Managing Risk in Tech Vendor Selection

July 10, 2019

Presented by:
Christy Grano, Project Manager | Christy@nonprofitrisk.org
Katharine Nesslage, Project Manager | Katharine@nonprofitrisk.org

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Agenda

1. What kind of tech vendor are you looking for?

2. Understanding your needs

3. Where to look

4. Evaluating tech vendors

5. Before you sign

6. After you sign

Photo by Scott Webb on Unsplash

1 | **What technology help are you looking for?**

You may be considering a new vendor for:

Websites	Event Equipment	Data management
Phones	IT Support	Equipment maintenance
Presentation Equipment	Hardware Support	App Development

Alternatives to current vendors?

Outsourcing?

Poll

What kind of tech vendor do you think you'll be selecting in the near future? *(fill in the blank)*

2

Understanding Your Needs

What problem are you trying to solve? What is the timeframe?

What are your time and budget constraints?

Who will this vendor need to partner with for the relationship to be successful?

Photo by Austin Ban on Unsplash

2

Understanding Your Needs

Is this a problem that **other organizations have**? How much of the solution may need to be customized **just for you**?

Can any of your solutions be combined? Is this an opportunity to integrate with other functions or tools?

Check:

Is there anyone you should talk to first?

- Board members with experience

- Colleagues who will be affected by the decision

- Personnel who would like to be included

Photo by Kaleidico

Start a Specifications Sheet

What features are requirements?
What features are nice-to-have?

3

Where to Look, How to Look

Referrals
- Online communities
- Networking

Search Engines
- Unbiased reviews and articles (watch for sponsored reviews!)
- Nonprofit discounts

Photo by Davide Cantelli

Iterative Research:

"An iterative approach is one where the content of the discussion… …is adapted over the course of the research program. Learning from initial research sessions is used to influence the inputs for subsequent interviews."

-The Association for Qualitative Research

Reaching Out to Potential Tech Vendors: It's a learning process!

1. With which staff members will you be interacting?
2. Can any staff member call with questions, or is a single POC required?
3. What is your experience with similar projects?
4. What are the milestones and requirements?
5. How will privacy concerns be addressed?
6. Please send:
   - Demos
   - Examples
   - Sample contract

Photo by Helloquence

Basic questions to ask

4 **Evaluating Tech Vendors**

Photo by Quino Al

Pull out that Specifications Sheet
- Reevaluate the specs
- Prioritize/Weight each specification

Always check references!
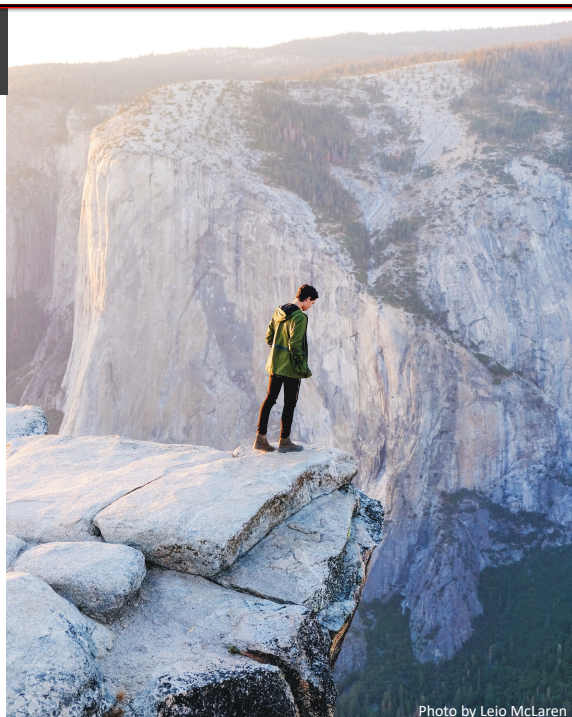

Discuss a succession plan

Where will you rank among their clientele?

Photo by Ian Schneider

Red flags

- Slow response times
- Evasive answers
- Always saying yes with no analysis – failure to ask good questions
- Unclear scope or vision
- Vague or confusing pricing structures
- Resistance to putting things in writing

Photo by Leio McLaren

5 BEFORE YOU SIGN

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1) Read the contract carefully! Review:

- **Scope of work** – is maintenance or support included?

- **Escape clause** – how can you terminate if it's not working out? – will they hold your data hostage? What are periods of notice? Partial payment? "Plan for success and failure"

- **Payment terms:** time-based or deliverable based?

- **Documentation and reports** – are you entitled to any regular reports or status updates? Will they be delivered in a timely manner? Is it clear what will be included in the report?

Poll

What's your biggest tech contract regret? *(fill in the blank)*

BEFORE YOU SIGN

2) Highlight terms or clauses you don't understand

3) Identify deal breakers or serious concerns

4) Consider alternative language

5) Negotiate (telephone or in writing)

6) It may make be worth reaching out for assistance from
   - legal counsel
   - your insurance provider
   - internal reviewers

7) Don't forget to *reread* the revised contract before signing!

6   AFTER YOU SIGN

1) Keep track of milestones and objectives

2) Maintain steady communication

3) Inspect deliverables carefully

4) If services or deliverables were misunderstood, communicate with the vendor to understand what went wrong. A contract amendment may be appropriate.

5) Is your team having a good experience with the vendor?

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Additional Resources

- "**Surviving and Thriving in the Wake of a Data Breach**" RISK eNews, www.nonprofitrisk.org/resources/e-news/surviving-thriving-wake-data-breach/

- "**Technology: Boon or Bust?**" RISK eNews, https://www.nonprofitrisk.org/resources/articles/technology-boon-or-bust/

- **NTEN.org – mastering tech for nonprofits**

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Thank you!

Questions? Call NRMC at
703.777.3504 or contact us
at info@nonprofitrisk.org