Budgeting for Technology: Seven Key Components of a Successful Technology Plan

Technology is a mission-critical investment for nonprofits, enabling staff members to work smarter and more efficiently to build relationships, track gifts and memberships, communicate with constituents, and practice sound financial management. By taking the time to assess inventory, define your current needs and map out future goals in a technology plan, your organization can put technology to work to further your mission.

As technology becomes more pervasive in our daily lives, it is critical to acknowledge the rapid evolution of hardware, software, operating systems, networks and Web-based applications. To make the most of technology today and in the future, nonprofits need to budget for ongoing investments in each of the primary areas:

Hardware

Use three years as a common rule of thumb when budgeting for computer upgrades. It is not necessary to plan to purchase new computers all at once. In fact, it is preferable to budget an annual amount for each workstation and upgrade a portion of your machines each year. In addition to computers, plan for upgrades to servers and peripherals, such as printers and scanners.

Your hardware needs will vary depending on the specific applications each staff member uses and how your systems are networked. Begin your assessment by making a list of your current hardware, including brand, type, processor speed, memory, drives, modem, etc. When evaluating the need for additional software or staff members, this inventory will help you quickly prioritize the hardware upgrades.

Network and Operating System

There are many options for networking the workstations within your organization. Networks can be described in terms of their size (LAN or WAN), security and access, protocol (for sharing information), and hardware, which physically links the systems. Visit TechSoup.org to read introductory overviews of networking for nonprofits:

http://www.techsoup.org/articles.cfm?topicid=3&topic=Computer%20Networks

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Internet Connection

Costs of getting connected can range from a nominal flat monthly fee for dial-up access to hundreds of dollars per month for a high-speed Dedicated Subscriber Line (DSL) or thousands per month for the guaranteed bandwidth of a T-1 connection. Depending on your staff’s needs to access email, update your Web site and research grants online, you can make a small investment or a substantial one. Consider your software, too — some hosted solutions tout low monthly leasing fees for applications, but the subscription pricing doesn’t seem like such a bargain when you factor in the need for a speedy Internet connection and add up the annual costs. There are also related hardware expenses, such as modems and routers.

Software

Create a list of all the applications used by each staff member and volunteer — include everything from contact management, donation processing and ticketing to word processing, virus scanning and Web browsers. Be sure to note version numbers, too. Your assessment may bring new needs to light, and it may raise questions about the advantages of investing in one system designed to meet multiple needs. Consider additional user licenses and new staff members that will be required to achieve future goals related to capital campaigns, projected membership growth, major fundraisers, increased student enrollment, etc. To learn more about software purchase considerations, read our guide, “Selecting Software for Your Nonprofit.”

Data Conversion

If your organization plans to export data from an old system to new database applications, make sure you allow for conversion costs. The charges can vary greatly, depending on the format and amount of your data. You may be able to run the conversion in your own office using a utility designed to import the data to the appropriate fields, or you may need to enlist the help of specialists to make sure your data effectively transfers from the old system to the new.

Software Maintenance and Support

Find out about maintenance programs and support associated for each software package you have or are considering. For mid-range fund-raising and accounting systems, annual maintenance costs can range from 15 to 30 percent of the list price of the software. This is a substantial amount, yet the benefits you receive can vary greatly. Ask what type of support is offered (telephone, email, Web, fax, FAQs). Is Helpline availability in sync with your organization’s workday? How many of the vendor’s employees are trained and dedicated to develop and support the system you’re considering? Clarify whether upgrades to the software are included with a maintenance contract or are an additional expense.

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Training

Last — but certainly not least — is training. Now that you’ve invested in technology to help achieve your mission, be sure your plan includes making related investments in your staff. Training will ensure your organization optimizes its use of technology, and increased productivity will be the rewarding result.

A systems administrator is often best suited to teach staff members the ins and outs of an organization’s general systems and processes. If there is no budget for a dedicated technician, organizations may wish to bring in a consultant to establish a technology plan and assist with training.

Task-specific systems such as fund-raising software call for training from someone with an in-depth knowledge of software and an understanding of the various roles within nonprofit organizations. Consider how and where your staff would prefer to attend training. If you can afford to leave the office for a few days, intensive hands-on classes can be the most helpful. In addition, off-site courses provide the opportunity to share insight with and learn from other organizations with similar needs and challenges.

If you must have a trainer come to your office, check his credentials. Is the trainer an employee of the vendor or an independent representative? Does the trainer have general knowledge of multiple systems, or is she an expert on the system in which you are investing? Does the instructor have solid training experience? Because the level of expertise among independent trainers can vary, be sure to check references.

Review options for supplemental training as well. Web-based courses and computer-based training CDs provide ways for your staff to learn new skills quickly without leaving the office. Remember that staff development — like hardware and software purchases — is an ongoing investment integral to your organization’s success.

About Blackbaud

Blackbaud is the leading global provider of software and services designed specifically for nonprofit organizations, enabling them to improve operational efficiency, build strong relationships, and raise more money to support their missions. Approximately 24,000 organizations — including The American Red Cross, Cancer Research UK, Earthjustice, International Fund for Animal Welfare, Lincoln Center, The Salvation Army, The Taft School, Tulsa Community Foundation, Ursinus College, the WGBH Educational Foundation, and Yale University — use one or more Blackbaud products and services for fundraising, constituent relationship management, financial management, website management, direct marketing, education administration, ticketing, business intelligence, prospect research, consulting, and analytics. Since 1981, Blackbaud’s sole focus and expertise has been partnering with nonprofits and providing them the solutions they need to make a difference in their local communities and worldwide. Headquartered in the United States, Blackbaud also has operations in Australia, Canada, Hong Kong, the Netherlands, and the United Kingdom. For more information, visit www.blackbaud.com.

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