



Should Your Organization Consider The Cloud?

Adapted by NetSuite, with permission, from the Idealware workbook “Implementing a Cloud Solution”

About This Workbook

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Introduction

More and more software vendors are moving their traditionally installed products online, and more and more organizations are moving their files and other data to the Cloud. But at the same time, we are bombarded by news stories about hackers, security breaches, and spying.

How do you reconcile these two truths? You can find a lot of strong opinions on the matter, but don't make up your mind until you consider the pros and cons.

Cloud software—also known as hosted software, Software-as-a-Service (SaaS), ASP (Application Service Provider) Software, and On-Demand Software—refers to software installed on someone else's computers (typically the vendor's) that you access through your browser.

You may already be using Cloud software whether you realize it or not. It's important to remember that the Cloud is neither a savior nor something to be avoided at all costs—rather, it's a tool to be considered and weighed like any other.

Like the internet, the Cloud isn't a specific piece of software—in fact, you might find that almost any software you need or want is already available online, from email to databases to office suites and everything in between. But that doesn't mean that every nonprofit should be in the Cloud for all their computing needs. Instead, consider your organization's existing infrastructure (like your computers and internet connection), your needs, and the skills and opinions of your staff members in order to determine whether or not the Cloud is a good fit for you. If your internet connection is slow or cuts in and out frequently, it probably doesn't make sense to use the Cloud for something like office software that everyone is using on a daily basis. At the same time, it doesn't make sense to install and run your own in-house email server instead of using a Cloud server maintained by a vendor if no one in your office knows how to maintain a server.

While most of the discussion around software selection tends to focus on the idea of moving to the Cloud—this workbook included—that doesn't mean the Cloud is your only option. It is worth mentioning that based on your needs and culture, it could

definitely make sense for your organization to move from the Cloud to an installed solution.

We designed this workbook to help you decide. Throughout, you'll identify what Cloud software you might already be using, whether your organization is ready to make a deliberate move to the Cloud, and decide whether such a move makes sense for the specific tools you're considering.

Once you've selected the type of Cloud-based solution that might best meet your organization's needs, we'll walk through how moving to the Cloud could affect your computer replacement cycle and your technology budget as well as how important features are to your decision. Finally, you'll work through a process to answer the core question of the workbook: For the specific kind of tool you're focused on, should your organization consider the Cloud?

WHAT IS "THE CLOUD?"

In the old days of computing, software was purchased and installed on an organization's server, or on many computers at once. Instead, with Cloud-based software, you pay a monthly fee and any licensed member of your organization can access the software from any computer with an internet connection—in some cases, even smartphones and tablets. Many respected software companies are making the switch to Cloud-based options, and everything from online payment processing tools to full-blown databases can be accessed this way.

With software in the Cloud, the vendor installs updates, maintains the servers, and monitors the system to keep it up and running so you don't have to. If you don't have any IT staff, this can be a huge benefit. However, this reduces the amount of control you have over the software. For example, the vendor may automatically roll out new features that might confuse your users.

1. Self-Assessment: How Cloud Are You?

How many Cloud-based services do you currently use? Unless you've actively avoided all internet-based services, your organization is most likely using some form of software in the Cloud. Organizations and staff members already using at least one Cloud tool are more likely to be willing to adopt others, making it easier to transition to a new, hosted solution.

Below is a short list of a few common Cloud-based tools that many organizations are likely using. Check all that apply:

✓	Possible Activity in the Cloud	Examples
<input type="checkbox"/>	We use an online service to back up our files.	Egnyte, Carbonite, Amazon S3
<input type="checkbox"/>	We have an online file share so staff members can access files from outside the office.	Egnyte, Dropbox, Microsoft OneDrive
<input type="checkbox"/>	We use social media.	Facebook, Twitter, LinkedIn
<input type="checkbox"/>	We use an online email client for our organization email accounts.	Gmail
<input type="checkbox"/>	We use a broadcast email client for sending eNewsletters, fundraising appeals, or other emails to our entire list of supporters.	MailChimp, ConstantContact, VerticalResponse
<input type="checkbox"/>	We use a constituent database that is accessed through a web browser.	Salesforce, DonorPerfect, eTapestry
<input type="checkbox"/>	We use office software that can be accessed through a browser.	Google Drive, Zoho, Microsoft Office Online
<input type="checkbox"/>	We use video conferencing tools for online meetings.	Skype, Google Hangouts, Join.me
<input type="checkbox"/>	We have used an online fundraising platform as part of a peer-to-peer fundraising campaign.	Razoo, CrowdRise, Kickstarter, StayClassy

Now, count up how many boxes you've checked.

Total

So, how Cloud are you? Compare your total with the boxes below.

Less than 2	2 to 4	5 to 7	More than 7
Little-to-no Cloud.	Just getting started.	You're definitely in the Cloud.	You're a Cloud pro!
It looks like you're not really using the Cloud at all. Have you been avoiding it, or have you just not considered it as an option yet? Think through if any simple or smaller tools might make sense to use in the Cloud.	Seems like you've already gotten started with the Cloud whether you knew it or not. There are a lot of options to move forward, so take some time to consider if it makes sense to take the next move to the Cloud.	You've already made a move into the Cloud, and your staff members are at least somewhat comfortable using online tools. Think through whether it makes sense to do more in the Cloud or if you're happy at the level you're at now.	It's clear that you've already made an investment in the Cloud. Think through if there is anything else that might make sense to move into the Cloud for your organization, or if you've already done everything that makes sense.

How did you do? Is this what you expected, or are you surprised by how much you're already using the Cloud? Do you agree with this result? In the space below, think through what your score means to you, and whether it might make sense to use more tools in the Cloud, or fewer of them.

2. Security in the Cloud

Many organizations will mention security as the primary reason to avoid the Cloud. However, despite the media attention given to hackers and other online threats, the Cloud is far less risky than you might think.

First, identify the data your organization currently has by using the checklist below. Check off or write in any types of data your organization currently stores.

What Data Do You Have?

- Donor records
- Client data
- Volunteer records
- Employment records
- Credit card numbers
- Social security numbers
- Payroll records
- Financial reports
- Tax forms
- Other accounting information
- Bug/issue logs
- Health records
- Organizational files
- Programmatic assessments
- Third-party data (from public sources)
- Vendor lists
- Marketing materials
- Marketing data (email open and bounce rates)
- _____
- _____
- _____
- _____
- _____
- _____
- _____

HOW DOES YOUR ORGANIZATION'S SECURITY COMPARE TO THE CLOUD?

One of the main fears nonprofits have about putting their data in the Cloud is that the Cloud is inherently less-secure than their own offices. In reality, the opposite is likely to be true. Cloud vendors rely on data centers, which are often secured with barbed wire fences, surveillance cameras, and 24-hour security guards. Cloud vendors also use redundant backups—they keep copies of the data in two or more of those data centers, so if natural disaster strikes one, your data is still safe. How does your office's security stack up to this? Where do you keep your file server? Is it in a place where it might be kicked, overheated, or spilled on? How secure is your office itself? How reliable is your backup?

Use the following checklists to explore what data you have that should Never Be in the Cloud, is Almost Certainly Better Off in the Cloud, and Could Go Either Way. Complete them for each of the types of data your organization has.

Never in the Cloud

There are a few types of data that really should never go in the Cloud. For instance, if you're concerned with protecting donor records from a subpoena, you'll certainly need to keep that data internally, as almost every vendor would comply with a legal request for that information. Think through whether any of these questions apply to any of the data you just identified.

- Do you need to prevent government entities from getting this data with a subpoena?
- Do you need to prevent lawyers from getting this data with a subpoena?
- Are you not willing to entrust this data to a Cloud vendor, even with the very highest security measures?

What does this mean for your organization? What specific data, if any, should you keep out of the Cloud?

Almost Certainly Better Off in the Cloud

On the other hand, there are also several types of data that are almost certainly better off in the Cloud. Donor financial data—like credit card numbers or other electronic banking information—should almost always be stored in the Cloud, if you store them at all. Any organization storing this data must comply with the Payment Card Industry Data Security Standards, commonly known as PCI requirements. The vendors of Cloud services that handle payments are already compliant, while your organization would have to train staff members in the requirements and almost certainly increase your existing security measures to very stringent PCI requirements.

While much alarm has been raised over the threat of hackers breaching data stored in the Cloud, most nonprofits should be more concerned about the threat of physical data loss as the result of a break-in. The data centers used by Cloud vendors typically feature heavy security, including surveillance cameras, 24-hour guards, and heavy protection against hackers—a far cry from the security measures feasible for most nonprofits. As a result, any data that would be valuable enough to attract burglars is almost always more secure in the Cloud than in your office.

What of the following types of data do you have? Check the boxes below.

- Donor credit card numbers.
- Electronic banking information.
- Data that's very valuable on the open market, or other data that thieves or hackers would go to substantial lengths to obtain.

Now, use this space to reflect on what data you have that definitely makes sense to keep in the Cloud.

Could Go Either Way

For most nonprofit data, however, it doesn't really matter whether it's stored on-site or in the Cloud. Unlike credit card or electronic banking information, most of your files and data—while important to you—aren't really valuable to hackers or burglars. In this case, instead of making decisions based on security, focus on your organization's needs and the features available. For example, how much staff time would be saved or how could productivity increase if files could be accessed online while traveling?

Check the boxes for the data that applies below.

- Internal files and documents (Word documents, spreadsheets, etc.)
- Financial data (I9 forms, 990 forms)
- List of eNews subscribers
- Backup or archived files
- Survey results
- Program data (attendance, demographics, etc.)
- Receipts, invoices, and other accounting data
- Email
- Health records
- Other data that isn't particularly valuable or sensitive

Now, use this space to reflect on what data you have that could go either way—in the Cloud or stored onsite. This is likely the majority of your data—anything not listed above probably fits in this category.

3. Are You Ready for the Cloud?

If security isn't the driving factor behind the decision of whether or not to go Cloud, what is? As with any software decision, you should consider the capabilities and limitations of your existing technology infrastructure. Is your internet connection reliable enough for the Cloud? Do you have the servers (and the IT staff to maintain them) needed for an in-house solution?

What does your organization's current infrastructure situation look like? Check off the answers that apply to you. Tally up your scores for each section to use later if the Cloud makes sense.

Example:

	No way	Sometimes	Usually	Definitely
Is your internet connection fast enough for staff members to do the work they need to do?	<input checked="" type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Internet Connection:

Access to Cloud software is dependent on your internet connectivity. While you can access these services from anywhere you have internet, if you can't connect or your connection is unreliable you will have a hard time using Cloud software. How would you rate your organization's internet connection?

	No way	Sometimes	Usually	Definitely
Is your internet connection fast enough for staff members to do the work they need to do?	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Is your internet connection reliable (no disconnections or outages in the last month)?	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 3	<input type="checkbox"/> 4
Now, add the scores together.	Total <input style="width: 150px; height: 20px;" type="text"/>			

How did you do?			
0 – 2: Inadequate	3 – 5: Fair	6 – 7: Good	8 – 10: Excellent
“Our internet connection is not ready for the Cloud.”	“Our internet connection might be able to support a Cloud solution that isn't in constant use.”	“Our internet connection is suitable for some Cloud solutions, but not reliable enough for constant use.”	“Our internet connection is ready for us to use the Cloud.”

IT Staffing:

Computers, servers, and software aren't typically "set it and forget it" things—they all require maintenance. While some solutions are fairly straightforward to set up with minimal tech skills, others are more complicated and will require staff members or contractors with extensive experience or technical knowledge. How would you rate your organization's IT resources?

	No way	Sometimes	Usually	Definitely
Do you know where to go when you have a more complex technology issue?	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Do you have the resources for IT, either in house or as a contractor? (Note that this could be a half-time position or more.)	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 4
Do you have staff or consultants with experience managing servers and server-based software?	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 4
Add your scores together.	Total <input style="width: 150px; height: 20px;" type="text"/>			

How did you do?			
0 – 3: Inadequate	4 – 6: Fair	7 – 9: Good	10 – 13: Excellent
"We don't have enough IT support to keep our entire infrastructure in-house."	"We have support for some basic IT issues, but it's not enough to do everything in-house."	"We have some solid IT support, but moving some things to the Cloud could free up those resources for other issues, if that's desirable."	"We have enough IT support to keep most of our software/ infrastructure in house."

Remote Access:

One of the advantages of Cloud computing is that your staff members can access the software and files they need to do their work from anywhere—whether at the office, at home, or traveling. How important is it to your organization for staff to be able to work remotely?

	No way	Sometimes	Usually	Definitely
Do you have staff members who work remotely?	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Do staff members often work from home?	<input type="checkbox"/> 0	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
Do staff members often travel or conduct their work in the field (client visits, etc.)?	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 4
Add your scores together.	Total <input style="width: 150px; height: 20px;" type="text"/>			

How did you do?			
0 – 2: Inadequate	3 – 6: Fair	7 – 9: Good	10 – 13: Excellent
“As all our staff members are in one place most of the time, the Cloud isn’t needed to work effectively.”	“The Cloud could make work easier for some staff members some of the time, but not often.”	“The Cloud could help a lot of our staff members work effectively.”	“The Cloud is a necessity for staff members to work effectively.”

Organizational Culture:

Whether or not the Cloud is right for your organization depends on your policies, your staff’s mindset toward technology, and how you work—in short, your organization’s culture. How would you describe your organization’s culture?

	No way	Sometimes	Usually	Definitely
Are your staff members open to changes in technology?	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Are your staff members likely to solve tech issues on their own?	<input type="checkbox"/> 0	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
Is it important that you have control over updates to the software your organization uses?	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 0
Do your staff members typically need a lot of training to understand new software?	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 0
Is it important that your staff members are able to enter data themselves?	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 4
Now, add your scores together.	Total <input style="width: 150px; height: 20px;" type="text"/>			

How did you do?			
0 – 4: Inadequate	5 – 9: Fair	10 – 14: Good	15 – 19: Excellent
“The Cloud would not fit in well with our organization’s culture.”	“The Cloud might fit with our culture, but any change at all will require training for the staff.”	“The Cloud definitely makes sense, but we might need to sell the staff on the concept.”	“Our staff members would adapt very well to the Cloud.”

Physical Resources:

Different types of software or technology solutions have different needs in order to run properly. For an office suite or accounting program, you might just need enough RAM and hard drive space for it to run properly, but for more resource-intensive solutions—like some databases, file sharing, or backup—you’ll need servers and someone to maintain them. How would you rate your organization’s hardware resources?

	I don't know/What are servers?	We don't have servers.	We have servers, but they are at capacity (we would need more.)	We have servers and additional space on them.
Do you have servers and available storage space on them?	<input type="checkbox"/> 0	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 3
	I don't know/No, all our computers are at least four years old or not reliable enough for full-time use.	Many of our computers are at least four years old or not reliable enough for full-time use.	Most of the computers for full-time staff are reliable and two years old or less.	Yes, all full-time staff members' computers are reliable and two years old or less.
Are your computers reliable enough for staff members to do the work they need to do?	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 3	<input type="checkbox"/> 4
	I don't know.	No.	Most of our computers run at least Windows 7.	All of our computers run at least Windows 7.
Are the operating system(s) on your computers current enough to run most modern software? (Windows 7 or later)	<input type="checkbox"/> 0	<input type="checkbox"/> 0	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Now, add your scores together.	Total <input style="width: 150px; height: 25px;" type="text"/>			

How did you do?			
0 – 3: Inadequate	4 – 5: Fair	6 – 7: Good	8 – 10: Excellent
“We will need to replace all our computers and servers to keep our entire infrastructure in-house.”	“Our computers and servers could support some software in-house, but we should either replace them soon or rely on more Cloud solutions.”	“Our computers and servers are sufficient enough to keep most of our infrastructure in house, but the Cloud could let us get more life out of them.”	“Our computers and servers are sufficient enough to keep most of our software/ infrastructure in house.”

Wrapping Up

What do you think of these scores? Use this space to reflect on any surprising outcomes from this assessment.

4. What Software Should Be in the Cloud?

The Cloud isn't a single type of software. Many different tools are available in the Cloud, including software many people would typically expect to be installed on their computers—such as email, office suites, and even accounting and payroll tools. In addition, the rise of Cloud computing has been accompanied by a growth of tools that are only available in the Cloud, like broadcast email clients and social media.

In this worksheet, we'll go through six types of software that most nonprofits would consider using in the Cloud, and the pros and cons for each. Based on your results in Worksheet No. 3 and a few other considerations, you'll identify what would make the most sense for your organization to use in the Cloud at this time.

For each type of software that you might find in the Cloud, check off the boxes that apply to your organization's current infrastructure and needs.

For your reference, summarize your rating (i.e. Inadequate, Fair, Good) from the last worksheet, Are You Ready for the Cloud, into the chart below. You'll use these results to help determine which types of tools might be best suited for you to use in the Cloud.

Example:	Fair
Internet Connection:	
IT Staffing:	
Remote Access:	
Organization Culture:	
Physical Resources:	

You'll notice that there are few things from the self assessment not represented here. Tools like Broadcast Email clients, Online Payments, Online Fundraising, and Social Media are typically, by definition, only available in the Cloud, as there's no non-Cloud social network (other than talking to people face-to-face). If you want people to be able to donate to your organization or sign up for events online, you're going to need a Cloud-based solution. Furthermore, it is inadvisable to send mass emails (like eNewsletters or fundraising appeals that go to your entire mailing list) from your own email server, as you risk being flagged as spam or having your entire organization's email blacklisted.

As your organization should definitely be using these tools in the Cloud if you need them, they're not covered in the decision-making in this workbook.

File Sharing

Whether your colleagues are in the same room or on another continent, you likely need a way to create and edit documents as a team. There are far better ways than just emailing attachments back and forth. If you want to share files with people in the same office, a computer that serves as a “file server” is a typical solution. But this solution won’t really work for staff members who work remotely. Instead, Cloud-based services like Dropbox, Box, Microsoft OneDrive (formerly SkyDrive), or Egnyte can sync with your in-office file server and allow staff outside the office to access and download files.

Let’s investigate whether you should store files in the Cloud. Check off the boxes that apply to your organization:

Reasons to Store in the Cloud:	Reasons to Not Store in the Cloud:
<input type="checkbox"/> Good or Excellent on Remote Access <input type="checkbox"/> Often need to access files while away from the office (traveling, working from home, etc.) <input type="checkbox"/> You have an entirely (or mostly) remote staff	<input type="checkbox"/> Fair or Inadequate on Internet Connection <input type="checkbox"/> All your staff members are in one office

Any other thoughts about this type of software that should be considered in this decision? Jot them down in the space below:

Backup

A backup strategy serves two purposes—to allow you to retrieve files that were inadvertently deleted or changed, and to let you recover from a disaster. Cloud backup services have the benefit of being outside the office to keep your data safe in the event that a disaster—like a flood or fire—destroys your office.

Let’s investigate whether Cloud backup makes sense for your organization. Check off the boxes that apply to your organization:

Reasons to Backup in the Cloud:	Reasons to Not Backup in the Cloud:
<input type="checkbox"/> Fair or inadequate on IT Staffing <input type="checkbox"/> Fair or inadequate on Physical Resources <input type="checkbox"/> It’s otherwise inconvenient to store data offsite to protect it from natural disasters (office damaged by storm, fire, etc.) <input type="checkbox"/> You need greater physical security than you can control in your office <input type="checkbox"/> It’s desirable for backups to happen automatically so your staff doesn’t have to remember to do it	<input type="checkbox"/> Fair or inadequate on Internet Connection <input type="checkbox"/> All your staff members are in one office

Any other thoughts about this type of software that should be considered in this decision? Jot them down in the space below:

Individual Email and Calendars

Email is one of the easier and more obvious software needs to use in the Cloud. Google Apps (with both Gmail and Google Calendar) can make for a compelling replacement to Microsoft Outlook for smaller nonprofits, while larger organizations could make great use of Microsoft Exchange Server.

Let’s investigate whether your individual email and calendars should be in the Cloud. Check off the boxes that apply to your organization:

Reasons to Keep in the Cloud:	Reasons to Not Keep in the Cloud:
<input type="checkbox"/> Good or excellent on Remote Access <input type="checkbox"/> Fair or inadequate on IT Staffing <input type="checkbox"/> Fair or inadequate on Physical Resources <input type="checkbox"/> It’s otherwise inconvenient to back up emails and calendar events	<input type="checkbox"/> Fair, inadequate, or good on Internet Connection <input type="checkbox"/> Fair or inadequate on Organization Culture <input type="checkbox"/> You need very complex functionality—i.e. conference rooms that automatically accept or decline requests, ability for admins to schedule appointments for their boss from their own account

Any other thoughts about this type of software that should be considered in this decision? Jot them down in the space below:

Office Software Suites

Cloud-based office suites like Google Drive, Zoho, or Thinkfree provide a straightforward, friendly set of features to cover the core needs of business users, offering functional—if limited—features to create, edit, and share documents. For most organizations, switching completely to Cloud office software probably doesn’t make sense, as the tools aren’t likely to be sophisticated enough to cover all your needs. But the addition of online tools can be tremendously helpful for documents that require a lot of input from a number of different people.

Let’s investigate whether some of your office software should be in the Cloud. Check off the boxes that apply to your organization:

Reasons to Use the Cloud:	Reasons to Not Use the Cloud:
<input type="checkbox"/> Fair or inadequate on IT Staffing <input type="checkbox"/> Good or excellent on Remote Access <input type="checkbox"/> Need for multiple people to view or edit the same document simultaneously <input type="checkbox"/> Need for teams that include multiple remote members to collaborate	<input type="checkbox"/> Fair or inadequate on Internet Connection <input type="checkbox"/> Fair or inadequate on Organization Culture <input type="checkbox"/> Need to have control over when updates and feature changes occur <input type="checkbox"/> Need for more robust document editing features

Any other thoughts about this type of software that should be considered in this decision? Jot them down in the space below:

Databases

Most new constituent databases are in the Cloud, and many databases that used to be installed on your organization’s computer desktops or server now offer online versions. An online database requires less computer power than one installed on a desktop, and can be usable on older computers. They also often have better integration with various online functions—like broadcast email, social media, or your organization’s website—but may not be as strong at creating mail-merged letters to print. Ultimately, selecting a database shouldn’t boil down to “Cloud or installed.” Instead, first think through the features that your organization really needs in a database, and the cost of the system, before debating whether to go Cloud or installed.

However, you can get a start thinking about this feature element of your database now. Check off the boxes that apply to your organization:

Reasons to Have in the Cloud:	Reasons to Not Have in the Cloud:
<input type="checkbox"/> Fair or inadequate on IT Staffing <input type="checkbox"/> Fair or inadequate on Physical Resources <input type="checkbox"/> Good or excellent on Remote Access <input type="checkbox"/> Need to integrate constituent data with website or broadcast email client <input type="checkbox"/> The features you need are not available in a particular installed solution	<input type="checkbox"/> Fair, inadequate, or good on Internet Connection <input type="checkbox"/> Fair or inadequate on Organization Culture <input type="checkbox"/> The features you need are not available in a particular Cloud solution

Any other thoughts about this type of software that should be considered in this decision? Jot them down in the space below:

Accounting and Payroll

Many accounting and payroll tools, like Intuit’s Quickbooks, are now available in online, Cloud versions. Some may now only have Cloud versions.

Let’s investigate whether you should consider accounting and payroll tools in the Cloud. Check off the boxes that apply to your organization:

Reasons to Use in the Cloud:	Reasons to Not Use in the Cloud:
<input type="checkbox"/> Fair to inadequate IT staffings <input type="checkbox"/> Require remote access and/or 24 x 7 availability <input type="checkbox"/> Require scalable solution <input type="checkbox"/> Avoid need for upgrades	<input type="checkbox"/> Fair or Inadequate on Organization Culture <input type="checkbox"/> Fair or inadequate on Internet Connection

Any other thoughts about this type of software? Jot them down in the space below:

Now, take a look at what you checked off above and the pros and cons you’ve marked as important to your organization. What does this mean for you? What types of software seem to be better off in the Cloud based on these considerations? Better off not in the Cloud?

What software makes the most sense for your organization to pursue using in the Cloud? What area seems most compelling for a change to the Cloud? Pick one to investigate further throughout the rest of the workbook. (There may be several tools that would make sense in the Cloud for your organization, but we’ll just be looking at one for now.)

5. Budgeting for Your Hardware Costs

As much as we would like them to, computers won't last forever. That brand-new laptop you bought will eventually become a slow hindrance to your organization.

As the march of software upgrades moves on, eventually you'll find the old computer won't meet the requirements to run newer software. Computers themselves will also take on some wear and tear—especially laptops or anything else that travels frequently—and will need to be replaced as parts are damaged.

This worksheet won't encompass the whole complexity of hardware costs, like what you'd need to purchase when based on your old computers. Instead, it's geared to give you an overall sense to compare how installed or Cloud software could affect your needs.

How does the type of software you implement affect your hardware? In many cases, you'll likely be able to get more usable years out of a computer with Cloud-based software as you only need to be able to use the internet to access the software rather than installing it on the computer. Let's contemplate how the particular software type you selected in the previous worksheet affects your organization's hardware costs.

CONSIDERING COMPUTER POWER AND PRICE

For some needs at an office, staff members can work effectively as long as a computer can connect to the internet and run reasonably sophisticated office and productivity software. But for some sorts of work—graphic design and multimedia editing, for example—it may be necessary to replace or upgrade computers more frequently, as these fields typically require more power in terms of hardware than most computers in an office setting. On the flip side of this, computers that are used infrequently and for very basic purposes, like public computers in a library, may be able to work longer before being replaced.

To help you think about this, we've provided a basic hierarchy of computer needs and affiliated costs.

1. **Supercharged.** Multimedia and design computers or extensive number crunching. \$600 computer replaced every three years = \$200/year.
2. **Power users.** Used frequently for somewhat resource-intensive tasks (managing complex databases, running reports.) \$500 computer replaced every three years = \$170/year.
3. **Typical staff computers.** \$400 computer replaced every four years = \$100/year.
4. **Basic use.** Suitable for data-entry, volunteers/ interns, part-time or infrequent use. \$350 computer replaced every four years = \$90/year.
5. **Very basic.** Can run a version of MS Office and connect to the internet. Doesn't need to be fast or 100 percent reliable—for instance, a public kiosk or a conference room computer. \$350 computer replaced every five years = \$70/year.

What areas or needs for computers do you have in your office? Using the suggestions in the box to the right to get you started, identify all the types of computers that your organization might need on the lines below.

Computer Type

- Examples of Computer Types**

 - Servers
 - Intern computers
 - Data analyst computers
 - Travel computers
 - Kiosks
 - Full-time staff computers
 - Video or graphic computers
 - Fundraising team computers
 - Public use computers
 - Software training stations
 - Volunteer computers
 - Data entry computers
 - Executive staff computers
 - Conference room computers

What Are Your Yearly Computer Costs?

Now, using these areas you identified, and the information provided in the Power and Price box, fill in the chart below to determine your current approximate yearly computer costs. If you have computer types that need computers at different levels of power, put those on separate lines.

Computer Types	Power of Computer Needed	Number of Computers	Price per computer (annual)	Annual cost
Data Analyst Computers	Supercharged	10	\$200	$\$200 \times 10 = \$2,000$
Server	Power User	1	\$170	$\$170 \times 1 = \170
Total Annual Cost:				

How Will Moving to the Cloud Affect Your Hardware Costs?

What Cloud solution are you looking to implement based on your results from Worksheet No. 4? Think through what organization groups—and thus computer types—would be affected if you made that change. For example, if you’ve decided to move to a Cloud-based file server, your in-house server would go down in importance from a 2 to a 3, but your general staff computers would likely not be affected.

First, identify what computer types will be affected by this move and write them in the first column below. Then, identify the difference in power needed and the resulting difference in cost. Next, determine how many computers will be affected by that change. Finally, multiply the difference in cost by the number of computers affected to calculate how much you could save from the move.

Computer Type (As Above)	Power of Computer Needed for Cloud	Old Annual Cost (from above)	New Annual Cost (from sidebar)	Difference?	Multiplied by	Number of Computers (from above)	Total Difference
Server	Typical	\$170	\$90	\$80	x	1	\$80
					x		
					x		
					x		
					x		
					x		
					x		
					x		
					x		
Annual Cost Savings:							

Now that you have an estimate of how much you might be able to save on replacing your computers with this proposed software move, does the cost savings seem significant? Will you be saving a meaningful amount of money? Use the space below to reflect.

Hang on to your total annual cost savings. We’ll use this number later on in Worksheet No. 6.

6. How Will the Cloud Affect Your Overall Budget Costs?

Now that you've selected what type of software you'll be implementing and whether you'll be going with a Cloud or installed solution, it's time to identify how the change will affect your overall budget—including software and staffing costs.

Software Licensing

For the most part, software isn't free. In addition to the initial licensing costs (how much you pay to acquire the software), there are ongoing costs—like support, training, or maintenance fees—for installed solutions. In the case of Cloud software, instead of paying a large upfront fee for licensing, you'll typically pay a lower set fee each year.

In the chart below, fill out how much you would expect to pay for the type of software you've decided to implement—if it were in the Cloud, or if it's installed—using the estimates in the sidebar or based on your own research. Then, bring over your recurring hardware cost estimate from Worksheet No. 5.

	Installed Cost Per Year	Cloud Cost Per Year
Software: Upfront	\$	\$
Software: Ongoing costs	\$	\$
Total Annual Cost:	\$	\$

HOW MUCH SHOULD I EXPECT TO SPEND ON SOFTWARE?

Licensing for software varies widely based on the area of need. A full office suite can cost almost as much as a lower-end database. Some areas will have a wide gap between the low and high ends of the pricing scale, depending on features. Here are some baseline estimates for both hosted and installed software to use in this worksheet. If you've checked out the options that make sense for you, feel free to use your own costs rather than our basic estimates.

Type of Software	Installed		Cloud	
	Upfront	Ongoing Per Year	Upfront Per Year	Ongoing Per Year
File Sharing*	\$1,500 for server	\$0	\$480	\$480
Backup*	\$1,500 for server, plus \$50 for software	\$0	\$120	\$120
Organization Email	\$5 plus \$42 for server software	\$0	\$0	\$0
Office and Productivity	\$5 plus \$42 for server software	\$0	\$0	\$0
Databases	\$1,000	\$200	\$300	\$300
Accounting and Payroll	\$200	\$0	\$156	\$156

*pricing for 1TB of data

Keep in mind that you can get installed solutions for organization email, office suites, some databases, and accounting systems at a discount through TechSoup (www.techsoup.org).

Staff Time

With any technology, there will be associated costs in the form of staff time. Some of the tasks that staff had to perform regularly, like installing updates or other maintenance of the tools, can be reduced or eliminated by moving to a Cloud solution. This can free up staff time for more mission-critical duties. This can be hard to estimate, but if reducing the need for staff time on technology is important to your decision, take the time to think it through, at least at a high-level. We'll think through the actual costs of some things—like data migration and staff training—in Worksheet No. 7, but for now we're focusing on estimating the cost of staff time spent on regular processes.

In the chart below, identify what tasks your staff might already be doing related to the software you already use (we've included a couple examples for you), how much time is spent on each now, how much time would be spent if you switch to an installed or Cloud-based solution, and the dollar value of the time saved (or lost) by switching to a Cloud solution.

What is staff time spent on?
Installing software updates
Maintenance
Managing software vendors
Getting support from vendors
Answering staff questions about the software
Ongoing staff training
Fixing bugs/issues
Process documentation
Training for new hires

What is staff time spent on? (see box)	Hours spent on task per month			\$ per hour of staff time	x 12 months/year	Total cost of task per year:			Difference between Cloud and Installed?
	Current	Ideal for Installed	Ideal for Cloud			Current	Ideal for Installed	Ideal for Cloud	
Installing software updates	4	6	2	\$30	12	12months = \$1,440/year	\$2,160/year	x 12 months = \$720/year	Cloud saves us \$1,440/year over Installed

Total cost saved by switching: \$

Hard Costs Summary

Now, enter in the estimated upfront and recurring costs for hardware from Worksheet No. 5, and for software and staff time from above. How do the new costs compare to your existing costs? How much would you save by moving to the Cloud?

	Upfront cost:	Yearly cost:
Hardware costs (from Worksheet No. 5):		
Software costs (from above):		
Staff time (from above):	We'll look at this in Worksheet No. 7	
Total savings by moving:		\$

Think about these numbers. Is the money you could save (or not save) substantial to your organization? Will you be saving a meaningful amount of money? Use the space below to reflect.

7. The Costs of Change

With any software change there will always be a cost—whether you’re moving from an installed solution to one in the Cloud, from the Cloud down to an installed solution, or even switching between two Cloud tools. Independent of where the software actually lives, you’ll still need to pay to migrate your existing data to the new system, train staff members how to use it, and maintain it.

Think through how much time and money it will cost to change based on the estimates in the sidebar—or your own experience—and fill out the chart below.

The Costs of Change				
	Time needed (hours)		Cost per hour:	Total:
Training		X		
Implementation		X		
Data migration		X		
Total cost of change:				\$

Now, think about how much time and money it will cost your organization to switch systems. Is this a substantial amount? Does it still make sense to switch? Use the space below to reflect.

HOW MUCH TIME SHOULD YOU EXPECT FOR...?

It can be difficult to properly estimate the length of time needed for various aspects of an implementation. In the tables below, we’ve provided some rough ranges of how long to expect staff training, system implementation, and data migration to take for each of the six types of software we’re looking at. Your mileage may vary, but consider these a starting point.

Training:	Staff is very tech-savvy	Staff is very un-savvy
File Sharing	1 hour	2 hours
Backup	1/2 hour	1 hour
Organization Email	2 hours	16 hours
Office Suites	2 hours	16 hours
Databases	8 hours	40 hours
Accounting and Payroll	2 hours	6 hours

Implementation:	More basic solution	More complex solution
File Sharing	1 hour	4 hours
Backup	1 hour	4 hour
Organization Email	2 hours	8 hours
Office Suites	1 hour	4 hours
Databases	4 hours	20+ hours
Accounting and Payroll	1 hour	4 hours

Data Migration:	Not very much data	Very large amount of data/mapping
File Sharing	6 hour	20 hours
Backup	3 hours	10 hours
Organization Email	4 hours	16 hours
Office Suites	0 hours	2 hours
Databases	8 hours	40+ hours
Accounting and Payroll	8 hours	40+ hours

8. How Important Are Features To You?

Time and money shouldn't be the only factors in your software decision. For many types of tools, the features should be first and foremost.

While features are unlikely to make much of a difference in deciding which file sharing or backup solution you choose, for software that your staff members would use on a daily basis—like databases or office and productivity tools—the features should always come first.

What type of software are you considering? Are there specific features that you already know you absolutely need? Are these features likely to be hard-to-find in a tool, or common? Use the space below to reflect on what features are important to you.

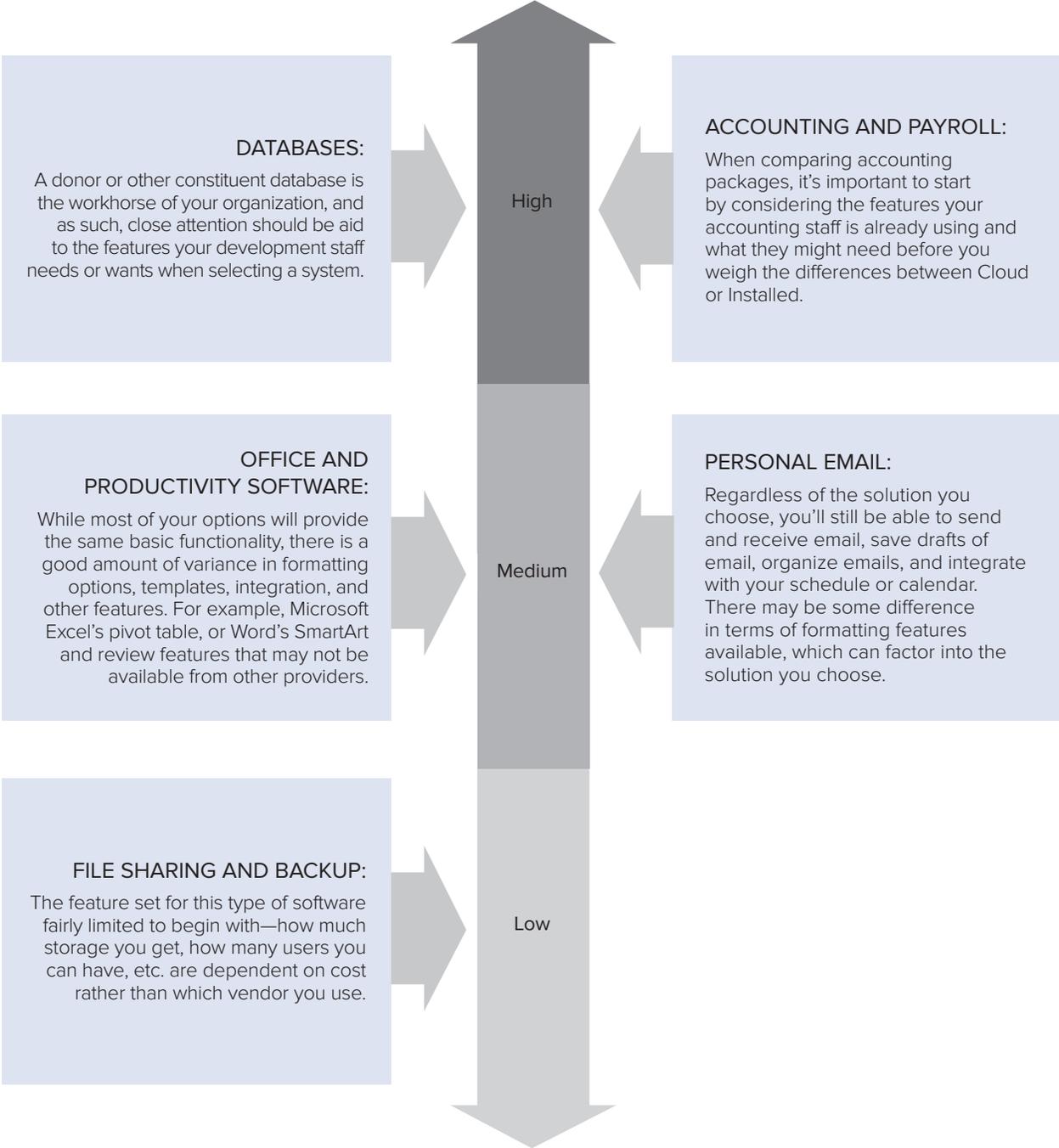
Now that you know what features you are considering, how important are those features to your final decision for what specific tool you implement, compared to cost or whether it's in the Cloud. Plot on the spectrum below how important the features are to your choice of software. Use the suggestions as a guide, but feel free to make your own decision on the difference between your options.

CONSIDERING FEATURES

The difference features make when choosing a solution differ based on the type of software you're considering. The chart below provides a baseline of how much you can expect features to factor into your decision for each type of software.

Type of Software:	Typical Importance of features in selection:
File Sharing	Low. The feature set for this type of software is fairly limited to begin with—how much storage you get, how many users you can have, etc. are dependent on cost rather than which vendor you use.
Backup	Low. The feature set for this type of software is fairly limited to begin with—how much storage you get, how many users you can have, etc. are dependent on cost rather than which vendor you use.
Personal Email	Medium. Regardless of the solution you choose, you'll still be able to send and receive email, save drafts of email, organize emails, and integrate with your schedule or calendar. There may be some difference in terms of formatting features available, which can factor into the solution you choose.
Office and Productivity	Medium. While most of your options will provide the same basic functionality, there is a good amount of variance in formatting options, templates, integration, and other features. For example, Microsoft Excel's pivot table, or Word's SmartArt and review features that may not be available from other providers.
Databases	High. A donor or other constituent database is the workhorse of your organization, and as such, close attention should be paid to the features your development staff needs or wants when selecting a system.
Accounting and Payroll	High. Even in basic packages, there is some variation in the features offered. Think about the features your accounting staff is already using, and what they might need.

The difference in features between options is essential to our decision.



The difference in features between options makes no difference compared to cost or Cloud vs. Installed in our decision.

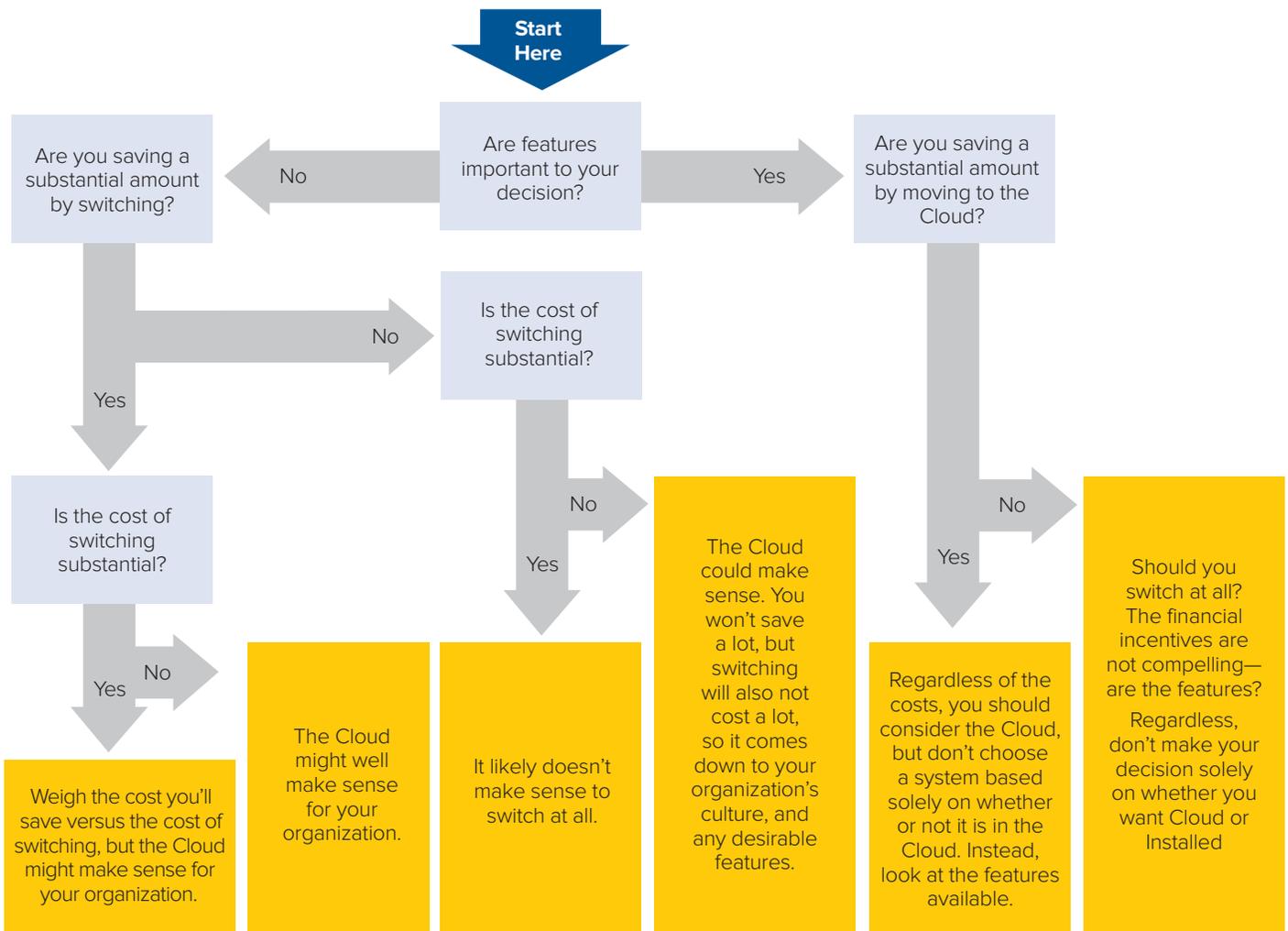
9. Making Your Decision

Congratulations, you've made it to the end of this workbook. Now that you've identified what type of software might make sense for your organization to use in the Cloud, how that switch could affect your hardware costs, soft costs, and staff time, how much it would cost to switch, and how important the features are to your decision, it's time to bring that all together for one final decision—does it make sense to switch to the Cloud?

Based on your reflections in Worksheets No. 6, 7, and 8, circle “yes” or “no” for the following questions about the factors in your decision. If you're on the fence about any of the questions, try out each path to see all your options.

Are features an important factor in your decision?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Are you saving a substantial amount of money by moving to the Cloud?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the cost of switching systems substantial?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Using the flowchart below, work through whether or not it makes sense for your organization to switch to a new system at this time. Remember that this flowchart is just a guideline—there may be factors for your organization that it doesn't account for.



Now, reflect on your result. Does this resonate with what you think about your organization? Remember that this flowchart isn't comprehensive, and it's certainly not the boss of your organization.

Congratulations! You've finished the difficult part... now turn the page for your next steps to move forward.

Moving Forward

Now that you've learned more about the Cloud and explored what solutions might be the best fit for your organization—whether in the Cloud or installed—where do you go from here? If you have decided that a Cloud solution makes sense for you at this time, then your logical next step is to look into what's available. Weigh your options and think carefully about what you've explored in this workbook before committing to a specific tool.

All software transitions can be disruptive, more so depending on the type of tool you're considering. Remember to consider not only the cost of your options but your organization's culture and existing infrastructure, and if the tool you're looking into has the functionality your organization needs. Don't be sucked in by the shiny features that vendors want you to see—it's helpful to sit down and evaluate the two or three options you're considering, not on the bells-and-whistles, but on how well they meet your needs, if at all.

Implementing new software can be a complicated process—you shouldn't be afraid.

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