

wizehive

Making the Case for Investment in Grants Management Software

Time is money.

Then again, money is money. And when you are running a **foundation** or other **non-profit**, it can feel like both are all too scarce.

When you insist on double-sided printing and are aiming to send the majority of incoming cash back out the door again to further, improve, and empower your community, it's difficult to justify, let alone sell, the idea of an "internal" investment. But when you are spending countless hours exporting, sorting, tallying, and manipulating data in bloated Excel sheets or limping through an outdated legacy system, it could be all you dream about.

Technology is worth the investment, but it can be challenging to increase overhead in a nonprofit. Especially when the first question on many donor's lips is, "How much of your budget goes directly to programs and services?"

With prominent organizations like [Charity Navigator](#) using an overhead ratio as a key factor in their ratings, it's easy to get caught up in this chicken and egg problem. Nonprofit leaders can't do more unless they have the right technology, but they're afraid to invest because donors expect low overhead.

The [Stanford Social Innovation Review](#) calls this the nonprofit starvation cycle. The cycle begins with donors' unrealistic expectations about how much it costs to run an effective nonprofit. This results in nonprofits skimping on vital systems and proudly stating their low overhead, which fuels donors' skewed beliefs.

As the [Philanthropy Journal](#) points out, "The pressure to keep overhead costs low can prompt organizational managers to go against smart management strategies... starving themselves of necessary overhead resources and unnecessarily increasing program spending in order to minimize the overhead ratio." Fortunately, University of North Carolina researchers have developed alternative methods that account for input as well as output. For example, the Data Envelopment Analysis automatically assigns weights to the inputs and outputs that maximize efficiency and calculates an efficiency score.

Ready to make the case? Read on for concrete advice on how to facilitate change by repositioning the role of technology, convincing your team of its need, and finding room for it in the budget.

Positioning Nonprofit Tech as a Catalyst

Technology like grants management software is not just a standard operating expense. It's a tool that can enable your organization to do more than you thought possible.

Even if you and your team know this, you may still need to prove it to get the budget approval you are after. The goal is to elevate your request from simply another line in the budget to a strategic investment in the long-term effectiveness of your nonprofit. You can get started by explaining how today's products can allow your organization to tackle these three vital action items.

1 Improve Stakeholder Experience

As consumers, we're regularly exposed to the ways technology can encourage collaboration, save time, and generally make our lives easier. Your stakeholders — from grantees to reviewers to board members — have come to expect a better experience when interacting with nonprofits. We realize this is a bit ironic given the previous discussion about overhead costs, but we'll leave that aside for the moment!

Your constituents will be more engaged as you remove obstacles and connect with them in a more personalized way. You'll also make a better impression, which can

translate into trust, great public relations, new partnerships, and donations down the road. Not to mention, in an era of heightened security and privacy awareness, you'll give your stakeholders peace of mind with [privacy-compliant](#) technology.

Let's take a look at how a [grant management system](#) can improve the overall experience of each primary stakeholder:

- **Grantees won't have to second-guess their applications when you have an intuitive, mobile-friendly application that's custom designed. Once funded, a single platform for their reporting requirements makes it easy to stay in touch.**
- **Reviewers have access to a branded portal where everything they need is all in one place. Our unique side-by-side layout lets the reviewer see and score the application at the same time.**
- **Board members or donors can see visual dashboards and reports showing key data points — so they know where the program stands and the impact it's having.**

And let's not forget — having a CRM embedded in your grant management system gives you an easy way to build and maintain relationships. Your CRM can help you send ongoing updates to your database of grant seekers in a very personalized way, referencing previous conversations or previous grants you may have funded.

2 Make Decisions Informed by Data

You might already collect a variety of information about your grantmaking efforts. But if you're like many nonprofits, it's housed in a combination of spreadsheets, databases, emails, and even hard copy. This type of disparate data only gives you a glimpse into the true impact of the grant. Imagine what your organization could accomplish if it had a way to look at all this data critically? How would these insights influence the trajectory of your mission?

[Grant management software](#) offers a way for grant managers to collect, track, and report on grant impact in a coordinated way. And with over 1000 integration options, organizations can easily export their data — clean and ready for further analysis.

Grant management software also allows for a more robust review process, enabling grantmaking organizations to feel confident in their funding decisions. You can set up blind reviews, have multiple review stages, and design different scoring mechanisms. Reviewers can discuss applications amongst each other, make notes for themselves, or communicate directly with the applicant. All these tools help your team make better decisions.



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3 Focus on Impact vs. Administration

As you pitch the idea of nonprofit tech to your decision-makers, you may excitedly share the amount of time you'll save through various features. And while this is true (and an excellent reason to invest in technology), your argument should also focus on what you'll be able to do with that newfound time.

This is where using the overhead ratio can mask the true value of investing in technology. For example, you may have a full-time administrative staff member responsible for fielding questions from grantees, organizing grant applications, distributing grants to reviewers, and generally keeping track of the entire process. Let's say by investing in a grant management system, this person's administrative duties are cut in half.

Using the overhead ratio as a guide for efficiency, your overhead would go up, and therefore your efficiency would go down. However, this person is now free to do follow-up surveys to grantees, more in-depth grant impact reports, and can proactively stay in communication with stakeholders.

It may take a little time to see the results as the software is implemented and systems are put into place, but there's no doubt your organization will make more of an impact. That's what really matters.

Becoming Your Organization's Tech Advocate

Your reasoning is now solid and you're getting more nods at meetings. But while they see how technology can help **some** organizations, they may not feel its for **your** organization. It may feel too daunting, too advanced, or too complicated. Here are some strategies to convince even the biggest skeptic and get your proposal approved.

1 Enlist Your Technology Department's Expertise

Before you get too far down the road with your research, identify an IT staff member who can answer technical questions. Ask about security, data migration, integration, and other important topics. Gather a list of requirements so you can quickly assess whether a solution will work. This is also an opportunity to evaluate the provider. Ask them to verify your requirements or see if they have a knowledge base that's easy to navigate and understand.

When you prepare your business case, create a table with your IT requirements and a note (or check mark) showing that you did your homework.

2 Consider Software as a Service (SaaS)

Software as a Service is another name for cloud-based software, and it's the largest growing type of software available. When the service provider hosts applications, portals, and databases, your IT team — or lack thereof — isn't stretched. This could be an appealing solution for organizations that simply can't add new infrastructure. You'll just need to ensure that security is a priority and all service level agreements protect the institution. Your partnership with the IT department will help you assess any risk.

3 Talk to Real Users

Once you've shortlisted a few options, reach out to your network for feedback. Pose a question on LinkedIn, contact a peer you met at a networking event, check out reviews on [Capterra](#), or see if there are online resources available through a professional association.

Getting direct feedback from people actively using the technology is the best way to see if it would work for your team. Make a list of the primary problems you're trying to solve and ask a real user if their software addresses them.

You can add this information into your business case a



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few different ways. You could make a chart with the problems the software would solve, list the number of similar organizations using it, or provide direct quotes from actual users. The goal is to bolster your case from a number of angles.

4 Anticipate Objections

Talking to your peers at other organizations gives you insight into the objections they've encountered. Using their experience as a starting point, make a list of questions or concerns that might come up. Create a section in your report with an FAQ-style list. You'll be prepared for every obstacle.

Be sure to anticipate some concerns about onboarding, data migration, and learning curve. Your business case should include a section that addresses the cost and time involved in the transition as well as a clear change management process. It's also smart to develop a visual showing integration points between this new software and any existing tools.



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5 Use Stories, Not Just Facts

It's easy to go crazy with charts and graphs when presenting a complex proposal, but research suggests that [stories are 22 times more memorable](#) than facts alone. You might begin with an anecdote that brings the most glaring problems to light.

"As you recall, last cycle we barely made the deadline we had publicised for grantee award notifications because one member of the review committee missed an email with important attachments and another member was referring to an outdated version of the status report. This could have been a PR mess and lost us the trust of our grantee organizations."

6 Focus on the Benefits, Not the Features

When you're in the weeds of everyday administration, it can be tempting to dive right into the features of an application. "Look! It can do this! And this!" But the decision-makers want to understand the benefits of those features. Keep it high-level for the people who won't actually be using the system. For example, if you're proposing a project management tool:

Instead of saying: *"The software allows users to view tasks in several formats - spreadsheet, Gantt chart, boards, lists and calendar."*

Try this: *"The software provides several ways of viewing tasks to accommodate different work styles. This will encourage staff adoption, making implementation go more smoothly."*

7 Don't Forget: "What's in it for me?"

Lastly, don't overlook the most important part of any proposal — "What's in it for me?" When you consider the decision-makers, think about the emotional reasons that might derail your efforts. Make sure you incorporate the answers to these hidden questions:

- **How will this benefit me?**
- **Will this create more work for me in the short or long term?**
- **Will this make me (or my department) look good?**
- **Will my boss disagree with this proposal?**

You know there's a better way. Strategic technology additions will give you both time and insights, stretching your department's capabilities and helping you focus on what matters. Use these tips to develop an airtight business case that will sail through the approval process.

Selling the Value of Investment in Technology

By this point, you probably have most of your organization not only in agreement that a new grants management system will dramatically improve the way you run your programs. Some may even be ready to pull the trigger and sign on the dotted line. But cost will still be a factor.

We've talked already about the internal struggles nonprofits often have about spending money. And we know that budgets can feel like brick walls. But we also know that things like the above tied to return on investment and ability to scale programming can lead to agreement. Here's how to finish out your approach and get that stamp of approval.

1 Do your homework

Inevitably the first question is going to be “how much?”. [Know the answer](#) ... and explain why it's justified. Have a full list of the features that go into the platform and how not having them or trying to handle some of them piecemeal would actually increase costs over time. Explain how [cloud-based programs](#) are continually evolving and ensuring great long-term satisfaction and cost-savings thanks to continual updates and support. A [cost calculator like this one from Software Advice](#) may help prove the case over a current, antiquated system.

2 Focus on your ROI

How long does it take you and your team to handle your end-to-end process now? Now assume at least a 50% savings in time with a new, cloud-based system, and show that impact in real numbers. The cost savings right there may be enough to help your organization digest the large initial cost associated with implementing a new platform. [Measuring the return on investment for a technology product](#) cannot always be exact, but it can be eye opening. Back that data up with other numbers, too. How much time will your reviewers save? Will the process bring in better applicants? Will donors have better access to data that keeps them invested?

Based on client feedback, a cloud-based application management platform can deliver:

50% reduction in administrative hours

OR

15 hours per week

OR

600 hours per year

OR

Close to \$13k in labor costs

Results not guaranteed and will vary based on multiple user factors.

Nonprofits certainly have to make smart choices when it comes to their operations and expenses, but investing in the organization itself and the tools necessary for it to reach its goals should not be seen as a negative. In fact, with hard facts and obvious benefits on your side, your case is strong.

A well-researched purchase of powerful technology can very well be the decision that drives your nonprofit to the next level, as when you invest in your foundation or nonprofit, you inevitably are investing in your mission, community, and beneficiaries.

Make the move and improve.

Discover how one new platform could make so many positive changes to your grants program. Learn more at wizehive.com.