



Navigating Performance Management Software Options

A Guide to Choosing Nonprofit Performance Management Software

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Performance management software can help nonprofits to measure their performance and streamline how they house, organize, and analyze their program data. But with so many options available, determining which software system best suits an organization's unique needs can be challenging. This brief guides service-delivering nonprofits through important questions to ask themselves before entering the market for a software solution and suggests key factors organizations should consider as they weigh their options. We discuss six software systems to highlight variations in pricing, functions, capabilities, and technical support.

The Performance Management Software Landscape

Rigorous performance management can help nonprofit organizations better understand how well they are achieving their goals and identify ways to better serve their constituents. By using data to capture program operations and outcomes, nonprofits can gain real-time insights that inform how they target, deliver, and adapt programs.

BOX 1

Measure4Change

Measure4Change is a program of the World Bank Group and the Urban Institute to build performance measurement capacity among local nonprofits in the Washington, DC, metropolitan area. Nonprofits recognize the importance of measuring program effectiveness, but their abilities vary, and resources for improvement are scarce. Measure4Change aims to fill this long-standing gap between what nonprofits in the DC metropolitan area want and what they are able to do. The effort intends to deliver performance measurement training in a way that is practical and accessible for nonprofits and over an extended period of time to help it take hold. The ultimate goal of this effort is to help the DC region's nonprofits better understand how they are helping their constituencies and how they can do better. Measure4Change, sponsored by the World Bank Group, has three components: grant support and one-on-one technical assistance for grantees, a regional community of practice, and knowledge briefs.

The data needed to paint a comprehensive picture of a nonprofit can come from a variety of sources and in a variety of forms. They may include, for example, attendance records gathered by instructors, case notes recorded by case managers, referrals made by community resource specialists, or responses to client surveys. Without a working data management system, it can be challenging for nonprofits to organize such diverse records over time, link information across program participants, identify overarching patterns, generate accurate reports, and gather meaningful insights.

Central performance management software systems, which serve as hubs for organizing program data, can help address some of these challenges. These systems share a number of core features: they enable data entry, store information within an organized structure, and output information. There is, however, considerable variation among performance management software systems, including specific features, intended purposes, pricing structures, and compatibility with external standards and other software packages. No software system is the best fit for every organization. Organizations need to weigh their specific needs and select the software that best meets their requirements.

Performance management software for program data ranges from survey software to central data hubs to data analysis software. For managing program data there are two broad primary categories: case management software and constituent relationship management (CRM) software. Case management software systems are typically built around tracking individual program participants. Participant records are often structured around case plans, enabling tracking of activities and progress against established goals or desired outcomes. CRM software, in contrast, allows nonprofits to monitor their engagement with multiple sets of individuals, from clients to volunteers to funders. Out-of-the-box CRM software systems typically focus on capturing the current state and history of relationships between organizations and their various constituents. Many CRM systems are highly customizable, however, and can be set up to offer case management capabilities. Indeed, today's performance management software systems are sophisticated and generally offer the flexibility and features to accommodate a variety of program models and tracking needs, going beyond just fulfilling case management or CRM needs.

When to Go on the Market for Performance Management Software

The right performance management software at the right time can expand a nonprofit's ability to monitor its activities and its effectiveness. By itself, however, performance management software is no silver bullet. To set up, maintain, and use performance management software to best advantage, nonprofits need to be prepared. Given the resources and capacity needed to acquire and successfully implement a software system, nonprofits should carefully weigh if they are truly ready to benefit from an investment in a software solution. Nonprofits with simple activities and those just beginning to think about performance management may not need specialized software right away. For some nonprofits, a simple set of spreadsheets and text documentation may be sufficient.

Prior to entering the market, nonprofits should assess whether they are at a stage at which they need or are ready for performance management software. To conduct this assessment, nonprofits should consider the following questions:

- **Has the organization outgrown its current system for managing and working with data?** A nonprofit's performance management efforts may reach a level of maturity at which tracking data solely through spreadsheets is insufficient. Nonprofits that are beginning to collect sensitive or confidential information will need to move beyond spreadsheets to ensure the security of the data they house. Organizations participating in collaborative efforts may need a rigorous system for reporting and sharing information. Funders may also press organizations seeking larger grants to more persuasively demonstrate the effectiveness of their programs, necessitating stronger systems for gathering, storing, and analyzing program data.
- **Is there buy-in from organizational leadership for data-driven performance management?** Organizational leadership is important to gaining staff buy-in and to ensuring that processes are put in place to fully leverage the capabilities of a performance management system. We heard from experts in performance management software implementation that commitment from organizational leadership to making data-driven performance management a priority is crucial to success. Without this commitment, promoting the cultural and procedural changes needed to accompany the introduction of a new software system can be difficult.
- **Is a stable program model in place, and are there clear organizational goals?** Because all performance management software needs to be customized to fit the needs of a nonprofit, it is suggested that nonprofits acquire software once they have a relatively stable model. Although a nonprofit's programs and activities may evolve over time, it is helpful to first have a clear understanding of whom the organization serves, what its primary activities are, and what its mission is.

- **Is there a staff member or multiple staff members with the capacity to take ownership of a software system?** Performance management software is much more likely to be successfully deployed when at least one staff person can be trained on the software and be responsible for its configuration and upkeep. This system administrator can serve as a resource for other staff and as a champion for the software's use.

Administrators do not need to have a background in information technology. They should, however, have a detailed understanding of the organization as a whole so they can provide software vendors with the key information they need to configure the software application to the nonprofit's needs. It is also helpful for administrators to have some experience using spreadsheet applications like Microsoft Excel and some basic understanding of database structures.

- **Are there sufficient financial resources to fund the system?** Nonprofits should have upfront resources for purchasing the software, as well as dedicated resources for investing in upkeep, future configuration needs, and professional development.

Suggestions for Shopping Around

Once a nonprofit has determined it can benefit from a performance management software system, it can increase its chance of identifying a software solution that meets its needs by completing a data inventory or needs assessment, talking to peer organizations, and articulating one or more specific user scenarios to request during vendor demonstrations.

Complete a Data Inventory or Needs Assessment

Nonprofits should start by fully understanding their current data practices and systems, making decisions about what the software will help track, and identifying organizational needs that a software system may help fill. This process of internal reflection will enable nonprofits to more easily evaluate software for fit. Nonprofits should consider the following questions before they start investigating options:

- **What data will be tracked?**
 - » Which programs and which activities will be tracked? Which participants, inputs, outputs, and outcomes? What data needs to be collected to generate the reports we need?
 - » How will the data collected be used? What questions will the data help answer? Who are the target audiences for the data?
- **What is the current system for collecting and analyzing data?**
 - » What data are currently collected? In what formats? What data collection instruments are used? How are data stored and organized? How are data used?

- » What software is already in use? How is it used? Who uses it? When is it used?
 - » What elements of the current performance measurement process are working well?
 - » What are major challenges or gaps in the current system? What factors contribute to them? Are they related to poor or obsolete systems? Lack of staff or leadership commitment? Inefficient processes?
- **What is the organization's current capacity?**
 - » Which staff person(s) should collect, enter, and analyze the data?
 - » How much time can frontline workers dedicate to collecting and entering data? What skills do they have? How tech-savvy are they?
 - » Are there any staff members with data analysis or data management skills? Could that capacity be developed?
 - » Who is in charge of data quality? Have they defined what data needs to be entered for each client or constituent and during what time frame? Are there data quality processes in place?
- **Are there any special requirements for the system?**
 - » Do the collected data need to be submitted to another existing data system? Do funders request specialized reports?
 - » Are there data security standards to which the system needs to adhere?
- **What is the budget?**
 - » What is the budget for setting up the system? How will we fund ongoing maintenance? What resources do we have for staff time and development?

Talk to Peer Organizations

Organizations should reach out to other nonprofits with experience implementing performance measurement systems. Peer organizations with similar service models can lend insights on what worked and did not work for them. Ask peer organizations about the costs of implementing a given system, the amount of configuration and ongoing support needed to maintain the system, the ease with which data on target populations can be entered and manipulated, and any pitfalls the peer organizations may have encountered.

Develop Scenarios for Software Demonstrations

Prior to software demonstrations, it can be helpful to send software vendors a brief description of the key tasks you hope the performance management system will be able to accomplish. (Please see appendix A for a sample scenario document.) This description can help vendors tailor their presentations to the organization. In some cases, software vendors may configure the system with

customized forms and reports to provide nonprofits a better look at how the system might look when implemented for their organizations.

What to Look for in a Software System

Selecting the right software solution requires matching a program's needs with the features of a software system. A poorly set up system that does not meet an organization's unique needs may be difficult to maintain, drain organizational resources, strain staff capacity, and erode staff support for performance measurement activities. In contrast, a well-selected software solution can help organizations pinpoint areas of strength and areas for improvement, empower staff, and streamline service delivery and program administration.

Performance measurement software systems are best thought of as bundled packages offering a set of services and features. These bundles can differ significantly from each other in terms of pricing, structure, and contents. This section walks through key differences across bundles that nonprofits should assess as they make their decisions. We discuss six software systems: two CRMs (CiviCRM and Salesforce) and four case management systems [Efforts to Outcomes (ETO) from Social Solutions, TraxSolutions (Trax) from nFocus Solutions, Penelope from Athena Software, and Apricot from Community TechKnowledge]. Both CRM systems can adopt case management capabilities. CiviCRM can be set up to include CiviCase, a module that can handle case management tasks. With Salesforce, nonprofits can add additional functionality through Salesforce's AppExchange, which provides a variety of free and paid third-party applications. One example of such an application is Exponent Case Management, which provides case management functionality targeted to human services organizations.

The list of software systems explored in this brief is not meant to be exhaustive. Rather, we selected these software systems to capture some of the diversity in the landscape of performance measurement software in terms of price, target clients, functionality, and customer service.

We do not review these software systems, nor do we provide apples-to-apples comparisons of their features. Instead, we offer them as examples of software that may cater to nonprofits all along the continuum of performance management experience and capacity, from nonprofits just starting to collect data to nonprofits seasoned in performance measurement seeking to take their activities to the next level. For direct comparisons between case management systems, see Idealware's "A Consumer's Guide to Case Management Systems."

Information on software systems was gathered through interviews with software vendors and consultants, software demonstrations, and documentation. The information provided in this brief is current as of the time of publication. Nonprofits should reach out to individual vendors for updates on costs and system features.

System Costs

The direct costs associated with implementing performance management software can be divided into upfront and ongoing costs. Upfront costs fund activities such as acquiring the software, configuring the system, migrating existing data, and training staff on how to use the system. Ongoing costs include the costs associated with software updates, hardware and network maintenance, external hosting services, reconfiguration for evolving program needs, professional development, and customer support. Additional costs to take into account include staff time for data collection, data entry, and designing and pulling reports.

When assessing the costs of implementation, it is important to take all these costs into account. Software vendors employ a diverse set of pricing schemes. Broadly, common components of pricing schemes include the following:

- **Licensing costs and annual membership fees.** Most vendors charge fees upfront for software licenses and/or for annual access to the software. Vendors provide licenses by organization (one license covering a nonprofit), by number of users, by organization size, or by some combination of these factors. The number of users typically refers to the number of unique login accounts made available. Nonprofits should consider all the potential staff and constituents who need access to the software system. Although in some cases multiple people might share one user account, it is generally recommended that each person is granted his or her own account. This practice helps ensure that the right people have access to the data most pertinent to them.

Some vendors charge an upfront license fee and an annual maintenance and service fee. Standard licenses may come with a limited number of user accounts; additional users can be added for an additional initial fee. Other vendors may charge an annual fee based purely on the number of users or based on a nonprofit's annual revenue, with no limit set on the number of users. Salesforce makes user licenses for its basic CRM platform available to organizations with 501(c)(3) designations free of charge for up to 10 users. Additional licenses can be purchased at a discounted rate.

Many performance management systems offer special modules, software extensions, or applications that add to or enhance the functionality of the core system. Examples of some of these add-ons are discussed throughout this brief. In most cases, organizations will need to pay extra to set up and maintain access to these additional features. Nonprofits should make sure to clarify with software vendors what functionality is included in the base price of the system and what functionality comes at additional cost.

Hosting arrangements differ across systems. ETO, Trax, Salesforce, and Apricot are hosted remotely by their vendors. Others, like Penelope, can either be hosted remotely on the vendor's cloud service or locally on the nonprofit's own servers. When hosted remotely, Penelope charges an annual fee for each concurrent user and for data storage in excess of 5 GB. When

hosted locally, Penelope charges a one-time fee based on the number of concurrent users to be activated.

The annual fees that software vendors charge typically cover a broad set of ongoing costs. Annual fees contribute toward the costs of hosting the software application, storing and backing up data, maintaining servers, and adhering to data security standards. They also fund the ongoing development of the software application, providing nonprofits with software updates. Nonprofits that choose to host their software locally may have to pay these ongoing costs directly in the form of additional investments in information technology infrastructure and external consultants.

As noted, nonprofits should consider the total cost of setting up and operating a particular system. For example, CiviCRM is an open-source CRM, unlike the other five systems, which are proprietary. As an open-source solution, CiviCRM has no licensing or membership fees, and it is free to download and install. However, the total cost of implementation and ownership may still be substantial for many nonprofits. CiviCRM must be hosted on a nonprofit's own computer network or with an external hosting service (which will incur a cost). With an open-source system, nonprofits may also need to pay out of pocket for support services that are typically included in the performance management system bundles that charge annual fees. Nonprofits just starting out with performance measurement or with limited information technology capacity may find locally hosted software like CiviCRM more costly and challenging to deploy successfully than a proprietary system.

- **System implementation.** All the software applications profiled must be configured to reflect what a nonprofit seeks to track. Each software vendor handles the implementation process differently and has a separate pricing structure for system implementation. Broadly, most software vendors work with nonprofits to learn more about a nonprofit's activities, goals, processes, and reporting requirements. This step enables them to develop a blueprint for configuring the system. As part of implementation, software vendors build the system, including enabling any key modules of the software the organization may need and customizing forms and reports. Some software vendors also help organizations migrate data from existing systems and refine processes for collecting and working with data.

Most software vendors emphasize that every implementation is different; configuring for a small single-service agency may take fewer resources than configuring for a multisite, multiprogram agency. Prices can vary widely because they are based on the quantity of professional consultation resources required. For example, Apricot, ETO, Penelope, and Trax have staff with experience in deploying systems for nonprofit organizations. In general, CRM systems require more configuration work because they are not usually specifically designed to track service delivery and human services outcomes. To implement CiviCRM or Salesforce, which comes with no formal support of its own, nonprofits can engage an independent external consultant.

As part of deploying a system, each software vendor requires that at least one person within the nonprofit be trained as a system administrator. Each software vendor implements robust, formal trainings to teach the administrator how to use the software's functions and maintain and configure the system. Most of these trainings also count toward professional consultation time.

For many functions, trained internal administrators can configure the system independently. The balance struck between engaging external professional support and using internal staff labor can affect the costs of system setup. Some vendors offer implementation packages of varying levels, with higher implementation levels making more professional support available for more extensive system configuration for a larger fee.

- **Customer support and training.** Each of the software applications profiled has different pricing structures for customer support. Nonprofits should think about support needs and assess the different costs before choosing a system. For instance, the Apricot, Trax, ETO, Salesforce, and cloud-based Penelope service agreements allow access to a variety of remote support services, including different combinations of live phone, chat, or e-mail support; training webinars; online documentation; discussion boards; and user groups. Users who run Penelope on their local servers can purchase, for an additional charge, access to one of three levels of technical support. Apricot offers clients a choice of two options for more hands-on ongoing customer support: they can purchase a monthly support package or purchase as-needed consultation time by the hour. The first package operates like an insurance policy; clients pay a fee each month to maintain access to support services. Nonprofits may not need services every month, but in the event of a large technical support need, they are covered. Apricot clients that elect not to purchase a support package would need to pay hourly for consultation time to solve their challenges. For CiviCRM, which comes with no formal support of its own, external paid consultants offer a wide range of customer support, from on-site consultations to hotlines. Many external paid consultants can assist with Salesforce build-out.

Although each of the software vendors offers general training materials at no additional cost, most charge extra for individualized or specialized training. Nonprofits may choose to hire consultants to conduct trainings to build program staff capacity, to deepen the skills of the system administrator, or to refine business processes.

It is difficult to provide an exact cost estimate for acquiring and maintaining a software system. Even free systems can take significant resources to successfully implement. For initial setup and training support, a nonprofit with 10 staff users should budget between \$2,500 and \$20,000. Nonprofits that need to migrate a large amount of existing data into the new system should budget additional funds for data migration, particularly if the existing data are messy or poorly structured. Subsequent annual costs for nonprofits of this size are likely to range between \$1,000 and \$15,000.

Entering Data into the System

When shopping for the right software option, it is important to consider the ways in which information can be entered into the system. Software should enable convenient and easily used means of recording data. Having a streamlined system can help promote staff buy-in. It can also help ensure that data are entered in an accurate and timely manner. Below we walk through factors to consider pertaining to how data can be entered into the system:

- **Device compatibility.** Most performance management software applications can run on multiple operating systems and web browsers and on multiple devices, including tablets and smartphones as well as computers. However, some applications may not be optimized for all devices. If you believe your staff members will be using their phones or tablets regularly to enter or access data, ask the vendor if there are device-specific versions of their applications. To understand if compatibility may be an issue, it can be helpful to assess both your organization's and staff members' current devices, operating systems, and browsers.
- **Users.** Depending on how licensing costs are structured, it may be valuable to carefully consider who within the organization will be able to enter data. In general, it is valuable to allow each staff member interfacing with the system a unique username and password. This practice can give staff a greater sense of ownership of the system and provide individual access to customized pertinent information. Moreover, providing staff distinct logins helps enhance data security and makes it easier to track users making changes within the system. Nonprofits with data subject to the Health Insurance Portability and Accountability Act of 1996 and the Family Educational Rights and Privacy Act may also need to create unique logins to ensure compliance. Understanding the details of pricing structures as they relate to charging per user is therefore important. Penelope, for instance, charges licensing fees based on the number of active concurrent users, but it does not charge for volunteers to access the system.
- **Automated and integrated data collection features.** Manual data entry can be taxing on staff and create a further barrier to implementing a performance measurement system. Some applications provide options for reducing repetitive data entry and automating data collection. Apricot, CiviCRM, Trax, ETO, and Penelope all enable nonprofits to create surveys or assessments that clients and others outside an organization can access and complete regardless of location. Third-party Salesforce applications can enable these types of data collection within Salesforce. Apricot includes secure web forms that enable online registration, web surveys, and other types of data collection from users without an Apricot login. Similarly, in ETO, there are two add-ons, ETO Engage and ETO Portal, that enable this functionality. ETO Engage can record client feedback through group and individual text messages, phone calls, and e-mails. ETO Portal lets clients log into a portal to access their own data and take assessments online. The data are then recorded directly into the database, without requiring staff to enter it on behalf of their clients. As another example, Trax enables automated ID card scanning for attendance that syncs with the data center. Nonprofits should ask software vendors what options they have available to address any special data collection needs.

- **File upload.** Nonprofits must sometimes upload data from an external source into their performance management system if staff members keep separate spreadsheets or gather data from internal or external systems that need to be integrated with existing data. All the software applications featured enable data uploads, but some require more tweaking to map the data to specific fields within the performance management system. An organization using CiviCRM, for example, would typically employ an external consultant to program a script to import a data file. For ETO, which require less tweaking, a trained internal system administrator can create a file-upload template that matches columns in a spreadsheet with data fields in the system. These templates can be saved for repeated batch uploads. Apricot has a similar data upload tool that matches template spreadsheets to fields and allows the user to validate information before saving it in the system. If regular data uploads are an important requirement, nonprofits should make sure the system they choose supports these uploads in a way that will be compatible with their resources and needs.
- **Grouping clients and making batch changes.** For some nonprofits, being able to group clients into distinct units and update records for an entire group is important. For example, if a group of students successfully completes a class, it should be relatively easy to highlight and update their individual records all at once. Nonprofits should be sure to ask to preview what batch updating functionality exists and how easy it is to use if this is a feature they will use frequently. Different software vendors employ different terminology for groupings. ETO, for example, allows the user to create “collections” of people. Similarly, Apricot offers an attendance registration grid that allows the creation of batch records for a roster of clients across a span of dates.
- **Form design.** All the software applications featured accommodate many types of fields (e.g., text boxes, drop-down lists, checkboxes, and radio boxes), as well as data validation and skip logic options to build forms for data entry. As part of implementation, most software vendors will create basic forms for their clients and train system administrators within the organization to use their form builders. These form designer tools are important to preview in demos, and nonprofits should ask how many forms the vendor will provide as part of the normal setup fee. Nonprofits will also need to modify and create forms on their own. Some vendors, like Apricot, offer visual form designers that let the administrator drag and drop elements into new forms.

In addition, some software may have special features that can help improve data quality. For example, Apricot offers integration with Google Maps so users can check the accuracy of client addresses. Apricot, ETO, and Trax provide duplication checks that use key fields to see if a client may already exist in the system. These types of features can help decrease the incidence of data entry errors and duplicate entries that can take considerable staff effort to disentangle later.

- **Data security.** Some organizations, particularly those that handle sensitive data like health information, may need to select a system that adheres to established data security standards. Needs will vary by organization. Common data security standards include those established

under the Health Insurance Portability and Accountability Act of 1996 and the Family Educational Rights and Privacy Act, as well as standards established by agencies like the Social Security Administration, the US Department of Veterans Affairs, and the US Department of Housing and Urban Development. When engaging vendors, be sure to ask about any standards that may apply to you, including any requirements of funders, agencies that send you data, and agencies to which you report. Often data security standards are concerned with where and how data are stored, such as whether stored data are encrypted using a secure, industry-recognized method. The vendors behind cloud-hosted applications invest resources into following established data security protocols; fulfilling the standards with locally hosted versions of CiviCRM or Penelope can be more technically demanding. Data security is a complex, important topic. For more information, please see the Urban Institute’s “Measuring Performance,” listed in the resources section, which discusses data security and confidentiality.

When exploring options, it can be helpful to pay attention to the overall structuring of data entry. Some software applications allow clients to explicitly connect the data included in the system with an organization’s mission and activities. Trax, for instance, lets nonprofits create and manage logic models. Metrics can then be associated with specific outcomes within logic models.

It is also important to pay attention to the finer details in a system’s features that can help promote better-quality data. High-quality data may be especially critical for organizations that need to handle longitudinal client tracking. One particularly valuable functionality that most systems offer is allowing users to systematically merge participants and remove duplicates. Instead of requiring users to delete clients, which can result in errors and the loss of data, merging participant records helps to retain information.

Extracting Data from the System

Ultimately, the value of a software system lies in providing organizations with useful information based on the data entered into it. Without easy-to-use means to extract data and create reports, a data system can fail to help nonprofits bolster their performance management efforts. Below, we discuss key features to which nonprofits should pay attention as they examine their options.

- **Dashboards.** A data dashboard provides relevant, usable information for staff members to track metrics and glean information to help them carry out their jobs. In Apricot, each user can have a tailored dashboard based on his or her responsibilities, roles, and interests. Through the dashboard, staff members can receive alerts and reminders, track client outcomes, view statistics on key program metrics, and access shortcuts to the key functionality within the software system most relevant to their roles.
- **Reports.** Reports can serve a variety of purposes, from printing out an attendance sheet for an after-school program to providing updates for funders and board members to sharing information with partner organizations. Reports extract pertinent data from an organization’s

underlying database that meet certain criteria, summarize information about a program, and present information in an accessible format that reveals trends and patterns.

It is particularly important to consider the following factors:

- » **The ease of use and power of report generators.** As part of implementation, most software vendors help organizations set up basic reports important to the organization's work. Over time, of course, more reporting needs arise, and staff members or the system administrator must develop new reports. All the software solutions profiled offer users the ability to generate custom reports, but some report generators provide more ways to slice and aggregate data than others. Because of their intended use, case management software offers report generators with functions more closely attuned to the needs of organizations seeking to track their client and program outcomes. With CiviCRM and Salesforce, systems more centered on tracking relationships, greater technical understanding of how data are structured within the system and how to aggregate data may be necessary. It may even be necessary to engage an external consultant to program a solution for a reporting challenge. With the other software systems featured, most reports can be generated within the software. But a complex, highly specialized report may still require customer support.
- » **Data analysis functionality.** For the most part, nonprofits starting out with performance management do not require advanced data analysis functionality. Most organizations will only need the ability to aggregate information and to conduct simple breakouts of program participants or services. Such simple data manipulation can provide valuable insights, and almost all performance management software is equipped to handle such tasks. But nonprofits that are further along and are interested in more advanced statistical analysis may be interested in exploring their software's capacity for more expansive analysis capabilities. In ETO, for example, organizations have access to predictive analytics tools and can set up basic models to identify correlations. Some analysts may opt to take the information out of the system and conduct more sophisticated analysis in applications like R, Stata, or SAS rather than complete the analysis within the performance management software.
- » **Data visualization.** All the featured software applications support visual elements like graphs and charts in reports. The quality and customizability of the data visualization features vary. Some nonprofits find it easier to export data to another application like Excel to create visualizations. Penelope can connect to Tableau, a reporting and dashboard tool that goes beyond basic charts and graphs, through an annual subscription service hosted by Athena Software.
- » **Special reporting requirements.** Some organizations need to regularly feed their data into other standardized databases to fulfill a funding requirement. For example, organizations that receive federal dollars for homeless shelter programs often need to submit data to a Homeless Management Information System. If an organization has special requirements, it is helpful to raise these requirements with vendors, as some

vendors may have experience interfacing with these external data systems that could help streamline setting up the necessary reporting mechanisms.

- **Data export.** Organizations will likely need to export information from the system to work with it further or to share it with stakeholders. For instance, nonprofits may find it easier to generate or customize reports to their exact specifications by exporting their data for use in statistical programs, Excel, or data visualization programs. Nonprofits may also find they want to manipulate the data or run more advanced analysis than the performance management system allows. Working with exported data can be beneficial to the user who seeks greater flexibility but who also wants to ensure that the underlying data remain unchanged.

All six of the software systems discussed enable users to export data from the system, typically in the form of a comma-separated value file or an Excel document. Some systems also allow users to export data in the form of an Access database, preserving the relationship structure between records.

- **Application programming interface.** Nonprofits more advanced in performance management may be interested in an application programming interface that allows their performance management software system to interact with other applications on the web and facilitates automated data sharing. Application programming interfaces enable automated syncing with another system (such as to update contacts), data pulls, and data streams to other applications or organizations.

Special Considerations

In addition to the features already discussed, many of the performance management software systems offer specialized services for organizations with particular needs. nFocus, the creator of Trax, has worked with many organizations that operate within multiagency collaborations and that carry out collective impact work. In addition, nFocus has worked with multiple networks of organizations that collect data from affiliates. Through this work, nFocus has intentionally focused on supporting multiagency efforts that involve data sharing across organizations and systems. Similarly, Apricot's creator, CTK, has implemented Apricot for various social service, education, and government collaborations, building particular expertise in working with domestic violence agencies.

Some performance management software vendors offer additional functionality to support other aspects of nonprofit operations and management apart from tracking performance. In some cases, add-ons or optional modules within the performance management software provide increased functionality. For example, Salesforce's extensive library of applications, AppExchange, makes it possible to substantially expand the functionality of Salesforce to handle diverse administrative tasks, such as finance and human resources management. Apricot offers a version of their software for funders, enabling tracking of grant applications, grant management, and outcome reporting. Apricot also has some basic CRM capabilities. ETO offers several add-ons, including ETO Connect, ETO Engage, and ETO Sandbox.

In other cases, extra capabilities come built into the performance management system. Penelope offers collaboration tools for staff and also enables text message interactions with clients. In addition, Penelope can handle financial information and processes, including tracking cash and credit card payments, recording interactions with insurance companies, and managing accounts receivable.

Conclusion

Whether a nonprofit is just getting started with collecting data or is seasoned in performance management, having a strong system in place to manage and make sense of data is critical to helping an organization determine what is working and identify areas for improvement. Not every organization needs to acquire a performance management software system; for some, a simple system of spreadsheets and text documents may suffice. But organizations with more complex needs can benefit greatly from a well-executed performance management system. This guide provides information and practical tips to help nonprofits find a system that meets their needs. An efficient performance management software system, coupled with organizational dedication to making data-driven decisions, can be a potent combination to help nonprofits better achieve their missions.

Resources

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Appendix A. Sample Scenario for Software Demonstrations

A nonprofit that delivers services to children and their families is looking for a performance management software system. The nonprofit's mission is to help low-income high school students gain the skills they need to succeed.

The nonprofit runs two after-school enrichment programs. One program helps 50 students develop writing skills through workshops with authors. For this program, the nonprofit wants to track attendance and record results from writing assessments. Attendance data are recorded on paper each week by nonprofit staff, and the writing assessment data are collected through printed forms completed by the workshop leaders at the end of each month. The second program helps connect teams of youth to volunteer opportunities in the community. For this program, the nonprofit seeks to track volunteer hours and the results of volunteer supervisor feedback surveys. Staff members from the nonprofit collect these data together with staff members from partner organizations that are providing opportunities.

The nonprofit also helps to connect the parents of youth involved in its programs to social services and public benefits. The nonprofit wants to record ongoing interactions between staff and parents and to track parent referrals to outside programs. These data would be entered directly into the system by case workers.

The nonprofit wishes to store contact information, demographic information, and case notes for the people it serves.

Ultimately, the nonprofit seeks to pull reports. It is interested in the following types of reports:

- A report with details on each child's involvement in the nonprofit's two after-school enrichment programs, linked with information on his or her parent's engagement with the nonprofit;
- A report that captures the organization's progress toward achieving a 75 percent attendance rate in its writing workshop program and that identifies which students attend less than 25 percent of the time;
- A report that reflects on the writing program's success at boosting writing assessment scores, because the nonprofit would like to understand how its success varies by students' race/ethnicity; and
- A report on the organizations at which youth volunteer most and the organizations at which volunteer supervisors report the most satisfaction.

As part of the software demonstration, the nonprofit is interested in understanding how to perform the following tasks:

- How staff would record attendance in the system for a particular class;
- How writing assessment and supervisor feedback survey data can be entered (walking through different possible options such as web forms, data upload, manual data entry, and so forth);
- How to create records for new youth in the program and connect them to their parents' records, and how to check if new youth or parents already exist in the system;

- How to pull up parent records and add updates on parent–staff interactions and referrals to outside agencies;
- How the system administrator would create a new form to record additional information on youth attitudes toward the program;
- How staff can build one or more of the reports listed above for the first time, pull the reports listed above, and modify the reports (e.g., change the attendance threshold from 75 to 90 percent or change a pie graph into a bar chart); and
- How the system administrator can create a new user account, set permissions for accessing different parts of the system, track user activity within the system, and identify data quality issues (e.g., form fields that staff frequently leave blank).

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