	3,360.00	5,040.00	6,720.00	
	TOTAL		-19,000.00	-4,760.00	4,380.00	12,520.00	20,260.00	-ROI at mid 4th year

Other intangible Benefits

Higher Employee Morale

Reduced Employee Turnover

Other Correlated Value Gains

Cost Outlay

Value Generation

ROI Hit
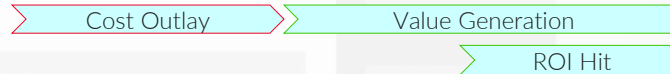
Encourage action by making the "*Why Now?*" very clear.

Creating a Sense of Urgency

- If nothing is done:
  - The problem(s) will continue (refer back to Identify/Quantify)
  - Related risks will increase (compliance, reduced revenue, external help required etc.)
  - ROI will take longer to reach

- Discuss why waiting 3, 6, or 9 months is not an option

- Refer back to your high level project planning.
  - What time periods are ideal for purchase, implementation, training and go-live.

- Close out with a call to action

Remember

A poor workaround is being paid for right now.

It's time to invest in a good solution.

Example: HR Management Challenges

Considerations:
- Holiday Appeal in December (blackout period)
- Three roles to be filled in February and March 2023
- ~5 months required for selection and successful go-live
- Staff onboarding surveys go out in April each year
- Monthly cost of doing nothing = ~$9k

Next Steps:
- Budget Approval – Target July 15th
- RFP/Vendor Selection – Target August 15th
- Project Kick Off – Target September 1st
- System Go Live – Target – November 30th

Should you need assistance...

Our advisory services provide…

1. An experienced set of eyes for your technology landscape.

2. Someone on your side of the table at purchase or renewal.

3. Contractual insight into business, legal and tech.

GreenMerits CONSULTING

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SOFTWARE as a SERVICE
(aka SaaS/Cloud)

SUBSCRIPTION ASSISTANCE

THE SERVICE

Leverage our years of experience overseeing complex relationships with SaaS providers, to help you get the most measurable value from your technology subscriptions.

Partnering with the GreenMerits team gives you an insider's view to the SaaS industry, which helps uncover and make sense of the nuances associated with how technology companies structure their relationship with you.

Consider:

What is your level of confidence when it comes to successfully creating a new, mutually beneficial, contractual relationship with a SaaS provider?

What about when it's time to renew? Have you clearly achieved the benefits that were expected when you first subscribed to their solution?

Our Value-First approach along with Real-Time coaching means you'll be in a much better position during your new or renewal discussions with a SaaS provider.

Some of the advantages of having us on your team include:

Realize Benefits Sooner   Save More Money

Reduce Your Risk   Happier Stakeholders

"Price is what you pay. Value is what you get."
Warren Buffett

Thank You

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