

Session 4: Act: Making the Decision





Act: Making the Decision

Acknowledgements

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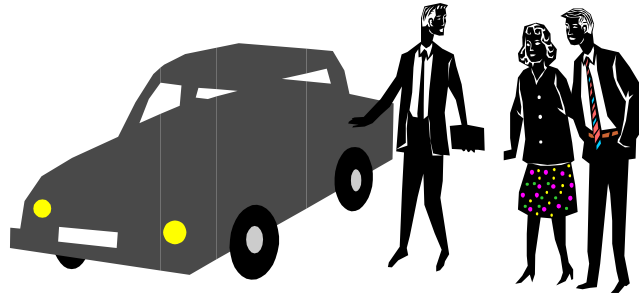
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<http://www.josseybass.com/WileyCDA/WileyTitle/productCd-0787962791.html>



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Buyer says to dealer, "Let's just save time and effort. You pick the car and price and I will just buy it!"

When you go to buy a car, do you choose only one dealer, walk up, and say show me what you want me to buy? Or do you do some research first on the type of car you want, need, and can afford? Do you find out well the car operates, other people's opinions of the car and what else is available? Technology is a significant investment and needs to be treated accordingly.

Preparing for the Providers

Know your needs and wants

The first step is to know what you must have in the software you select and what you would like to have. Session 3 introduced the methods to help you gather this information, which will become the basis for your decision-making process.

Prioritize

Once you have determined your requirements and the items on your wish list, prioritize in order of importance.

For example, you need credit card billing. But do you need it just for Membership and Program, or do you need it for Financial Development, also? How often will you do the draft? What about multiple billing parties? Refunds? Reporting?

Now do the same for your wants. Which ones will make the biggest impact? These may be the items that you push your decision towards one software package over another. In other words,



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you may find that all of the providers can meet your basic needs, but what about the extras? Which ones are the most relevant to your YMCA and its mission? Maybe biometrics as an access control tool is all the rage, but is it right for your YMCA?

Conduct a Gap Analysis

Once you have a good idea of where you are and where you want to be, you have to look at the gap between the two and plan how to close it. Compare your assessments of your YMCA's current hardware, software, skills and business practices to what your YMCA needs and wants.

When performing a Gap Analysis, do not focus on the software products, themselves. Instead, consider these items:

- Tools needed to accomplish a specific task
- Staff training needs
- Changes to procedural or business approaches that will be enforced by the new technology
- New hardware needed
- Budgeting changes so that you can afford the new technology

Once you have completed this list, you will go back and find the specific products that will help you meet those gaps. Here is an example:

Current State

Able to bill Child Care only as a monthly or weekly item. We have to use a workaround to get billing correct if registration is different or if they need daily billing.

Need

Need to be able to bill Child Care as a daily, weekly, or monthly item depending on registration.

Gap

Need a program registration system that will accommodate daily, weekly or monthly item depending on registration.

- Also need to train staff on different billing and registration options.
- Review why this is needed to verify that it is a good business practice and adjust procedures as necessary.



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Develop Scripts

In the beginning of this session, you saw a cartoon that suggested that it is better to tell the seller what you are looking for rather than letting them show you what they have. Well, how do you accomplish that? We suggest using a process called *scripting*.

What is a script and why is it important? Essentially, a script is a list of processes that you want each provider to demonstrate for you. This list should contain those business functions or tasks that are the most critical to your YMCA. The script simply outlines the demonstrations that you want to see. By giving each of the providers the same list of functions or tasks to demonstrate, it will be easier to compare them.

1. Sources to develop scripts

- Use the process maps you created (see session 3). These provide good detail about individual processes, which you can use to break down into scripts.
- List of needs and wants for your YMCA
- Strategic goals and plans that your YMCA has written

2. Prioritize

- Prioritize the list you create based on the following or other criteria:
 - Financial impact on organization
 - Mission critical
 - Time Consumption – how much of your staff time involved
 - Pain points – amount of pain caused by current processes

Next, select the highest priority items to become scripts

3. Break down the business function into smaller steps

- If a process map is available for this business function, this step is done
- If no process map is available, just outline the basic steps or pieces that are necessary to complete this function

4. Draft processes into a script format

- Rewrite the above into a chart format that lists the steps or pieces that the provider should demonstrate with their software
- Organize your scripts into workflows or groups. If there is overlap between two scripts, you may consider combining them.
- Clearly identify all of the steps and details that your YMCA needs.
- Organize the scripts in a logical manner to be sure they represent your organization as a whole. This can be in order of operation, by function, or whatever makes the most sense.

Here is an example of the steps above.



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1. Sources to develop scripts

- My YMCA has a Strategic Plan that includes three main objectives
 - Increase member retention
 - Open two new remote-site Child Care centers
 - Build a scholarship endowment fund
- Also, having a very hard time billing third-party child care payments
- Would like to start internet registration

2. Prioritize

- Also having a very hard time billing third-party child care payments
- Open two new remote-site Child Care centers
- Increase member retention
- Build a scholarship endowment fund
- Would like to start internet registration

3. Break down the function into smaller pieces or steps

- Also, having a very hard time billing third-party child care payments
 - Member Registers
 - Set up billing to a third party who is not member
 - Send billing statement to third party and to member
 - Have multiple third parties
 - Split payments by percent or amount
 - Create a tax letter for member portion of payments

4. Draft into a script format (for the provider)

- Demonstrate how you would enroll a member into child care meeting the following conditions
 - Mother Registers Member Child in Child Care
 - Mother also registers for Before and After Care
 - Set up billing for 50% to a third party who is not member
 - Set up billing for remaining 50% to the parent
 - Able to send billing statement to third party and to member
 - Able to have multiple third parties
 - Create a tax letter for member portion of payments.

In short, scripting ensures that you have consistent descriptions of the processes you want to see in every software product that you review, which makes comparing and scoring each product much easier.



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You and Your Provider: More Important than Functionality

What's more important than the functionality of the software? The relationship between you and the provider of the software. When you purchase operations software for your YMCA, you are entering a relationship with that provider. You will depend on them for support, consulting, training, and future releases.

With this relationship in mind, it is important to research information that goes beyond the functionality and purchase price of the software. You will also need to consider: What type and level of support do you need? What would you like to see in future product development? Are you able to help define the future of the product? Will the company release a list of current customers that you can contact? What type of training is available? Are there user groups?

Certification Process

To assist you in answering the questions above, TRG has evaluated and certified several leading technology providers based on five areas. Each area was weighted as a percentage of the score, as shown below:

- ▶ company viability, 20%
- ▶ cost, 20%
- ▶ customer history, 15%
- ▶ support-training, 33%
- ▶ future development, 12%

Note: For further detail on the certification process, visit the YMCA of the USA extranet at http://www.ymcausa.org/Technology/Technology_Evaluation_Tool.htm

You will notice that by comparing only by price and functionality, it may not always be clear what your decision should be. Matching your needs and philosophy to that of the provider can be the critical deciding factor.

Vendor Visit Score Cards

In order to subjectively compare the providers you will be reviewing you should create a score card. This score card should be a combination of the scripting you created plus the other criteria mentioned above in the Certification Process. Using a set scoring method will make it easier to remember what you did or didn't like about each of the vendors. Below are the steps to create these score cards.

1. Sources to develop score cards

- List out each of the requirements from the scripts,



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- Add in all of your criteria that is not related to functionality, you can use some of the questions and concepts from the certification process.
2. **Set up a scoring matrix**
 - Create a spreadsheet with the requirements above.
 - List items in order that the provider was told to demonstrate.
 - Set scoring method, like a 1 to 5, with 1 = functionality or item not met or in future release, 3 = functionality or item met with a workaround or customization, 5 = functionality or item met all requirements
 3. **Possibly use a weighted system** – this will take extra time and effort to create, score and use but will give a more accurate picture. But may add too much to the process and confuse things.
 - Take the spreadsheet above and add a column for importance rating.
 - Go through each of the items and fill in the importance rating.
 - Use a number scale to rank them like 1 to 3, with 1 = low importance, 3 = essential
 - Add another column for total weighted score
 - This should be $\text{score} * \text{weight} = \text{total weighted score}$
 - By using weighted scores more important items end up being worth more points than a lower importance item.

Last Steps

Before calling the providers for a demonstration, make sure you select the ones who meet your basic requirements. Take the results of the software requirements spreadsheet that you completed for your YMCA (see session 3) and compare them against the spreadsheet completed by the provider. You can find the provider responses at

http://www.ymcausa.org/Technology/Technology_Evaluation_Tool.htm

Note that the responses reflect how the provider views the functionality of their own software, which may differ from your actual requirements.

Estimating TCO and ROI

There are many additional expenses to technology that go beyond the software and hardware. When considering cost, make sure you consider the Total Cost of Ownership (TCO), so you don't set yourself up for surprises later on. TCO can include training, support, replacement cycle, maintenance, updates, and many other expenses. Generally speaking, use the 30/70 rule to calculate TCO: 30% of the cost will be the item that you are buying with 70% representing other costs.



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There are several tools available to help you calculate total cost of ownership and return on investment (ROI).

TechAtlas – An ROI and Cost of Ownership tool is included in this assessment tool.

NPower has developed two tools for ROI and TCO at <http://www.npowerseattle.org/tools/techplanning.htm>.

TechSoup has written an article on TCO at [http://www.techsoup.org/howto/articlepage.cfm?ArticleId=295&cg=searchterms&sg=total cost of ownership](http://www.techsoup.org/howto/articlepage.cfm?ArticleId=295&cg=searchterms&sg=total%20cost%20of%20ownership)

Inviting the Providers

Organize with other interested YMCAs and schedule a demonstration with the technology providers you have selected. Some things to consider.

- Allow adequate time for each vendor. At least three hours may be needed for an application that covers all major business areas
- Make sure the providers receive your script(s) and follow it
- Create a scorecard and make sure all participants understand it
- Have at least one third-party present, such as a Network or TRG consultant. You will need some help from a person who is not directly affected by the decision.

Don't Go Alone

When making the decision to purchase a new operations software package, make sure the Technology Team is involved. You may also want to consider collaborating with other Ys or other nonprofits in your area as you go through the last steps of selection. Collaboration can allow you to

- share time and effort
- get other opinions
- enter into a group purchase for a better value (only if you decide to select the same provider)

You may also want to enlist the help of a consultant.



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Working with Consultants

Consultants are an essential resource when there is work that requires skills and tools that your YMCA or staff do not have. For example, process mapping, vendor interviews, and scripting can get complicated. In addition, you may find that you need to upgrade hardware in order to implement the new operations software. For these and other reasons, you may need to hire an outside technology consultant.

Working with consultants on any type of project can get very expensive quickly, so it is important that you use them wisely. For short-term or focused projects, it makes sense to bring in a consultant for that time rather than training or hiring new staff. A balance is necessary, though, to avoid high costs and misdirected resources.

Here are a couple resources that talk about working with consultants:

- **TechSoup** has a series of articles covering all aspects of working with consultants, including how to select them, why you need them, and when to use volunteers.
<http://www.techsoup.org/howto/articles.cfm?topicid=8&topic=Consultants&cg=nav&sg=consultants>
- **NPower** offers articles and tools to help you sort through the decision of hiring a consultant. http://www.npower.org/tools/it_staffing.htm

As a YMCA, you have access to several types of consultants from the YMCA of the USA. Your primary contact is your Network Consultant who is the first person you will work with to take advantage of the resources that YMCA of the USA has to offer. The Network Consultant can help you identify and document your needs by going through the Dimensions of Vitality and creating a Service Delivery Plan. They can then point you to the different specialty consultants that are available.

These specialty consultants offer expertise in the following areas:

Technology	Membership	Program
Financial Development	Leadership Development	Human Resources
Marketing & Communication	Legal	Building Services



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Making the Decision

Throughout this process we have encouraged working as a group. When it comes to making the software decision, your group may decide to enter a collaborative effort to purchase and implement your decision. While this approach may have many benefits, also consider the needs of your YMCA, which may be unique and may require a different solution.

Just the Beginning

Choosing your operations software solution may seem like the end of the process, but it's really only the beginning. Once you've committed to implementing the new technology, don't forget all the other tasks – long and short-term – that will now become a part of your Y's ongoing

- Implementation schedule
- Communication plan for implementation
- Training schedule
- Developing a plan to standardize business processes
- Budgeting for new technology expenses
- Future technology plans

Once you begin using your new solution, you will see that there are many new opportunities for the growth of your YMCA. New technologies will emerge and business practices will change. You will need to maintain your technology team and develop an ongoing plan that will help your association keep and attain the technology it needs to meet the needs of your members, staff, volunteers, board and community. Remember, technology is not just a tool to complete your work, it is an opportunity to meet and expand your YMCA's mission.



Your Turn: Functional Need Priorities (Homework for Sharepoint)

As homework for the final session, pick the three most critical items to your YMCA in the areas of Membership, Program, Campaign, and Other. As a starting point, you can use the items you ranked in the Technology Evaluation tool, or you can come up with your own. (The Technology Evaluation tool lists YMCA functional requirements in all areas of operations software. You should have been introduced to this tool at your first OSS neighborhood meeting, and you should



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plan to complete it before the second OSS meeting. The tool is available at <http://trg.ymca.net/technology/tools.htm>.)

To post your homework, go to the Sharepoint site. On the homepage, look for the survey called “Functional Needs Priorities.” Click the Section titled “Functional Needs Priorities.” This will take you to a new page. Click “Respond to this survey.” Then, fill in your top three items for each area.