Connecting the Information Dots

A Webinar Series for International Not-For-Profit Organizations
# Webinar Series

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<tr>
<th>Date/Time</th>
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<td>Tues, May 13th @ 11:30AM - 12:45PM EDT</td>
<td>Best Of Breed: Bringing Together Financial, Grant, and Donor Management Systems</td>
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<td>Tues, June 10th @ 11:30AM - 12:45PM EDT</td>
<td>Moving to Office 365 – A Case Study</td>
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Webinar Recording

• We’ll be recording the webinars in our series
• We’ll make these recordings available to those who attended the webinars first, and then to the general public
Questions

• Type your questions in the QUESTIONS box of the control panel. We’ll ask the presenters to respond to timely questions during their presentation. We’ll address the rest of the questions at the end of webinar.

• By default, your microphone is muted. Because we have so many attendees, we’ll keep everyone muted throughout the webinar.
Today’s Webinar

Best of Breed: Bringing Together Financial, Grant, and Donor Management Systems

Presenters
Jacqueline Tiso, CEO, JMT Consulting Group
Richard Graham, VP of Finance & Administration, Grameen America

Moderators
William Lester, Executive Director, NPOKI
Igal Rabinovich, CEO, n-Village
Let’s Take a Quick Poll!

• We want to learn about your organization
• We want to learn about your use of Integrated Management Systems
Today’s Agenda

- Are you ready to replace your financial, grant or donor applications?

- Evaluation best practices
  1. Getting started
  2. Define your requirements
  3. Understand your options
  4. Evaluation process for nonprofits
  5. Determining benefit and ROI for nonprofits

- Summary and resources
Grameen America: Building a nation without poverty

**HISTORY**
Grameen America builds on the legacy and proven model of Nobel Peace Prize Laureate Professor Muhammad Yunus and the Grameen Bank. Since 2008, we have been at the forefront of providing the poorest in the United States with essential resources to leverage their own initiative, skills and hard work to improve their lives.

**MISSION**
Grameen America is dedicated to helping women who live in poverty build small businesses to create better lives for their families. We offer microloans, training and support to transform communities and fight poverty in the United States.

Thirty years ago, Professor Yunus gave $27 to 42 poor villagers in Bangladesh, and all of them paid back. This inspired him to create the Grameen Bank, which has reached over 8 million borrowers, changing their lives and those of their families.

Today, Grameen America uses this model to change the lives of thousands of women living in poverty in the United States.
## Our solution

Grameen America financially empowers low-income women

<table>
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<th>Overview</th>
<th>Impact</th>
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| **Affordable Capital** | • Low-cost loans support income-generating activities  
  • Maximum first loan: $1,500; average loan size: $2,000 | • $145 MM in total loans disbursed  
  • $2,500 average income increase¹ |
| **Asset Building** | • Members open free savings account with local bank  
  • Minimum $2 per week savings required | • $1.7 MM total savings deposited |
| **Credit Establishment** | • Repayments reported to Experian  
  • 2 out of 3 members have no prior credit history | • 670 average credit score after 1 loan² |
| **Financial Literacy** | • 5-day training on budgeting, saving, improving credit  
  • Weekly meetings facilitate continuing financial education | • 50 sessions per year |
| **Peer Network** | • Group lending model fosters community of support  
  • Forum for peer learning and collective problem solving | • 28,643 members nationwide  
  • 25 peers meet weekly  
  • 34,371 jobs created³ |

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1. Average $2,500 income boost after one loan cycle
2. For those without prior credit history, after one loan cycle
3. Approximately 20% of members hire an additional employee for their business
National outreach
Grameen America has disbursed over $145 MM to 28,000 women in 11 cities¹

**San Jose, CA**
- Since Q1 2014
- 1 branch
- 26 women
- $31 K disbursed

**Los Angeles, CA**
- Since 2012
- 2 branches
- 695 women
- $1.2 MM disbursed

**Austin, TX**
- Since Q1 2014
- 1 branch
- 40 women
- $60 K disbursed

**Charlotte, NC**
- Since 2012
- 1 branch
- 1,210 women
- $2.9 MM disbursed

**Indianapolis, IN**
- Since 2011
- 1 branch
- 1,220 women
- $2.8 MM disbursed

**Omaha, NE**
- Since 2009
- 2 branches
- 3,110 women
- $18.6 MM disbursed

**New York, NY**
- Since 2008
- 6 branches
- 20,320 women
- $114.8 MM disbursed

**Boston, MA**
- Since Q1 2014
- 1 branch
- 30 women
- $44 K disbursed

**San Juan, PR**
- Since Q4 2013
- 1 branch
- 100 women
- $86 K disbursed

**Omaha, NE**
- Since 2009
- 2 branches
- 3,110 women
- $18.6 MM disbursed

**Union City, NJ**
- Since Q1 2014
- 1 branch
- 17 women
- $22 K disbursed

**SF Bay Area, CA**
- Since 2012
- 1 branch
- 1,820 women
- $5.2 MM disbursed

**New York, NY**
- Since 2008
- 6 branches
- 20,320 women
- $114.8 MM disbursed

**San Juan, PR**
- Since Q4 2013
- 1 branch
- 100 women
- $86 K disbursed

¹ Data as of March 30, 2014
Typical Reasons to Change

- Struggling with nonprofit reporting
- Inefficient manual processes are draining productivity
- Dependence on unwieldy spreadsheets
- We have multiple locations, grants, programs, projects, currencies, etc.
- We need real-time access & visibility to data
Envisioning the Future

Current Environment

A —> B
Disconnected, manual systems organization-wide

- Finance
- Grant Management
- HR
- Allocations
- Budget
- IT
- PO
- Employee Expense
- Donor Management
Grameen America: Existing infrastructure and challenges

Previous Infrastructure

- Quickbooks Pro 2009
- MIS system (Gbanker, Mambu)
- CRM (Salesforce)

Challenges

- Quickbooks could not support GAI growth; limited product support
- Limited functionality (e.g. budgeting, reporting, COA flexibility)
- Inability to manage fund accounting
- Over reliance on Excel (e.g. most reports generated through Excel)
- Lack of systems integration
1. Just Get Started

- You may decide to stay with your current solution, but you’ll still learn a lot from evaluating all your options:
  - Assemble a project team
  - Get executive buy in
  - Involve end users
  - Set clear goals & expectations
  - Create a project schedule
  - Provide leadership
2. Define Your Requirements

- Document the issues with your current system
- Prepare a top-down strategy
  - What do you want to achieve with your new system?
  - What type of information does management need to make better decisions?
  - What is the impact of that?
  - Which processes do you want to automate?
- Tap in to outside experts and your peers
- Document expected improvements and ROI/TCO
- Use a 3rd party expert to help with nonprofit expertise
Grameen America: Key Considerations - Software

- Scalable, mid-market solution capable of supporting GAI growth for up to 5 years
- True cloud based system with no server burden to GAI
- Native fund accounting capability that doesn’t require significant customization
- Intuitive, user friendly, easily manageable solution
- Powerful reporting tool, with intuitive reporting structure and training opportunities
- Capable of Integrating with other key systems, notably Salesforce, ADP and Gbanker (through Excel or automated)
4 Key Areas Every Org Thinks About

- **Boost productivity of financial processes**
  - Where do you spend your time now?
  - What is being done in Excel?

- **Supply insight for better and faster decisions**
  - How old is the information from which you are making decisions?
  - What is the bottleneck in getting the data?

- **Focus resources on your core business**
  - What other financial or related systems are critical to your business?
  - Where can you eliminate duplicate entry, entry errors etc?

- **Deliver scale for growth**
  - What are your business needs 3-4 years from now?
  - Do you have a business systems map to meet those needs?
Additional Items to Consider

- What’s your company culture?
  - Risk averse? Centralized decision making?
- What IT resources are available?
- How many people need to access the system?
  - Where are they located?
- What other systems do you need to integrate with? And how?
3. Understand Your Options

- Functional requirements

- Software delivery models
  - On-premises
  - Hosted
  - SaaS

- Best-in-class vs suite
Ensure Your Functional Requirements Are Met

- Financial Management
  - Workflow automation, dashboards, custom reporting, account reconciliations, project accounting, fund accounting, cash management, multi-currency, consolidations, etc.

- Grant Management
  - Dashboards, community driven, measurement & evaluation, payment management, user experience, customizable, etc.

- Donor Management
  - Constituents, relationship management, gift history, events, volunteers, fundraising, etc.
Additional Functional Requirements To Consider

- Employee Management
  - Expense Tracking, Payroll Integration
- Time management
- Procurement/purchasing
- Other custom applications used by your org
“Telling the Story”

- Donors are very interested in what an NFP does, and how effective it is.
Your Internal Solutions Need to Address Multiple Needs

Constituent Needs
- Regulatory
- Management
- Board

Granularity
- Summary
- Intermediate
- Transaction

Business Drivers
- Vendor
- Project
- Grantees
- and more...

Performance Measures
- Financial
- Operational

Basis / Books
- Cash
- Accrual
Your Systems Need To Do More...

Visibility to metrics, measurements & evaluation is key

- Full audit trail of any access & activity
- Workflow automation with approvals
- Document management attached to every transaction
- Automated, “smart” events, such as notifications of changes to master records

Proper documentation reinforces internal controls & drives audit trail quality
Software Delivery Now Comes in Three Flavors

**On-Premises**

The traditional implementation where you purchase software and run it on your own servers

**Hosted**

Software physically resides at a remote data center operated by an expert third-party hosting provider

Users access the software—a unique “instance” of the financial system—over the Internet, usually using a product like Citrix

**Cloud / SaaS**

The application vendor develops a shared, scalable system that users access over the Internet—just like Google, Amazon, WebEx or on-line banking

New technology that ensures that even if companies make extensive changes to the system, customizations will automatically continue to work across upgrades
Best-in-class vs. Suite...

Some Definitions

**Best-in-class**

Manage business by integrating solutions with best functionality for each department

**Suite**

Pre-integrated applications with less depth in specific functional areas
## Your Choice Depends On Your Needs

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<tr>
<th></th>
<th>Best-in-class</th>
<th>Suite</th>
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<tbody>
<tr>
<td>Purchase Process</td>
<td>Decentralized/Functional Autonomy</td>
<td>Centralized</td>
</tr>
<tr>
<td>Functional Requirements</td>
<td>Deep</td>
<td>Varies</td>
</tr>
<tr>
<td>Do you have existing apps you want to continue to use (e.g. CRM)?</td>
<td>Look at pre-built integrations and integrations that will need to be built</td>
<td>Will need to replace existing apps</td>
</tr>
<tr>
<td>Cost/Growth</td>
<td>Buy modules as you need/growth</td>
<td>Buy suite upfront and grow into it</td>
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<tr>
<td>Flexibility/Process</td>
<td>Adapt workflow to your business process</td>
<td>Follow prescribed process</td>
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Clear Visibility is Vital

- Real-time, consistent information
- Role-based dashboards
- Management by KPI’s
- 24x7 accessibility by all constituents
Employee and Volunteer Time and Expense

You should be able to clearly demonstrate management and oversight of your staff and volunteer time & expenses, capturing time and expenses by program, project, grant/contract, etc., flowing directly to your financials. Benefits include:

- Ability to track cash commitments in real-time
- Speed reimbursement and manage approvals
- Complete visibility into usage of funds through to your financials
Workflow Approvals and Controls

Benefits include:

- Safely engage all employees and volunteers
- Real-time visibility & control
- Ensures compliance
- Comprehensive audit trails reduce risk
How Do You Know...Look To Your Spreadsheets

- How many do you use?
- What are you using them for?
- How much time do you spend every month in them?
- What spreadsheets are your staff using?
- How much time do they spend each month?
4. Evaluation Process for Nonprofits

- Check online sources for vendor reputation
- Create a description of your requirements
- Define efficiencies and calculate ROI/TCO
- Demo or trial from short list
- Check references

Ultimately, the process is about finding the solution that best solves your organizational challenge(s) at the lowest cost / risk
Five Important Selection Criteria for Nonprofits

1. Does the proposed solution legitimately provide a path to Point B?

2. Is the solution able to meet your requirements without abstract workarounds or customization?

3. Do you feel comfortable that the vendor or consultant proposing the solution understands our situation the nonprofit market?

4. Does the project have a credible ROI based on real benefits and efficiency gains?

5. Does the technology employed have staying power?
GRAMEEN AMERICA: SELECTION CRITERIA (Software)

All systems evaluated had similar features; however there were differentiating factors

- **Fund Accounting**
  - Intacct is specifically built to support the fund accounting needs defined by GAI; will require minimal additional configuration and report customization
  - Intacct has proven record of providing fund accounting solutions to nonprofits at scale

- **Scalability**
  - The suite of 3rd party ERP tools available with Intacct can be integrated at any point to support GAI growth

- **Reporting**
  - Intacct will need the least customization to meet our reporting needs
  - Intacct has a report building wizard making reporting simple and intuitive

- **Integrations**
  - Intacct has an out-of-the box integration to ADP and can be connected to Salesforce and Gbanker in manageable way through Excel reports and uploads
  - Seamless integration with all systems is possible as Phase 2 of project if need arises
GRAMEEN AMERICA: SELECTION CRITERIA

- Extensive experience working with nonprofit clients, preferably with nonprofit industry focus
- Experience implementing selected software
- Placement of CPA qualified employees on GAI project team
- Capable of providing best-practices advising on system design
- Ability to complete project in estimated 2-3 month maximum
- Expertise in providing significant training to GAI team
- Trustworthy with solid industry reputation
- Ability to provide strong references
Pitfalls

- Understand your most important criteria and don’t fail to weigh them appropriately

Examples:
- Acquiring tools that no one on your staff has the technical background to operate
- Choosing too much capability over usability. Ease of use matters.
- Giving too much weight to one factor without considering the sum total of potential benefits of each solution.
Bottom Line

- There is no single perfect solution for every nonprofit

- Your unique circumstances and goals will dictate what option provides the best fit considering:
  - Compliance requirements
  - Staff capabilities
  - Technology infrastructure
  - Organizational culture
  - Growth vector
  - Constraints
A Best-of-Breed Model

- Financial Management (Intacct)
- Grant Management (Orange Leap)
- Donor Management (Orange Leap)
Q & A
## Contact Information:

<table>
<thead>
<tr>
<th>Name</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Jacqueline Tiso</td>
<td><a href="mailto:jtiso@jmtconsulting.com">jtiso@jmtconsulting.com</a></td>
</tr>
<tr>
<td>Richard Graham</td>
<td><a href="mailto:r.graham@grameenamerica.org">r.graham@grameenamerica.org</a></td>
</tr>
<tr>
<td>Igal Rabinovich</td>
<td><a href="mailto:igal.rabinovich@n-village.com">igal.rabinovich@n-village.com</a></td>
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