Technology Affinity Group

Promoting technology in philanthropy

GMN

Grants Managers Network

2012 Grantmakers Information Technology Survey Report

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September 2012

Acknowledgment

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Survey Overview

Together the Technology Affinity Group (TAG) and Grants Managers Network (GMN) conducted an information technology survey of grantmaking organizations in July 2012. This survey serves as a follow-up to similar surveys TAG has conducted in collaboration with the Council on Foundation (The Council) in April 2003, July 2005, and June 2007, and then independently in 2010.

The technology survey is designed to enable grantmaking organizations to make more informed, timely, and cost-effective decisions regarding the technologies that support their grantmaking and fundraising/donor business practices and allows grantmakers to make those decisions based on information about new trends and what peer organizations are doing.

The goals of the technology survey were to:

- Enable grantmaking organizations to make more informed, timely and cost-effective decisions, aided by information on what peer organizations are doing, trends and future plans;

- Determine, by grantmaker type and asset and staff size, information technology capacity and needs;

- Inform the sector about its technology utilization;

- Learn how grantmakers access and provide information and

- Enable TAG and GMN to better meet members' needs.

An email message was sent to all member and non-member grantmakers in the TAG database, all GMN members and anyone who participated in the survey in 2007 or 2010. The purpose of the email was to explain the survey and ask members to complete the survey online using a unique URL.

The survey was developed using www.peerfocus.com, the same online tool used to conduct the 2010 and 2007 surveys.

A total of 278 foundations completed the survey, up from 269 in 2010. Of the 133 TAG member foundations, 103 completed the survey, for a completion rate of 77% among TAG members. The survey was completed by an additional 131 GMN members and 44 prior year participants that are not members of either organization.

There were 71 foundations that indicated they would complete the survey but did not. Of those, 46 started it and did not finish it and 25 did not start it.

Foundations by Asset Size

Chart: "Foundations by Asset Size" — grouped bar chart showing 2010 (blue) and 2012 (red) percentages across asset size categories.

Category	2010	2012
$1 billion or more (n=47)	14%	17%
$250 to $999.9 million (n=53)	18%	19%
$50 to $249.9 million (n=105)	33%	38%
$10 to $49.9 million (n=49)	23%	17%
Less than $10 million (n=24)	12%	9%
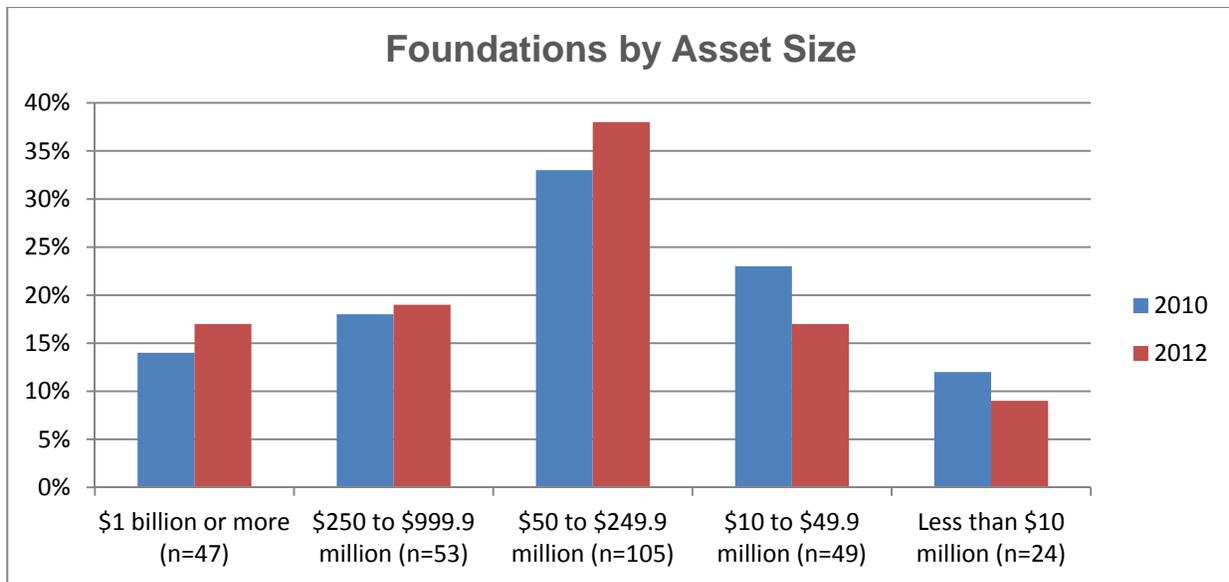
Foundations reported their assets as depicted above. Compared to 2010, participation increased in the three categories of foundations with assets greater than $50 million and decreased in the two categories of foundations with assets less than $50 million.

Foundations by Grantmaker Type

Chart: "Foundations by Grantmaker Type" — grouped bar chart showing 2010 (blue) and 2012 (red) percentages across grantmaker types.

Category	2010	2012
Community Foundation (n=63)	38%	23%
Corporate Foundation (n=10)	4%	4%
Family Foundation (n=65)	18%	23%
Independent Foundation (n=102)	34%	37%
Private Operating Foundation (n=14)		5%
Public Charity (n=15)		5%
Public Foundation (n=9)	6%	3%

Foundations reported their foundation type as depicted above, with two additional categories in 2012. The percentage of community foundations decreased significantly while the number of independent (including family and private operating) foundations increased significantly.

NOTE: The percentage of community foundations participating in this and all prior TAG surveys is greater than the overall percentage of community foundations in the sector. Community foundations comprised 22% of TAG survey respondents while the Foundation Center reports that in 2010 they represent only 1% of all U.S. grantmakers. Independent (including family and private

operating) foundations represent 74% of grantmakers in the sector and comprise 65% of TAG survey respondents. This discrepancy may be because community foundations are typically larger with more IT staff than other foundation types.

Summary reports by grantmaker size and type are included as attachments for survey participants only.

Survey participants will also be able to do their own data analysis by creating comparison groups based on several demographics including asset size, foundation type, staff size, the number of technology staff members, and the number of foundation offices.

Through the benchmarking tool, TAG and GMN members will also be able to view the individual responses for specific questions in the application software section which relate to the software products currently in use at foundations.

Top Ten Observations

1. The role of the IT staff person is becoming more strategic, with nearly half of the respondents reporting the role of IT staff as a strategic partner or strategic leader/enabler.

2. The percentage of foundations outsourcing technology services and operations has increased marginally since 2010; the predominant server infrastructure remains on-site physical servers.

3. For the first time in many years, the majority (51%) of foundations described their technology adoption as "leading edge" or "fast follower."

4. Only 29% of respondents indicated foundation executives totally understand the benefits of technology.

5. Foundations are slowly adopting new commercial grants management software products, with 13% of respondents with commercial products indicating they use a vendor/product that was not reported in use at all in 2010.

6. Most foundations (79%) feel their grants management software meets the majority of their grantmaking process needs.

7. Only 14% of respondents described their grants management process as "entirely paperless."

8. Almost half (47%) of foundations reported they create an electronic board book for board members.

9. There has been steady growth in the use of software as a service (SaaS) for all foundation software.

10. About half of the foundations provide mobile devices to program/senior staff and 30% provide mobile devices to operations staff; "bring your own device" is the most common mobile device policy.

Technology Management and Planning

Overview

This section explores the major areas of technology management: planning, staffing and budgeting.

Most foundations report that technology is causing some change within the organization but only 20% describe that change as transformative. Executives' comfort level and understanding of technology is mostly supportive but not too knowledgeable.

Foundations continue to be far more likely to have a disaster plan than to have a technology plan, with 84% of respondents indicating they have done some disaster planning and only 37% of respondents indicating they have some type of technology plan.

There is some good news regarding staffing. Most respondents indicated the foundation was adequately staffed with respect to technology and the role of the IT staff person is becoming more strategic, with nearly half of the respondents reporting the role as a strategic partner or strategic leader/enabler. And, for the first time in several years, just over half of the respondents described their technology adoption as leading edge or fast followers as opposed to lagging behind.

Technology Adoption and Economic Impact

In 2010 we reported that more than half (53%) of the respondents indicated the economic downtown did not have a major impact on technology and only one third indicated they deferred hardware or software purchases and technology projects. 2012 data is consistent – with 55% of respondents indicating they are more than or fully recovered from any economic impacts.   Only 10% of respondents indicated they were not recovered.

Economic Impact on Technology *(n=270)*

Category	
Not recovered	~3%
Somewhat recovered	~42%
Fully recovered	~45%
More than recovered	~10%
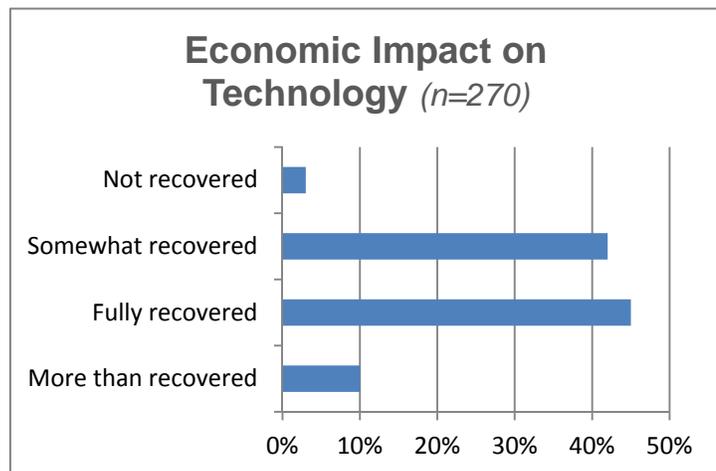
As you can see below, the technology adoption profile remained stable from 2007 to 2010 and has improved slightly in 2012, with an increase of 7% in the number of foundations describing themselves as either leading edge adopters or fast followers. This means that for the first time since 2005, the majority (51%) of foundations now report they are at least fast followers. The news is not all rosy, as 49% of respondents still described their organization as "lagging behind."

Technology Adoption
(n=273)

Technology Executives Comfort Level and Understanding of Technology
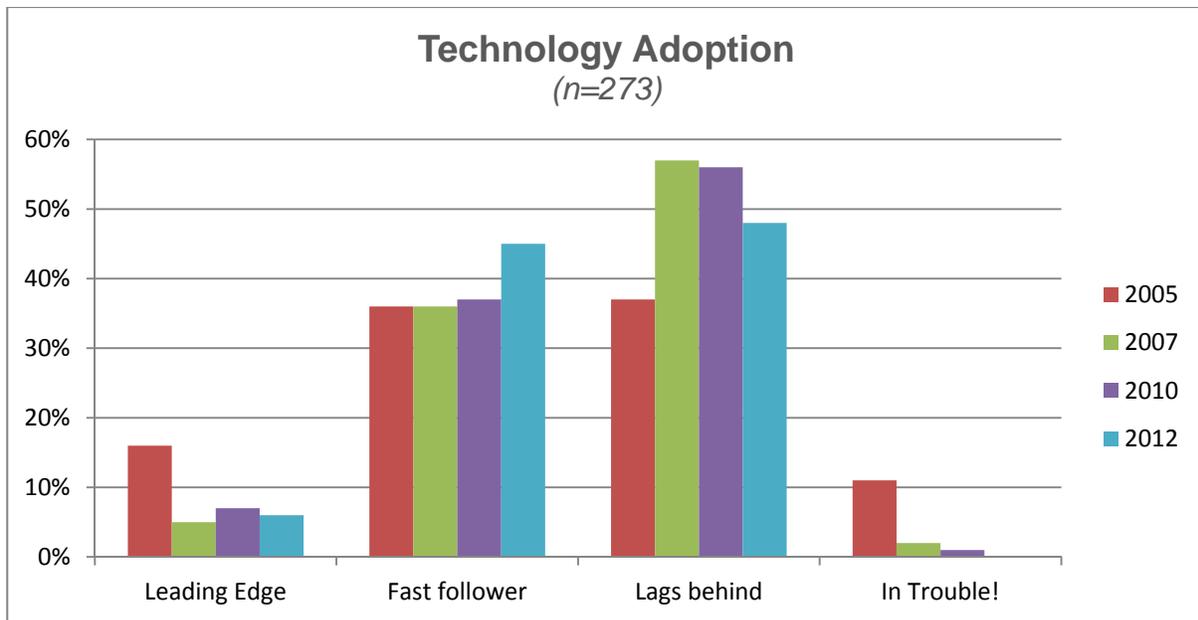
Executives' Comfort Level and Understanding of Technology *(n=278)*
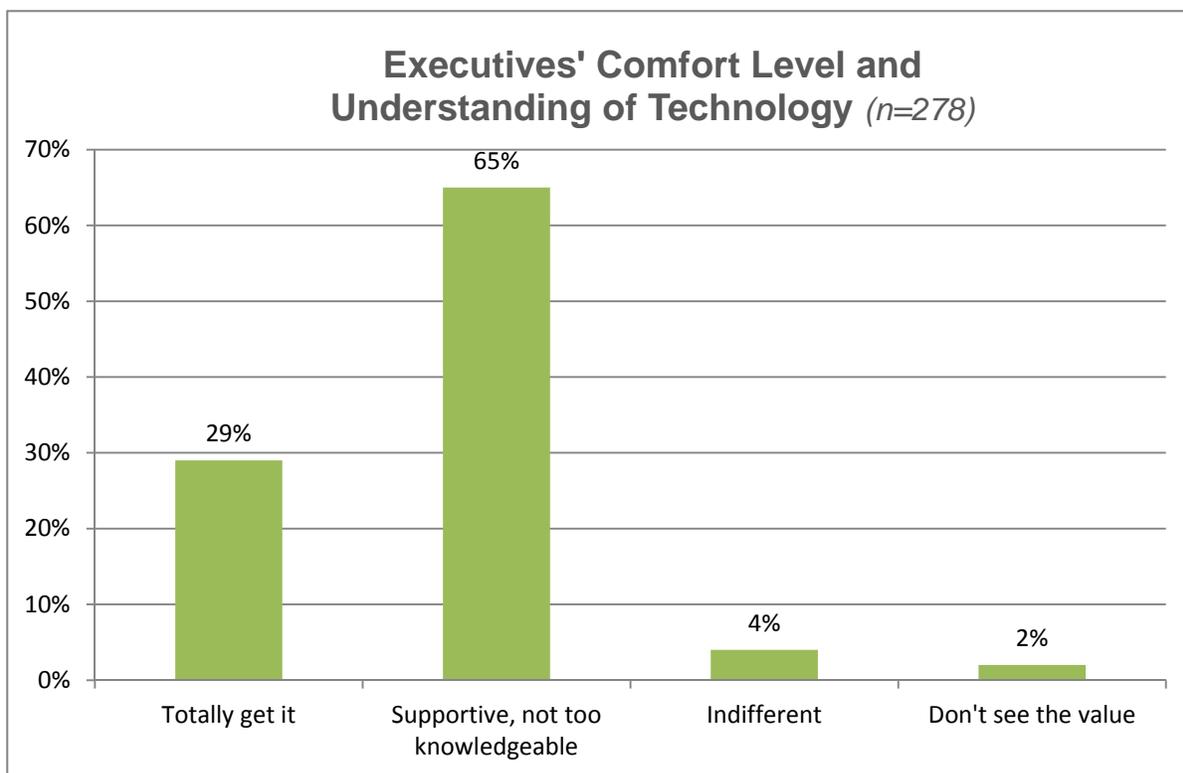
For the first time, we asked respondents about their foundation's executives' comfort level and understanding of technology. Sadly, only 29% of respondents indicated their executives 'totally get it'. While 65% indicated their executives were 'supportive but not too knowledgeable', it is difficult to gain transformative change within an organization without the full understanding of the capabilities of technology among the organization's senior leadership team. This is a major factor in

explaining why most foundations describe themselves as 'fast follower' or 'lagging behind' with respect to technology adoption.

Barriers for Implementing Technology

Current Barriers to Technology
(n=278)

Barrier	Percentage
None at present	28%
Mgt not understanding tech benefits/risks	19%
Lack of organizational policy	15%
Not considered by mgt as aligned with business	18%
Security	18%
Difficulty making informed decisioin	14%
Proprietary systems/don't adhere to industry…	9%
Lack of org commitment	22%
Inadequate equipment	11%
Unreliable external support	9%
Lack of leadership	15%
Lack of training	30%
Lack of in-house support	31%
Cost	40%
Other	11%

When comparing the barriers to entry vs. foundations' reported technology adoption and the impact the economy has had on technology implementation, the data appears to be more consistent than in 2010, when we reported conflicting data between these three variables. Approximately half of the foundations reported they were leading edge adopters/fast followers, with 60% not indicating cost as a barrier and 55% reporting they were fully recovered from the economic downturn.

Of the potential barriers listed, 40% of respondents indicated cost was a barrier in 2012, compared to 31% in 2010. Lack of in-house support (31%) and lack of training (30%) were also frequently cited.

Extent that New Technologies Are Causing Paradigm Shift
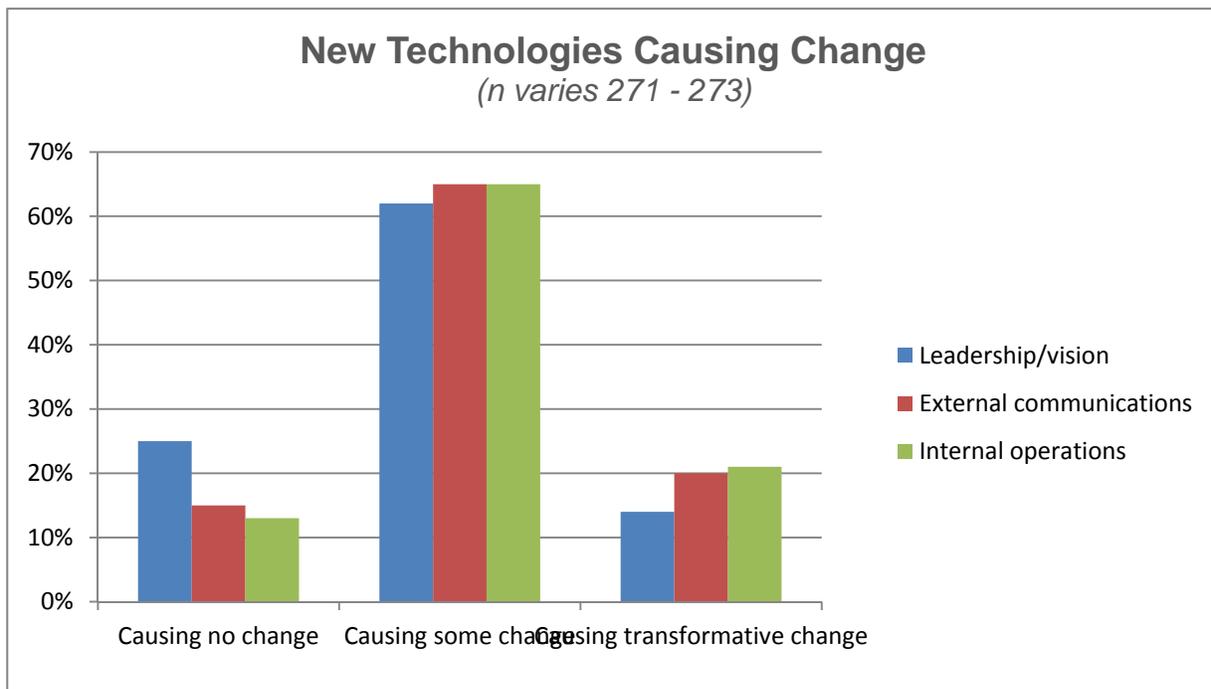
Technology is having a greater impact on foundations in 2012 compared to 2010. This is a trend that was identified in 2010 and it is continuing to move in a positive direction.

When asked "to what extent new technologies are causing a paradigm shift in your organization with respect to leadership/vision, external communications and internal management/operations," the number of respondents indicating technology was causing *no change* decreased from 2010 to 2012 in all three areas by at least 8%. Similarly, the number of respondents indicating technology was causing *transformative change* increased from 2010 to 2012 by 6% for leadership, 2% for external communications and 7% for internal management/operations.

Technology Planning

Technology Decision-Making

How Technology Decisions are Made
(n=271)

- Tech staff w/ mgr's approval — 25%
- Tech staff w/ exec/brd approval — 41%
- Steering committee of ops staff — 1%
- Steering comm of prgms & ops — 11%
- Pre-approved tech plan — 5%
- Other — 16%
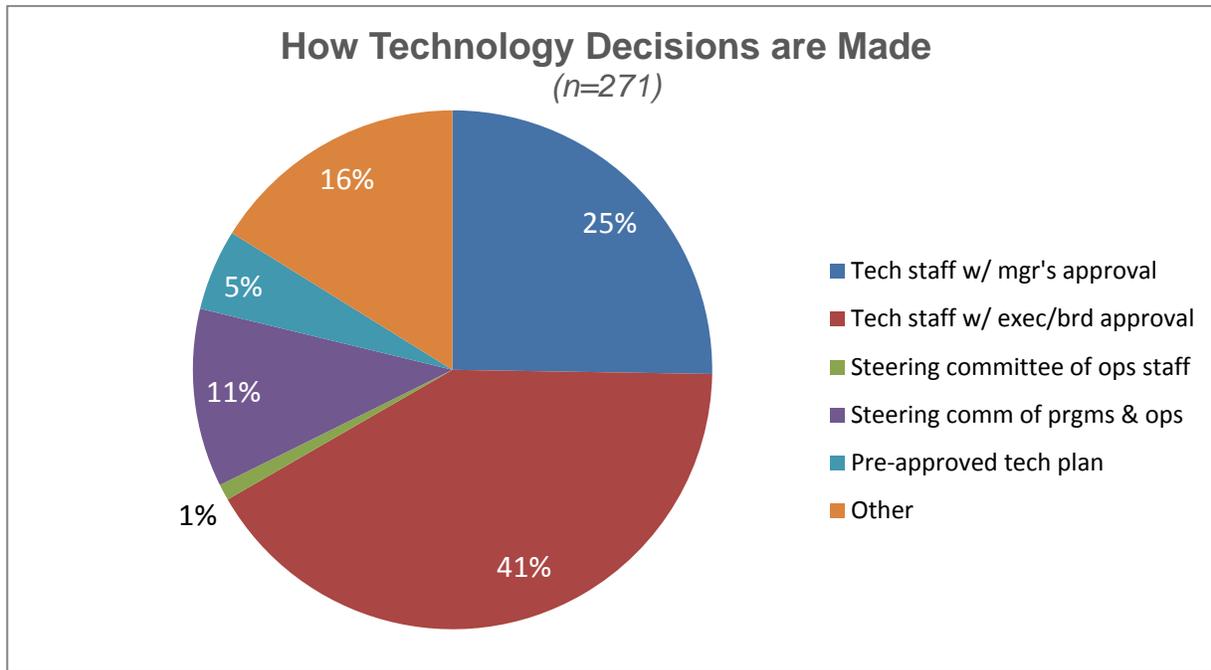
When asked how annual technology decisions are made within their organizations, 41% of respondents indicated decisions are made by technology staff with executive/board approval and 25% indicated decisions were made by technology staff with manager's approval. An additional 11% reported a steering committee of program and operations staff and 16% reported "other."

Technology Plans

Technology Planning
(n=271)

	2007	2010	2012
Have up-to-date plan	15%	20%	23%
Have plan but not up-to-date	13%	19%	14%
No plan	72%	60%	63%
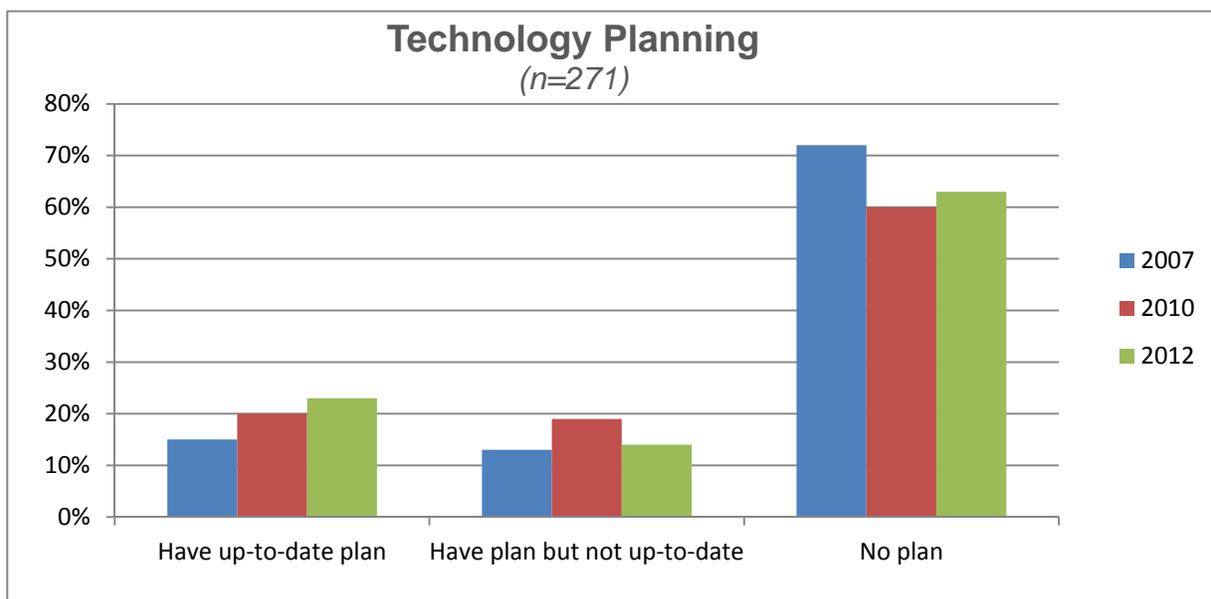
With respect to technology planning, foundations are not much better off than they were five years ago. More than 60% of the respondents indicated they do not have a technology plan, compared to 60% in 2010 and 71% in 2007. Of the 37% of foundations who reported they do have a plan, more than one-third of the respondents indicated their plan was not up to date.

While TAG has stressed the importance of technology planning, clearly the majority of foundations' leadership does not see the value or place a high priority in technology planning. This lack of technology planning is consistent with the reported lack of foundation executives' comfort level and understanding of technology discussed earlier in this report.

Planning does not even appear to happen informally. There were several questions in the survey that asked respondents to indicate whether they planned to implement a particular software application or technology within the next 18 months. In all cases, the percentage of respondents indicating they were planning to implement a technology was less than 10%. This lack of technology planning in the sector continues to be a concern.

Disaster Recovery Plans

Disaster Recovery Planning
(n=278)
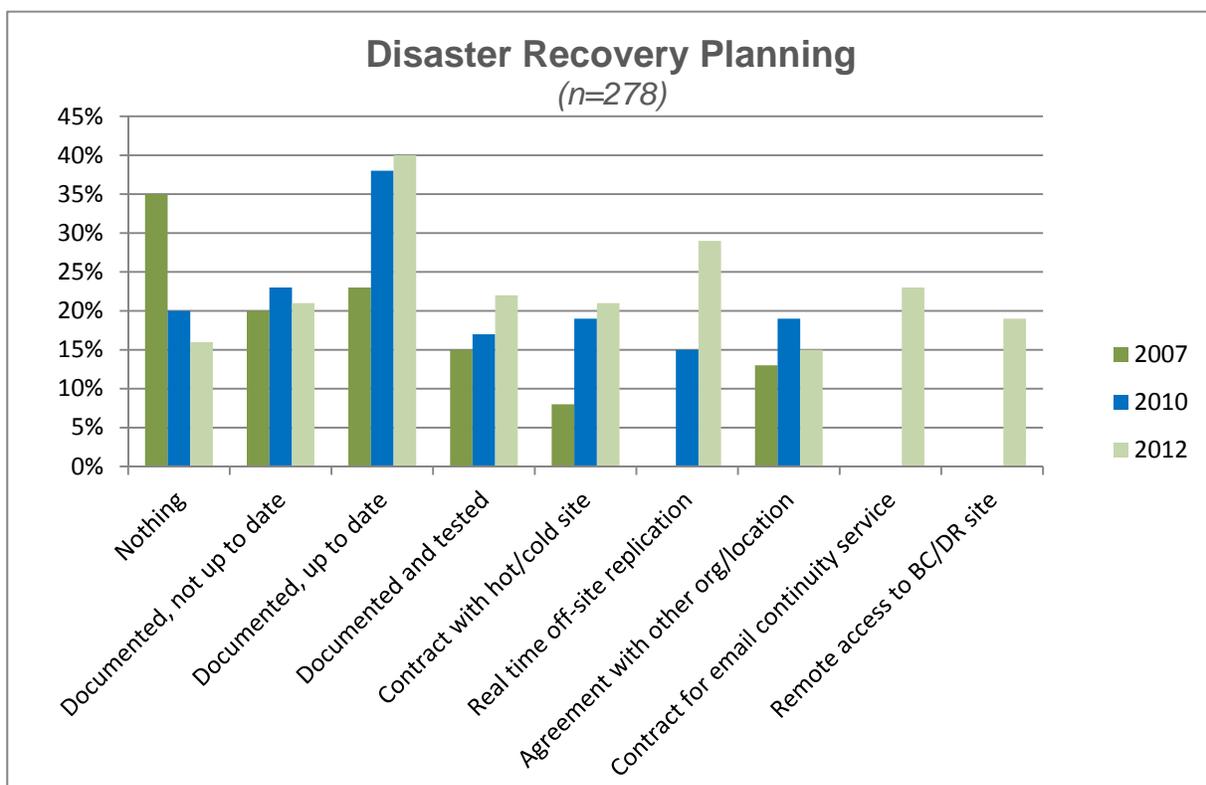
As you can see from the chart above, planning for disaster recovery continues to improve among foundations, with the number of foundations reporting plans increasing and planning becoming more sophisticated. The onset of cloud computing has made more options available at much more reasonable costs, making disaster planning more practical and affordable for organizations that could not previously afford a hot site agreement.

Only 16% of respondents indicated they didn't have any plans for disaster recovery. This is down significantly from 2007, when 35% reported they didn't have any plans for disaster recovery.

Similarly, the number of foundations reporting they have real time off-site replication has increased from 15% in 2010 to 29% in 2012. And, 19% of respondents have remote access to their business continuity/disaster recovery site.

Testing continues to be a concern, however. Only 22% of respondents indicated they had tested their plans.
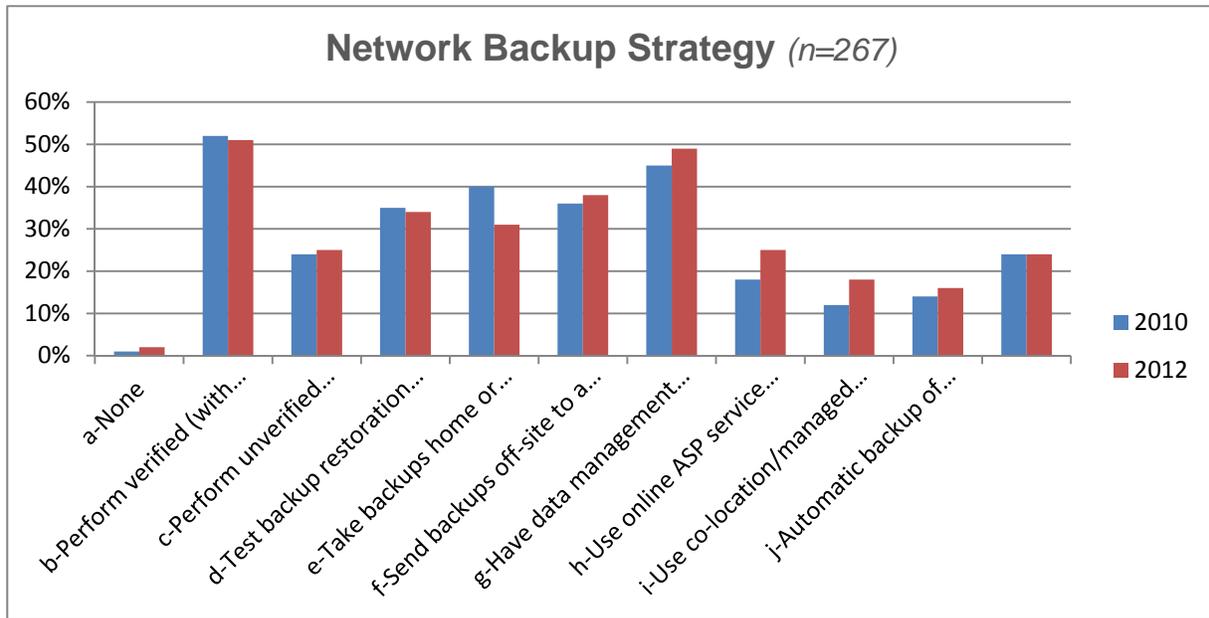
A major component of any disaster plan is the ability to restore data from a backup. The options for data backup have increased in recent years, and as a result, 98% of foundations are reporting they now have some type of data backup procedure.

Similar to disaster recovery planning, network backup strategies have become more formalized from 2010 to 2012. The percentage of foundations reporting they take backups home for offsite storage has decreased 11% from 40% in 2010 to 31% in 2012. A corresponding increase in the percentage of foundations reporting they use either an online ASP or a co-location facility for backups has increased 13% from 30% in 2010 to 43% in 2012.

One remaining concern continues to be the lack of data recovery testing, with only 34% of respondents indicating they test their backup processes.

Managing Technology Services

Outsourcing of Technology Services *(n = 273)*

Legend:
- In-house employees
- Partially outsourced
- Fully outsourced
- Plan to outsource within 18 months
- Not applicable

Categories (top to bottom):
- Virtual desktop administration
- BC/DR
- Mobile device administration
- Audio-Visual equipment
- Videoconferencing
- Voice/telecommunication systems
- Intranet hosting
- Back office/check processing...
- Security
- Server administration
- Database administration
- Application software hosting
- E-mail
- Web hosting
- WAN administration
- LAN administration
- Desktop support

Finally, with respect to technology planning, many foundations are outsourcing different technical services. Outsourcing is a valid option for small foundations without any technology staff as well as large foundations that are choosing to outsource anything from non-critical technology functions to application software or their entire networking infrastructure.

The chart above depicts a list of technology services and the percentage of foundations that manage the service in-house versus via a current or planned outsourcing relationship.

Most foundations (84%) outsource the hosting of their web site.   Between 50% and 70% of foundations also outsource desktop support and the management of their basic technology infrastructure, including server administration, local area network administration, security and email.

The services most likely to be managed in-house continue to include database administration, back-office processing and audio-visual equipment, with 60% or more of respondents indicating they manage each of these services in-house.

Technology Services Managed In-house
(n=273)
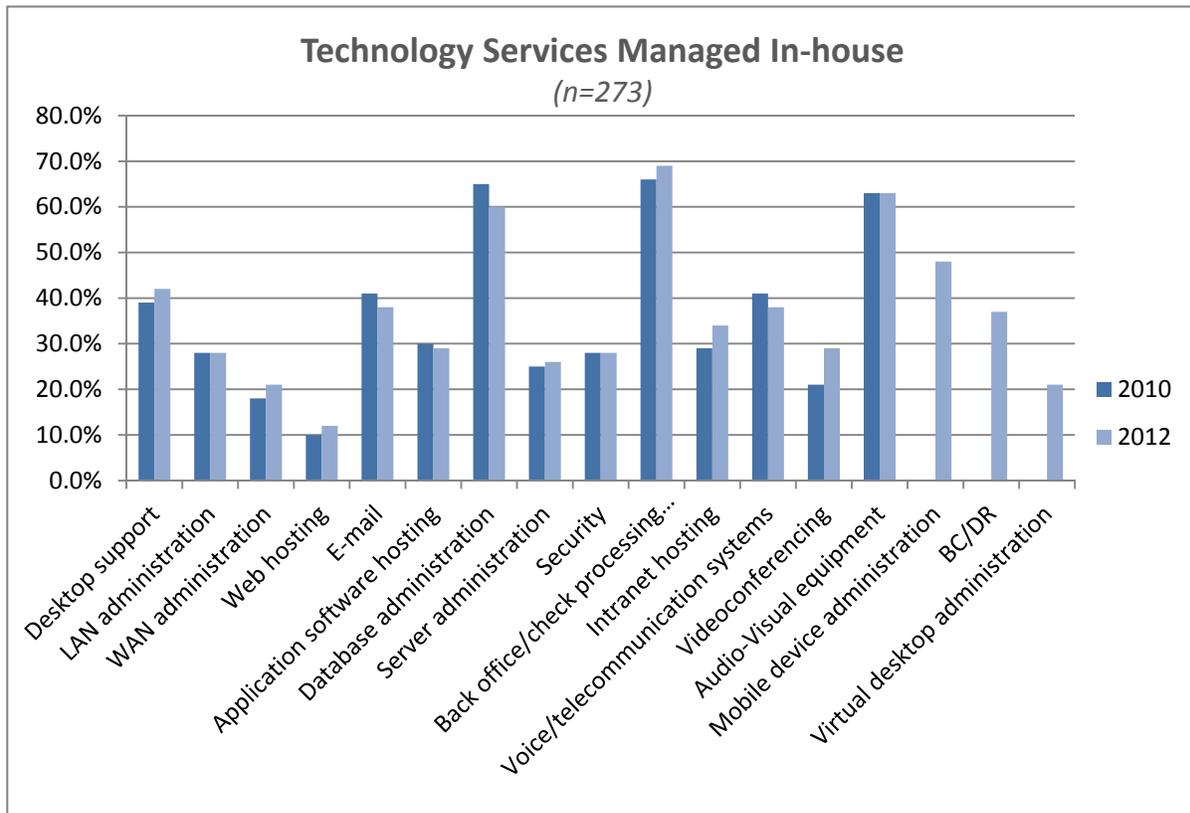
While there has been a lot of talk about outsourcing the technology function and/or different components of technology services in recent years, the data does not indicate there has been any significant change from 2010 to 2012 in the percentage of foundations choosing to outsource technology.   As you can see above, compared to 2010, there have been just incremental changes in the percentage of foundations reporting they manage the technology service in-house for all technology service areas.

When asked to indicate whether they were planning to outsource the technology service within the next 18 months, only 1% of foundations reported they had any additional plans for outsourcing. This is consistent with 2010 when 2% or less reported they had plans to outsource within the next 18 months.

Technology Staffing

IT Staffing Condition

75% of foundations reported they felt they were adequately staffed with respect to the technology function. This is a little surprising because 'staffing' was listed by many foundations as one of the top three challenges they were not prepared to meet. While foundations say they are adequately staffed, they are struggling with managing expectations, staff training and staying current with new technologies.

IT Staffing Condition
(n=271)

■ Inadequately staffed

22%

78%

Some of the concerns cited by respondents about staffing include:

- Training for technology staff, program staff and board/committee members on consumer devices and new software
- Technology staff staying current with the rapidly changing technology environment
- Trying to implement new technologies while managing staff and trustees with a broad range of comfort with technology and technology skill levels
- Managing staff expectations about the capabilities of technology
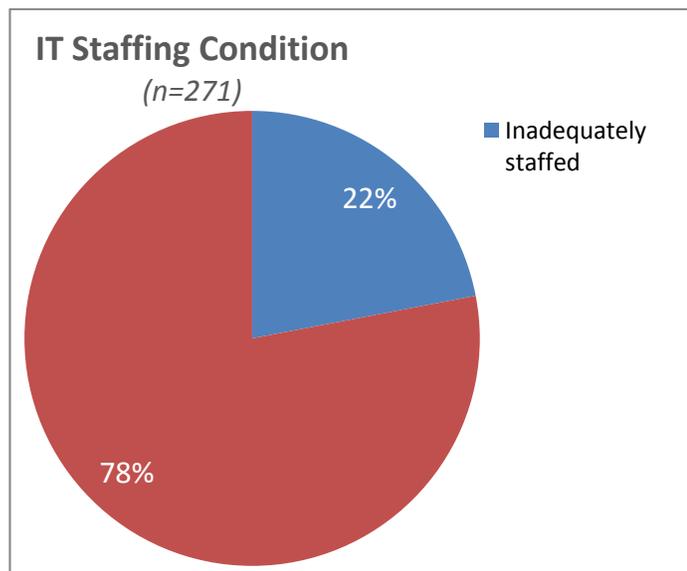
Who Manages the Technology Function?

The survey asked for the primary position responsible for managing technology as well as who that position reports to. The data is fairly consistent with 2010, with 37% of survey respondents reporting an in house technology professional was responsible and 22% reporting a technology consultant was responsible for technology. In 2012, we added operations staff as a new answer, which explains why the percentage of finance/admin staff responsible for technology decreased.

It is important to note that this data varies greatly by foundation size, so foundations looking to evaluate their staffing model should compare their data to a relevant group of peers rather than to all survey respondents using the benchmarking tool.

Almost half (47%) of foundations indicated the person responsible for technology reports to an executive, 23% indicated the person reports to operations and 17% indicated the person reports to finance. This is a change from 2010, when 28% reported to finance and 15% reported to operations.

Person Responsible for IT
(n=277)

Legend: 2010, 2012

Categories: In-house tech staff, Fin/admin staff, Exec Dir/CEO, Consultant, Volunteer, Other, Operations staff

Role of IT Staff

Role of IT Staff
(n=266)

Legend: 2007, 2010, 2012

Categories: Utility provider, Service provider, Strategic partner, Strategic leader
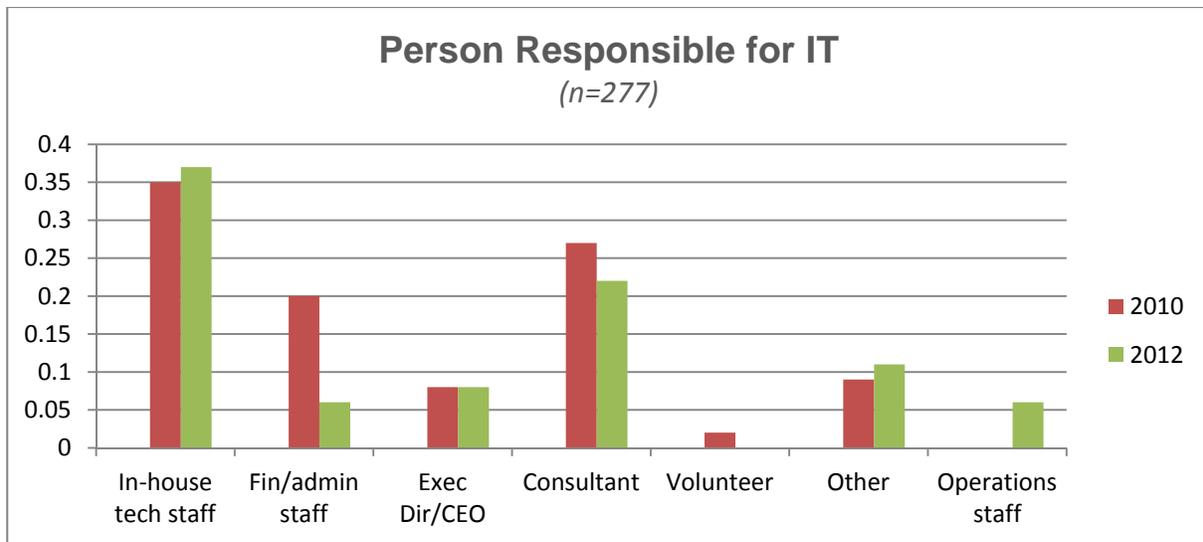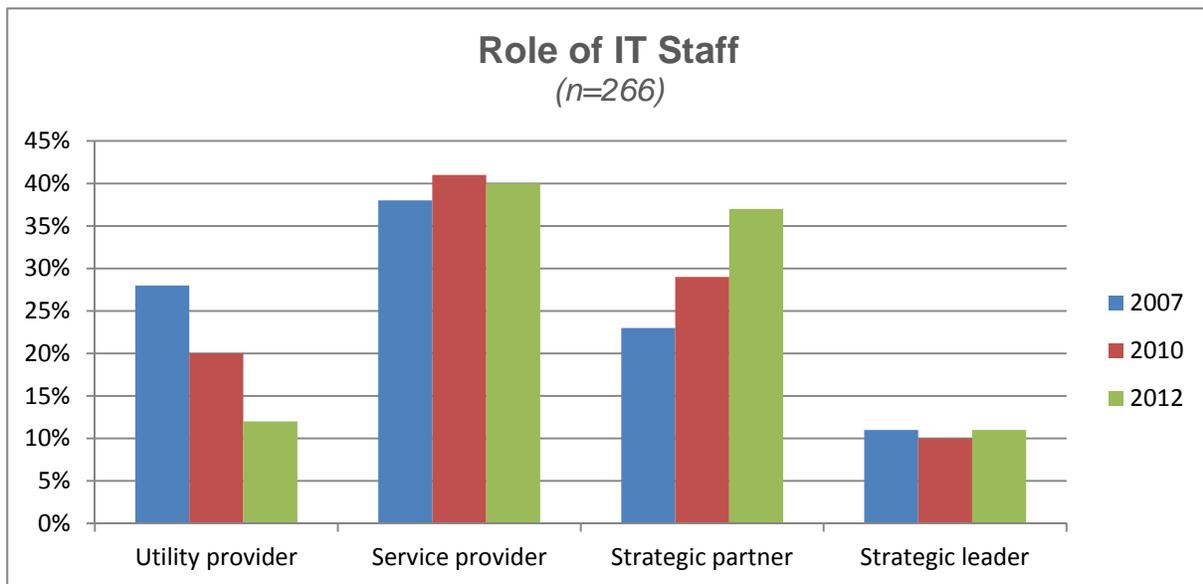
This data is somewhat encouraging. There is definitely a trend towards viewing the role of technology staff as more strategic than in previous years. For the first time, nearly half of respondents described the role of the technology staff member as a strategic partner or member of the foundation leadership team instead of as a utility/service provider. As you can see from the data, the percentage reporting the role as a utility provider has decreased by 8% and the percentage reporting the role of technology staff as a strategic partner has increased by 8%.

Roles and Responsibilities of Technology Staff

IT Roles & Responsibilities
(n=268)

Social media support
Mobile device support
Manage AV equipment
Manage video conferencing
Update website content
Ownership of external web sites
Ownership of internal web technology
Manage other office equipment
Participate in nonprofit boards, etc
Interact with IT staff elsewhere
Review tech grant applications
Recommend solutions to grantees
Tech support to grantees
Technical assist and advise grantees
Assess non-IT staff needs
Participate in org strategic planning
Research new technologies
Voice communications
Network & information security
Network admin

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

The roles and responsibilities of technology staff are starting to reflect a more strategic role. The percentage of respondents who indicated technology staff

- "Participates in organizational strategic planning" increased by 8% from 40% in 2010 to 48% in 2012
- "Assesses all staff needs" increased by 9% from 52% in 2010 to 61% in 2012
- "Reviews technology grant applications" increased 7% from 15% in 2010 to 22% in 2012

Other strategic role indicators such as interacting with technology staff at other foundations and serving on nonprofit boards also increased slightly.

Core technology roles and responsibilities continue to dominate, with 88% of respondents indicating technology staff is responsible for network administration and 84% indicating technology staff is responsible for security.

Technology Staffing Levels

Independent & Family Foundations with Assets > $1 Billion *(n=32)*	Total FTEs	IT Staff	Other Staff with IT Resp.	Consultants with IT Resp.	Ratio of IT FTE Staff as % of Total FTE Staff	Total Assets
Mean (Average)	149	9.26	.81	8.2	9.93%	$4,292,846,876
75th Percentile	148	7.56	1	4	11.7%	$4,386,000,000
50th Percentile (Median)	75	3.5	0	2	9.15%	$2,229,930,095
25th Percentile	38	2	0	.29	6.05%	$1,626,539,428
Number of organizations with valid data	*32*	*32*	*32*	*32*	*32*	*32*

Independent & Family Foundations with Assets $250 M - $1 B *(n=35)*	Total FTEs	IT Staff	Other Staff with IT Resp.	Consultants with IT Resp.	Ratio of Total IT FTE Staff as % of Total FTE Staff	Total Assets
Mean (Average)	22.86	0.88	0.74	1.1	14.81	$ 564,005,373
75th Percentile	29.5	1	1	1	18.35	$ 742,500,000
50th Percentile (Median)	21	0.6	0.25	1	9.9	$ 487,183,864
25th Percentile	11.82	0.05	0	0	6.55	$ 397,241,953
Number of organizations with valid data	*35*	*35*	*35*	*35*	*35*	*35*

The data above represents the total staffing levels for independent and family foundations only. Public charities, public foundations, corporate foundations, private operating foundations and community foundations have been excluded from the data because they can be staffed very differently depending on the foundation's mission and grantmaking operations. To eliminate outliers and avoid data misinterpretation, we have chosen to publicly report only the independent foundation staffing data.

Foundation participants are encouraged to run their own benchmarking reports against relevant comparison groups by foundation type and size to determine peer staffing data.

 It is very difficult to draw any conclusions about staffing changes from 2010 to 2012 because the staffing data was collected differently in both years. The technology function is staffed in many different ways, from in-house technology staff to consultants to others in the foundation with some responsibility for technology. Therefore, in 2012, to capture the total technology staffing, we asked

for the number of staff (or fraction thereof) in all three of these categories. In previous years, we only asked for the number of technology staff.

Budgeting

Amount Spent on Technology by Size
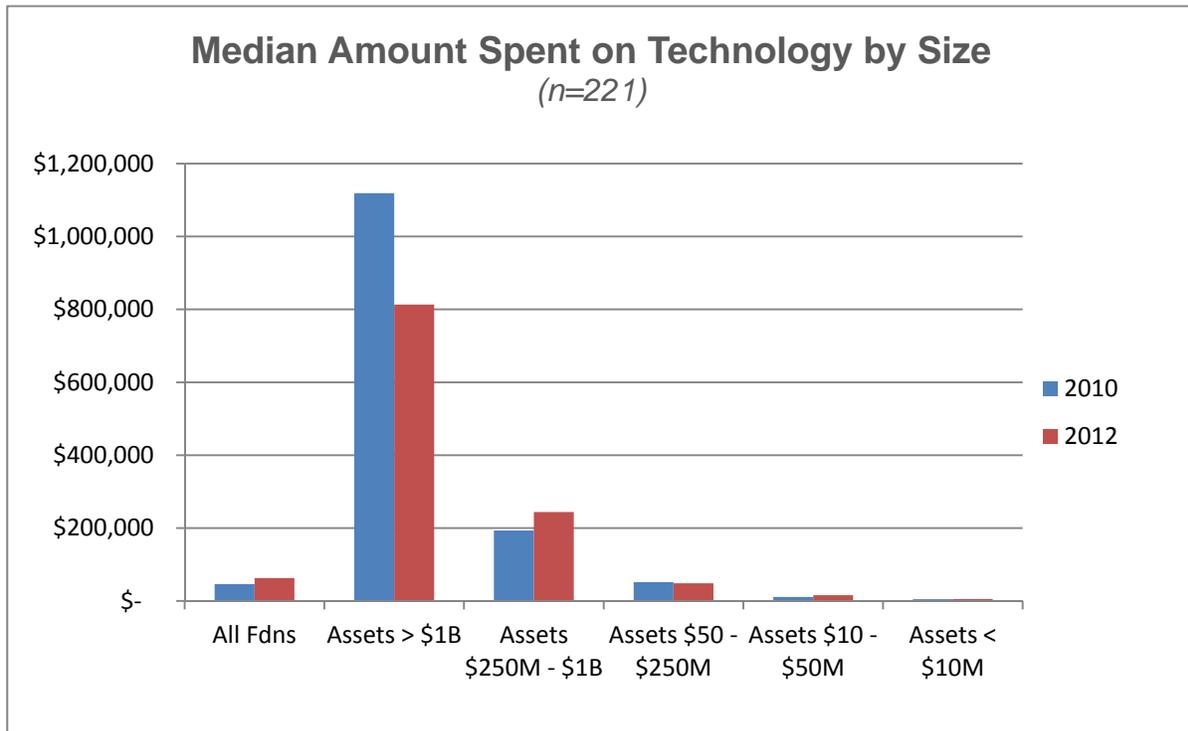
There continues to be a large variance among grantmakers with respect to overall technology spending. The average technology budget reported for all foundations was $689,825 in 2012 compared to $579,757 in 2010. The median was $62,902 in 2012 compared to $46,488 in 2010. While the overall median and average have increased from 2010 to 2012, the median amount spent for foundations with assets over $1 Billion has decreased significantly.

For foundations with less than $50 Million, the primary technology expenditures are for consulting fees for maintenance and support, maintenance and support fees and contracts and hardware. Foundations with $50 - $250 Million show salary expense as a major component of the technology budget, along with the expense categories mentioned above. Larger foundations, with assets $250 Million and above, show a larger salary component, consulting fees for projects and hosted cloud software in addition to the expense categories for smaller foundations. Telephone/Internet and hosting fees also grow proportionally to the size of the foundation.

Survey participants are encouraged to run their own benchmarking reports against relevant comparison groups by foundation type and size to determine peer budget data.

Amount Spent on Technology by Type

Amount Spent on Technology by Type
(n=186)

Legend:
- 2012 Average
- 2012 Median

Categories: All Fdns, Independent Fdns, Community Fdns
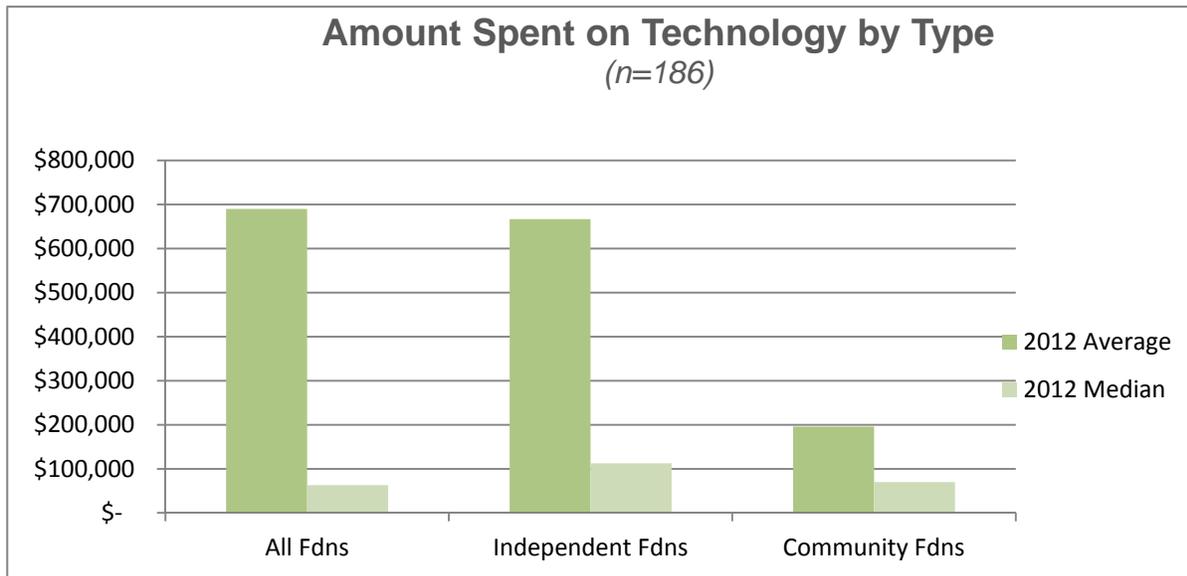
When comparing spending between foundation types, community foundations continue to spend less than their counterparts at independent foundations. The median technology budget reported for community foundations was $69,759 compared to $112,400 for independent foundations.

The percentage of technology spending to total non-program budget was 2.2% for community foundations versus 4.8% for independent foundations. Interestingly, the ratio for community foundations more than doubled from .8% in 2010 to 2.2% in 2012 while the ratio for independent foundations remained about the same from 4.6% in 2010 to 4.8% in 2012.

The data represents 102 community foundations and 63 independent foundations.

Ratio of Technology Budget to Non-Program Budget

Median Ratio of IT Spending to Non-Program Budget
(n=182)

Legend:
- 2007
- 2010
- 2012

Categories: All Fdns, Assets > $1B, Assets $250M - $1B, Assets $50 - $250M, Assets $10 - $50M, Assets < $10M
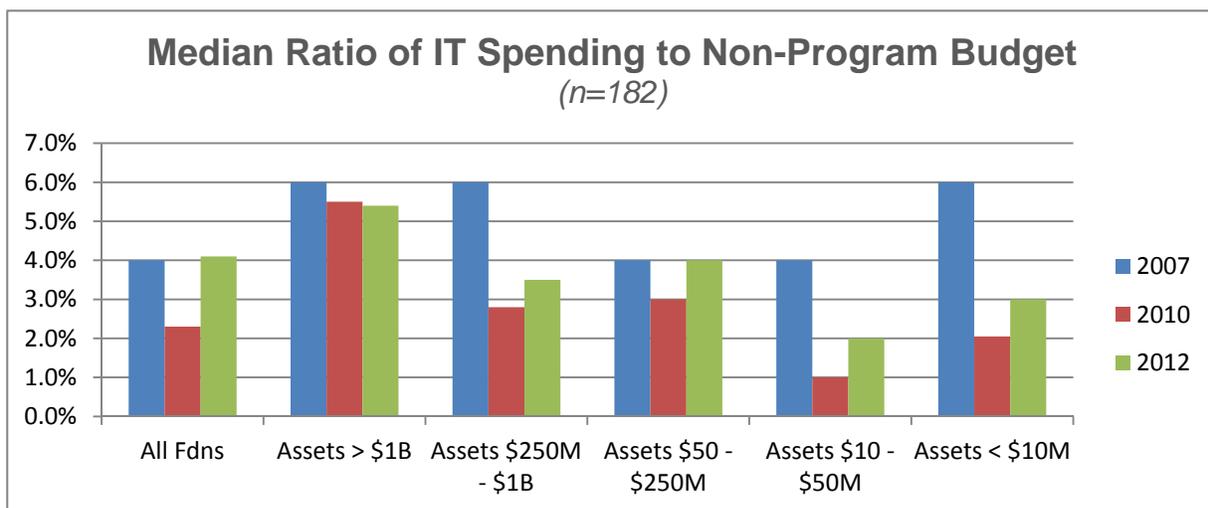
In 2010, we reported that foundations with assets over $1 billion are spending more for technology relative to the foundation's non-program budget than their peers in all asset categories less than a

billion. This continues to be true in 2012. However, the ratio of technology spending to non-program budget expense remained the same for foundations with assets over $1 Billion while the ratio for all other asset categories increased from 2010 to 2012. As you can see above, the ratios have increased from 2010 but are not back to 2007 levels.

The median percentage of IT expenses to non-program budget was 5.4% in 2012 compared to 5.5% in 2010 for foundations over $1 billion in assets. This number varied from 2% to 4% in 2012 compared to 1% to 3% in 2010 for the other four asset categories. In 2007, this ratio ranged from 4% to 6% for all asset sizes.

Percent of Technology Budget Spent on Grants Management Software/Service
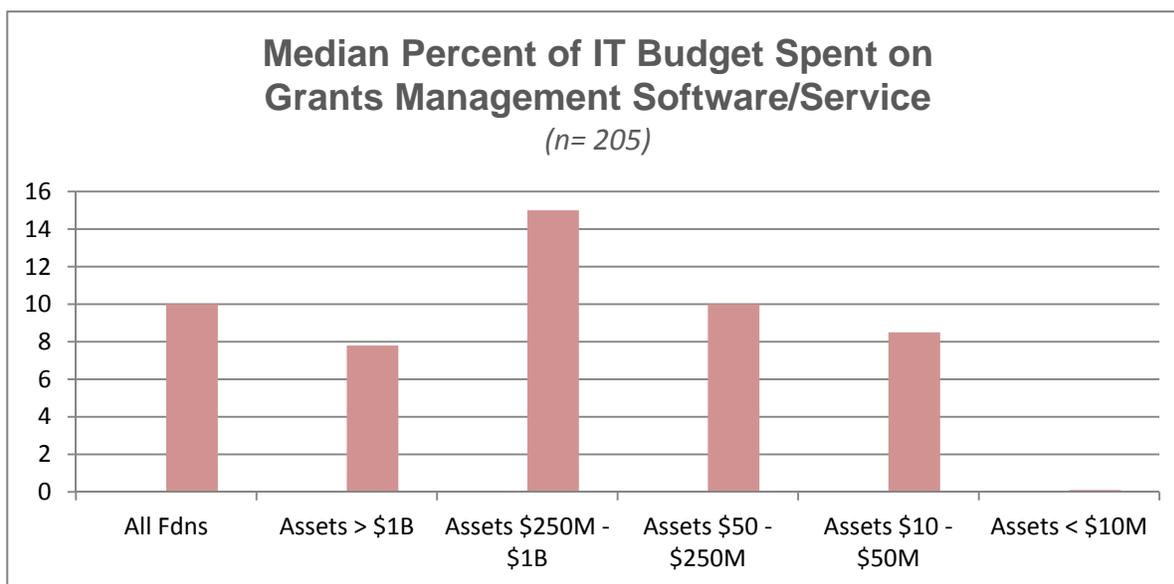
The median percent of the technology budget spent on grants management software ranges from 8 to 15%, depending on the size of the foundation. Assets with less than $10 million do not appear to have a grants management system or service.

Challenges and Issues Reported

Overview

This section looks at what issues are challenging grantmakers today and how previously reported issues have since been addressed.

The primary issue that continues to challenge grantmakers is the implementation of online grants management systems/online donor information. However, grantmakers are reporting strong progress in this area and good progress in all challenge areas reported in 2010. There are also some new challenges that haven't made the list before: mobile computing and staffing.

Technology Issues Grantmakers Are Not Prepared to Address

There were 199 responses to the question "List the top three technology issues your organization is not currently prepared to address," and the number one response continues to be "online grant applications and online donor information. In 2007, half of foundations indicated this was a challenge. In 2010 the percentage decreased to about one-third and in 2012 the percentage has decreased to 31%.

Cloud computing and mobile computing were cited by 22% and 20%, respectively, followed by "going paperless" and staffing issues at 18% each. Social media dropped in importance from nearly one-third of respondents in 2010 to 13% in 2012.

As you can see from the data below, mobile computing and staffing issues are new to the list for the first time.

Survey responses to the question:
"List the top three technology issues your organization
is not currently prepared to address."

	2005 Responses	2007 Responses	2010 Responses	2012 Responses
1	Online grantmaking/ donor services	Online grantmaking/ donor services	Online grantmaking/ donor services	Online grantmaking/ donor services
2	Security	Integration of database to other applications	Social media/social networking	Mobile Computing
3	Integration of database to other applications	Expansion & maintenance of web site	Cloud computing	Cloud computing
4	Technology staffing and training	Security	Document/records management	Document mgt/ electronic workflow
5	Expansion & maintenance of web site	Cost of new technology	Security	Staffing

2010 Issues that Were Addressed

In 2010, we asked the open-ended survey question, "What are the top three issues your foundation is not currently prepared to address?" In 2012, when we asked, "Has your organization addressed any of these issues in the last two years?" strong progress was reported in all areas.

As you can see from the chart, 58% of foundations reported they had addressed online grantmaking/online donor information, 53% indicated they had addressed document/records management and 48% indicated they had addressed social media/social networking.

Consistent with 2010 results, the 2010 report indicated 51% of foundations reported they had addressed online grantmaking/online donor information. However, online grantmaking continues to be the most significant challenge mentioned by grantmakers in 2010. Similarly, 58% of respondents

indicated they had addressed online grantmaking/online donor information in 2012 and it continues to be the number one challenged reported in the survey.

There are so many different and complex components to "online grantmaking," including having an online application, an online donor portal, electronic document management, electronic workflow and online grantee report submission. Therefore, foundations can report that they have addressed online grantmaking and still list it as a challenge because they may not yet have addressed all of the major components of online grantmaking. This could explain why so many foundations report they have addressed it, report it is still a concern and report their grantmaking process is a hybrid between a paperless and paper-based system.

2010 Technology Issues Addressed
(*n=278, response = check all that apply*)

- a-Online grantmaking/online donor services No
- b-Social media/social networking No
- c-Cloud computing No
- d-Document/records management Yes
- e-Security Yes

58%

48%

41%

53%

43%
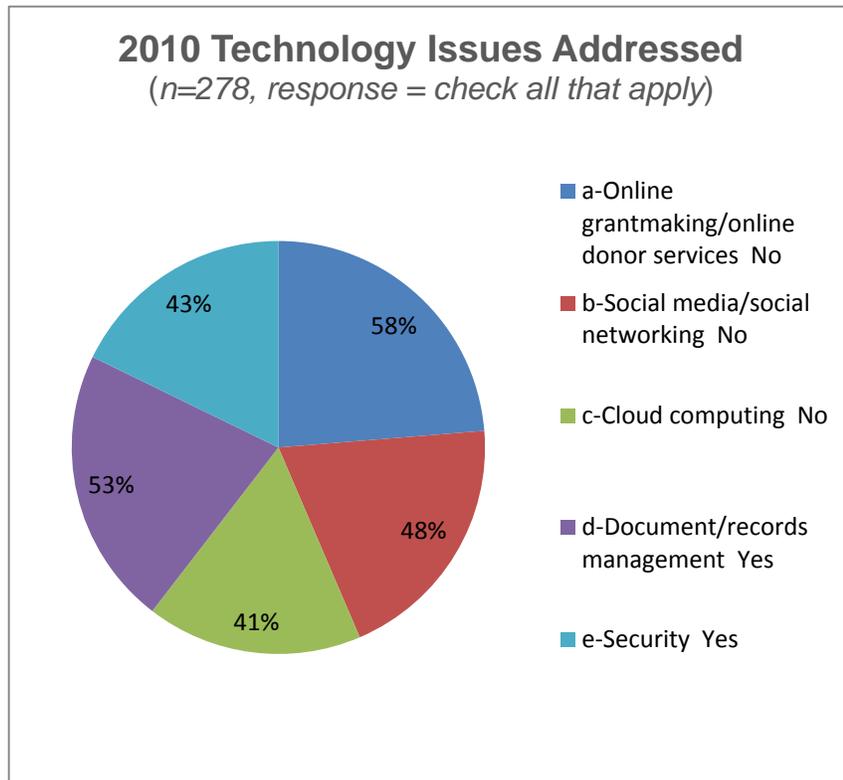
Applications & Communications Software

Online Grantmaking

Overview

Online grantmaking and online donor information continues to be the highest priority for 40% of respondents. This section looks at several questions about grants management software in detail, including the foundation's priorities for improving their grants management software, how well the grants management software/service supports the foundation's grantmaking process, whether software has changed since 2010 and the products being used for grants management software and online grant applications.

Top Three Priorities for Grants Management Software

Grantmaking Software Priorities
(n=255)

Priority	Percentage
Automated OFAC checking	2%
Data export to free mapping services	2%
Branching grant eligibility quiz	2%
Automated charity checking	3%
Electronic signatures	6%
ACH or EFT payments	7%
Other	10%
Online donor portal	10%
CRM	11%
Integration to other software	14%
Access to the system via mobile…	15%
Move to the cloud	16%
Electronic workflow	20%
Measuring grant outcomes	23%
Dashboards	23%
Document/records management	28%
Reporting	28%
Online grantee reporting	29%
Online grant application	40%

There were 255 respondents who provided 733 total responses to the question, "What are your top 3 grants management software priorities?" Consistent with the responses to the overall challenges, online grantmaking continues to be the greatest challenge. There was a cluster of similar priorities around reporting, with 28% of respondents indicating "dashboards," "reporting" or "online grantee reporting" as a priority and 23% reporting "measuring grant outcomes" as a top priority. Document management and electronic workflow round out the top priorities, with 28% and 23% respectively.

This question was an open-ended question in previous survey years but in 2012, we provided a list of priorities and respondents selected from the list. Online grantmaking topped the list in 2010, along with workflow and document management. Integration and Customer Relationship Management (CRM) were also very important in 2010 but are not significant priorities in 2012.

How Well Grants Management Software/Service Supports Grantmaking Process

**How Well Grants Management Software/Service
Supports Grantmaking Process**
(n= 263)
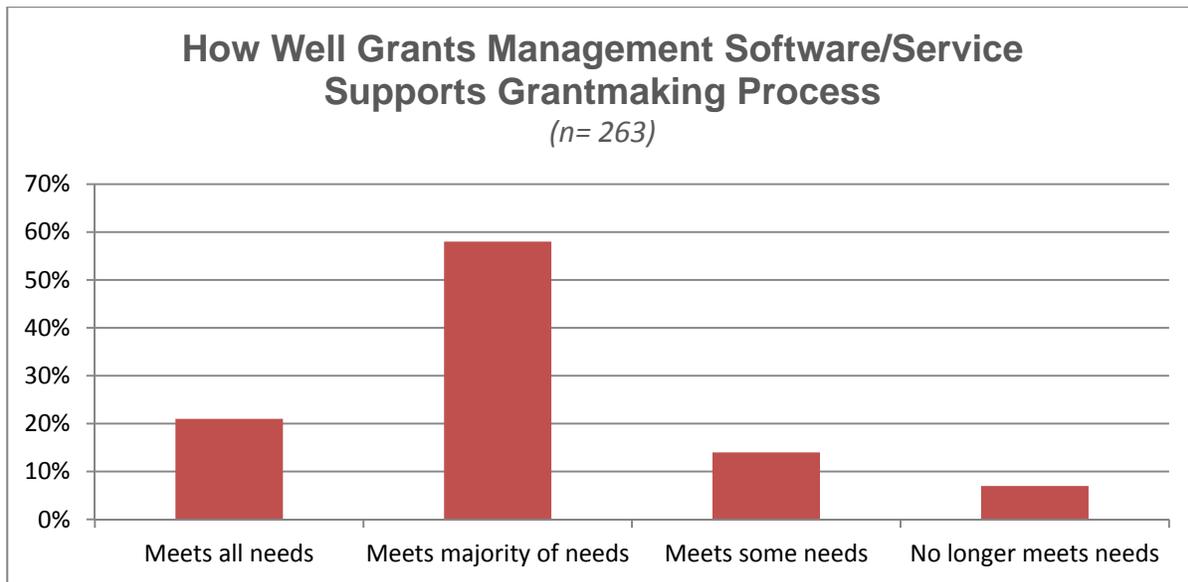
Based on the responses to the question, "how well does your grants management software or service support your grantmaking process," it appears the majority of foundations are satisfied with their grants management software/service. 79% of respondents indicated their software meets all or most of their needs, while only 21% indicated their software meets some or no longer meets their needs.

Has Software Changed?

Foundations are finally replacing their old grants management software! When combining the responses from the 2010 and 2012 surveys, just over half of the respondents reported they have replaced or plan to replace their grantmaking software.

Grants Management Software Change 2007 - 2012
(n= 269)

■ Changed 2007 - 2010   ■ Changed 2010 - 2012   ■ Plan to Change Next 18 months
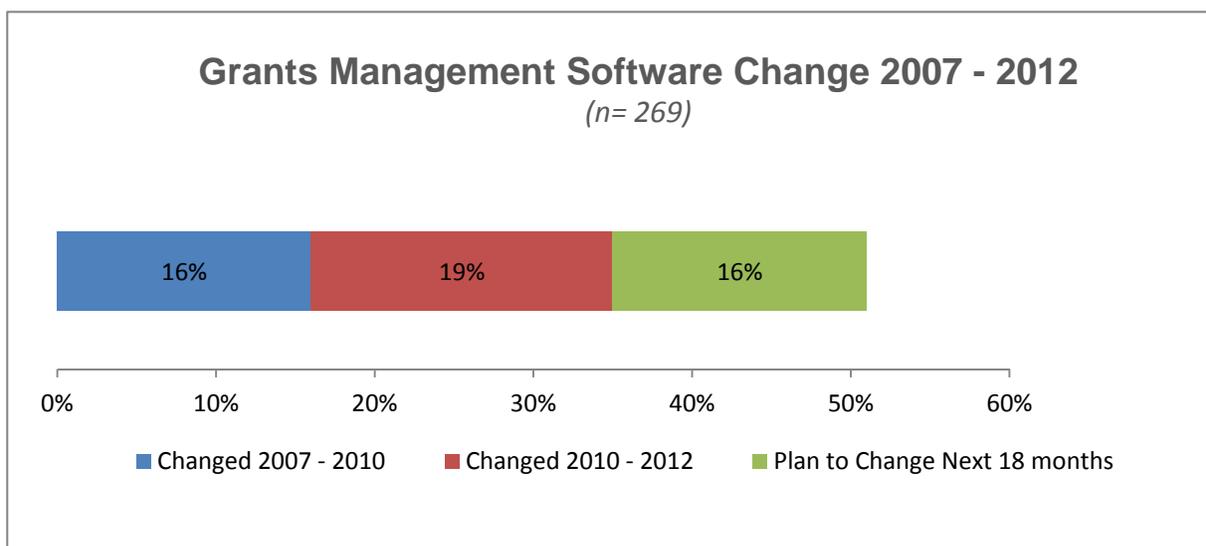
From 2007 to 2010, 16% of foundations reported their grantmaking software had changed. In 2012, 19% of respondents indicated their grantmaking software had changed since 2010, and another 16% indicated they plan to change their grantmaking software within the next 18 months.

So, what software are foundations using? The following two charts depict the grants management software and online grant application software being used by foundation respondents in 2012.

Grants Management Software/Service

Grants Management Software/Service
(n=271)

Legend: 2010 (red), 2012 (blue)

Categories (top to bottom):
- Planned within next 18 months
- None at this time
- Custom developed in-house
- Other commercial
- ZoomGrants
- WizeHive Grant Manager
- WESTAF GrantsOnline
- Stellar Technology Solutions iPhi
- Solpath Fluxx
- SmartSimple GMS
- PhilanTech PhilanTrack
- NPower Foundation Connect
- Oceanpeak Common Grant
- MicroEdge FoundationPower
- MicroEdge FIMS
- MicroEdge GIFTS Online
- MicroEdge GIFTS
- JK Group Grants Management
- GrantStream GrantRight
- Grantium G3
- Good Done Great Grant
- Fusion Labs GrantedGE
- Foundation Source
- Foundant Technologies Grant…
- Dulles Technology Partners WebGrants
- CyberGrants
- CloserWare Grantmaker
- ChesterCAP Dotche
- Bromelkamp Community Pearl
- Bromelkamp First Pearl
- Bromelkamp Akova
- Altum proposalCENTRAL
- Altum EasyGrants

X-axis: 0%, 10%, 20%, 30%, 40%, 50%

MicroEdge continues to be the dominant player in the grants management software market, with the majority of foundations reporting they use one of the MicroEdge grants management software products. However, MicroEdge's market share is slowly decreasing over time. Of the 230 foundations reporting they use commercial grants management software in 2012, 161 or 70%

reported using a MicroEdge product. This compares to 79% who reported using a MicroEdge product in 2010 and 87% in 2007.

MicroEdge's overall market share (including custom developed software) decreased by 6% from 2010 to 2012 with a 63% overall market share in 2012. This compares to an overall market share of 69% in 2010 and 70% in 2007.

The decrease is explained by a decrease reported in the use of *FoundationPower* and *FIMS*, the percent of respondents indicating they use *GIFTS* and *GIFTS Online* products has actually increased by 5%.

New products are slowly being adopted by foundations, with 13% of those with commercial software indicating they are using one of the new products. The two most prominent new products include Foundant Technologies *Grant Lifecycle Manager* and Fusion Labs *GrantedGE* with 7% and 4% of the commercial software market respectively. Other new products gaining in popularity include Good Done Great *Grant*, NPower *Foundation Connect* and Solpath *Fluxx*.

Consistent with 2010, 1% of respondents indicated they plan to change their grants management software with the next 18 months. Based on the data, there is not a strong relationship between what respondents indicate they plan to do and what they actually do. In 2010, 1% of respondents indicated they didn't have any plans to replace their grants management software within the next 18 months. However, in 2012, 19% of respondents indicated they replaced their grants management software since 2010, thus an 18% gap in what foundations reported they planned to do versus what they actually did.

Online Grant Application Software

Online Grant Application Software
(n=269)
not included in 2010 list

Category	
Planned within next 18 months	
None at this time	
Custom developed in-house	
Other commercial	
Solpath Fluxx*	
SmartSimple GMS 365*	
PhilanTech PhilanTrack	
NPower Foundation Connect	
MicroEdge Internet Grant Application Module	
Fusion Labs GrantedGE JK Group eGrant*	
Good Done Great Grant Mgt System*	
Foundant Technologies Grant Lifecyle Mgr	
Dulles Technology Partners WebGrants	
CyberGrants	
OceanPeak Common Grant Application*	
Bromelkamp eGrant.net	
Altum proposalCENTRAL	
Altum EasyGrants	

Legend: ■ 2010 ■ 2012

The majority of foundations now report they have an online grant application, with 59% of respondents indicating they have online grant application software. This is a 19% increase since 2010, when 40% of respondents reported having an online grant application. In 2007, the percentage was 28%.

There were 269 responses to the question and 131 respondents reported using commercial products. Of the commercial products reported, the most popular products include MicroEdge *IGAM* (44%) and Foundant *Grant Lifecyle Manager* (17%). *CyberGrants* and Npower *Foundation Connect* were the next most commercial products reported.

For both grants management software and online applications, there continues to be a high percentage of large foundations reporting they have built custom software applications because commercial products don't meet their foundation's specific needs. The percentage decreased from

12% in 2010 to 10% in 2012 but is still significant when compared to the percentages of commercial products in use.

Dashboards

Overview

The use of dashboards and score cards for tracking grantee outcomes and operational performance has been discussed at the TAG conference for the past several years. This appears to be an emerging trend for foundations. However, most foundations are using simple tools such as Microsoft's *Office* suite for their dashboards instead of more sophisticated reporting tools.

Foundation Use of Dashboards and Score Cards
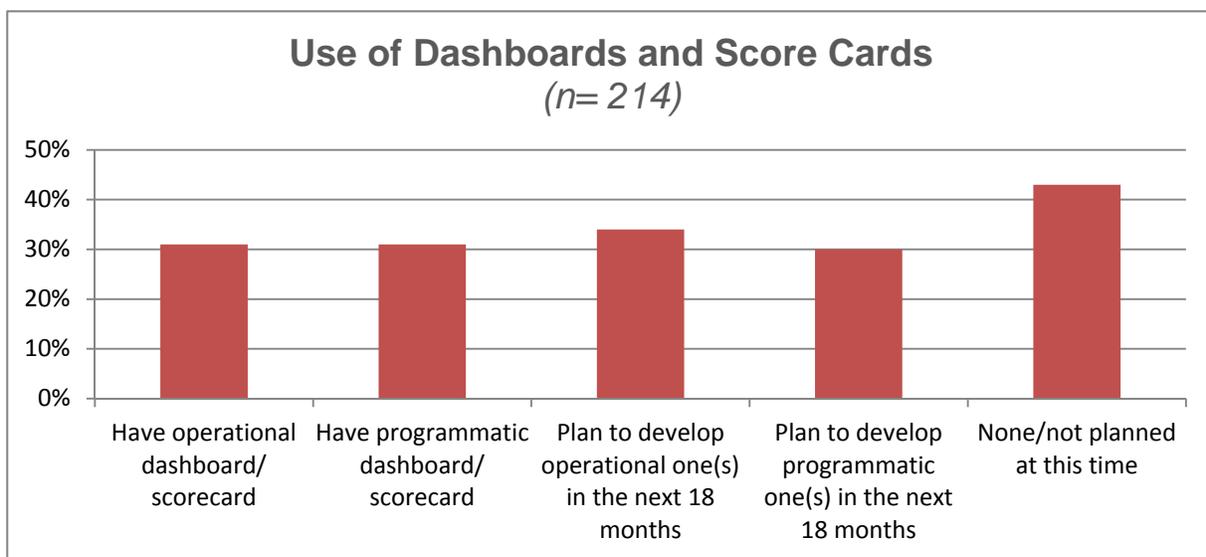
Foundations who reported having an operational dashboard/score card also reported having a programmatic dashboard/score card. Similarly, most foundations planning to develop operational dashboards are also planning to develop programmatic dashboards.

Approximately one-third of foundations reported they currently use dashboards for tracking operational and programmatic information; approximately one-third reported they are planning to implement a dashboard in the next eighteen months and just over one-third does not have any plans to implement a dashboard.

Software Used for Operational Dashboards

Software Used for Operational Dashboards and Score Cards
(n= 127)

- Office Suite (Word, Excel, PowerPoint)
- Business intelligence/data visualization tools
- Reporting tools in grants mgt software
- Custom developed via SQL Reporting
- Custom developed via Crystal Reports
- SharePoint Reporting Services
- Sharepoint Performance Point
- Other
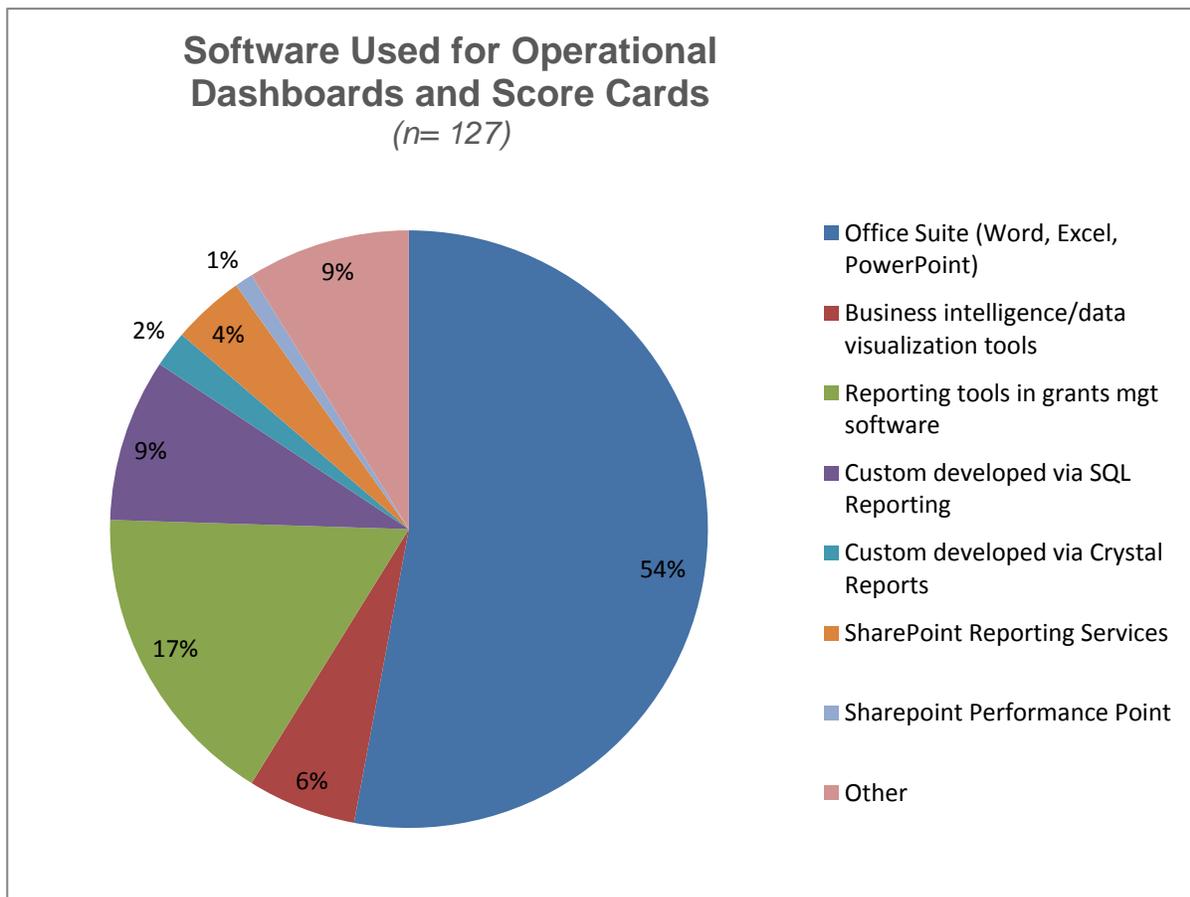
It appears that most foundations use the same tool for tracking both operational data and programmatic or grantee outcomes. The primary tool being used for dashboards is Microsoft's *Office* suite, with 54% of those with dashboards/score cards reporting they use Microsoft's *Office* suite. The next most popular tool being used for dashboards and score cards is the reporting tool in the foundation's grants management system. Other tools being used to create dashboards and score cards include business intelligence/data visualization tools, custom reports using *SQL Reporting* or *Crystal Reports* and *SharePoint Reporting Services*.

Going Paperless - Document Management/Electronic Workflow

Overview

For the second survey year, document management and electronic workflow was cited as a top challenge by survey respondents and it was reported by 28% of respondents as a top priority improvement area for the grants management system. While 53% of foundations indicated they had addressed document/records management since 2010, clearly, the remaining foundations are still trying to figure out how to move their paper-based grants management processes to a fully electronic process.

Grants Management Process

As you can see from the data to the right, very few foundations have successfully moved to a completely paperless grants process.

Only 14% of foundations reported their entire grants management process was paperless. This is an increase of 8% since 2010. Most foundations (69%) indicated their process was a hybrid between paper and paperless and 17% indicated their entire process is paper-based.

With more than half of foundations reporting they have addressed document management (53%) and online grantmaking (58%), it is likely that foundations are slowly transitioning towards a paperless grantmaking process. However, they are maintaining paper-based processes and workflow in parts of their grantmaking process. Since it isn't possible to measure the degree of transition, it is difficult to gauge how much progress has actually been made.

Grants Management Process *(n=268)*

Legend: ■ 2012 ■ 2010

Category	2012	2010
Entire process is paper-based	17%	22%
Hybrid between paper & paperless	69%	73%
Entire process is paperless	14%	6%

As foundations continue to implement online applications, online review modules, online report submission, document management systems and electronic workflow, the number of foundations reporting a paperless process will increase significantly.

Document Management Software
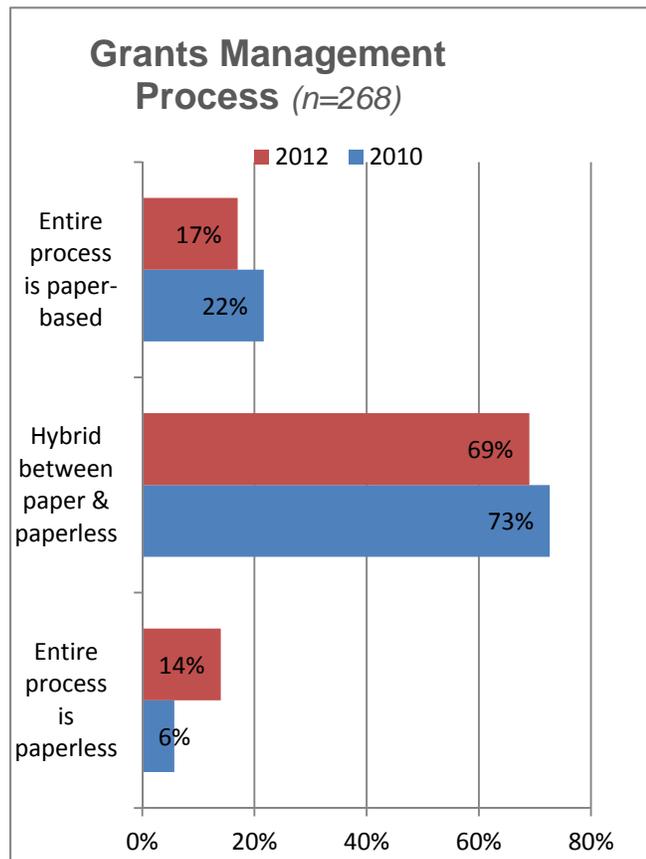
Document Management Software
(n = 265)
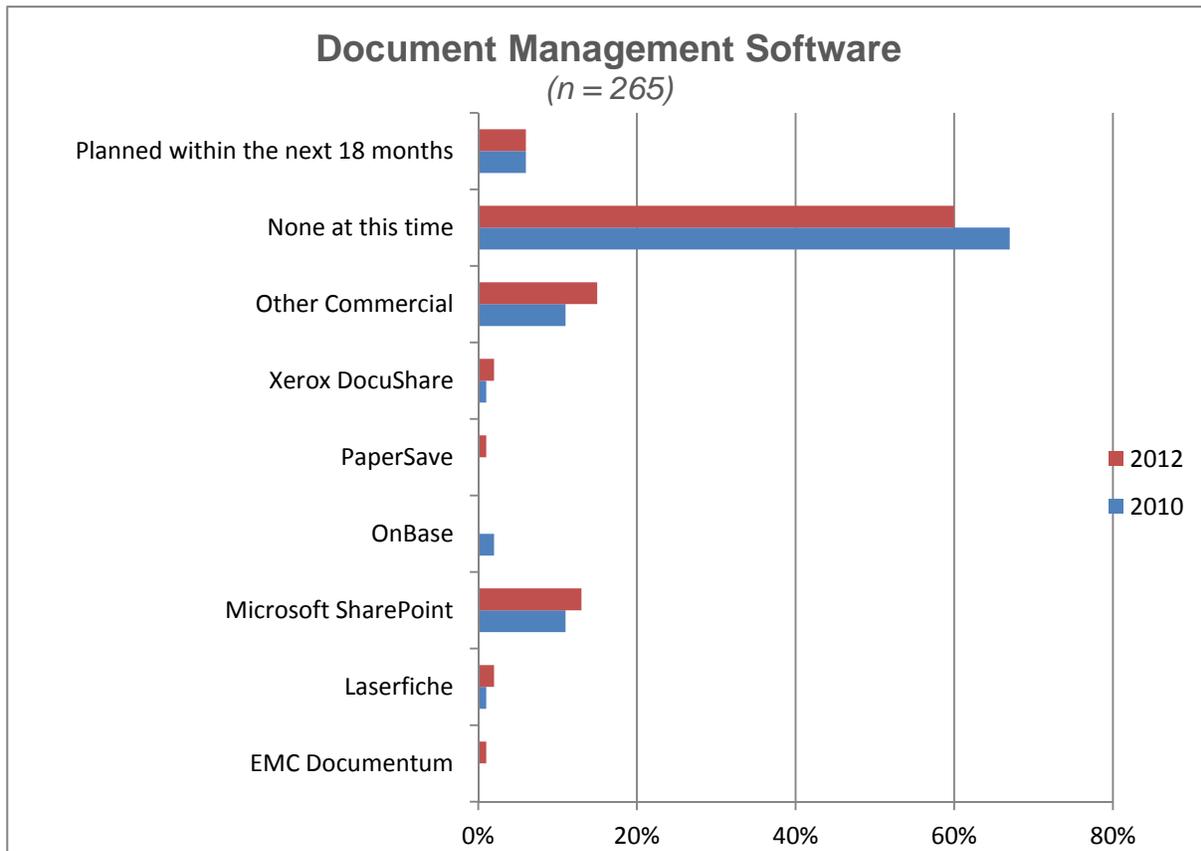
In 2012, 34% of foundations reported they used document management software, up from 26% in 2010 and 20% in 2007. *SharePoint* is the most common system used for document management and the only product listed that had more than 5% market share. Of the foundations that have a document management system, 38% use *SharePoint*. An additional 45% of respondents with software indicated "other commercial." The survey question listed several other known document management products but none received any data so they are not included in the chart above.

As you can see, there has been limited change in this area from 2010 to 2012, with only an 8% increase in adoption of document management software. This data is inconsistent with the fact that 53% of respondents indicated they had addressed document management since 2010.

And, in response to the question, "what is your network backup strategy," 49% of respondents indicated they have a data management and document retention policy.

Social Media/Social Networking

Overview

Social media and social networking was a primary concern for respondents in 2010. Then, it appeared foundations of all types were trying to determine the appropriate use of social media for their grantmaking organizations. Today, foundations using social media and social networking seem

to have implemented a strategy and social media is no longer a major topic of conversation among grantmakers. And, social media is not cited as a major challenge for survey respondents.

Not a lot has changed in terms of social media usage from 2010 to 2012. There is a slight increase in the number of foundations using social media and there in an increase in usage for some of the most popular sites. This is disconcerting, given the important role social media plays in communications worldwide, particularly among younger generations.

The survey questions looked first at whether foundations were using social media, and then asked who is using it, how it is being managed and what social networking sites are currently being used.

Social Media/Social Networking Usage
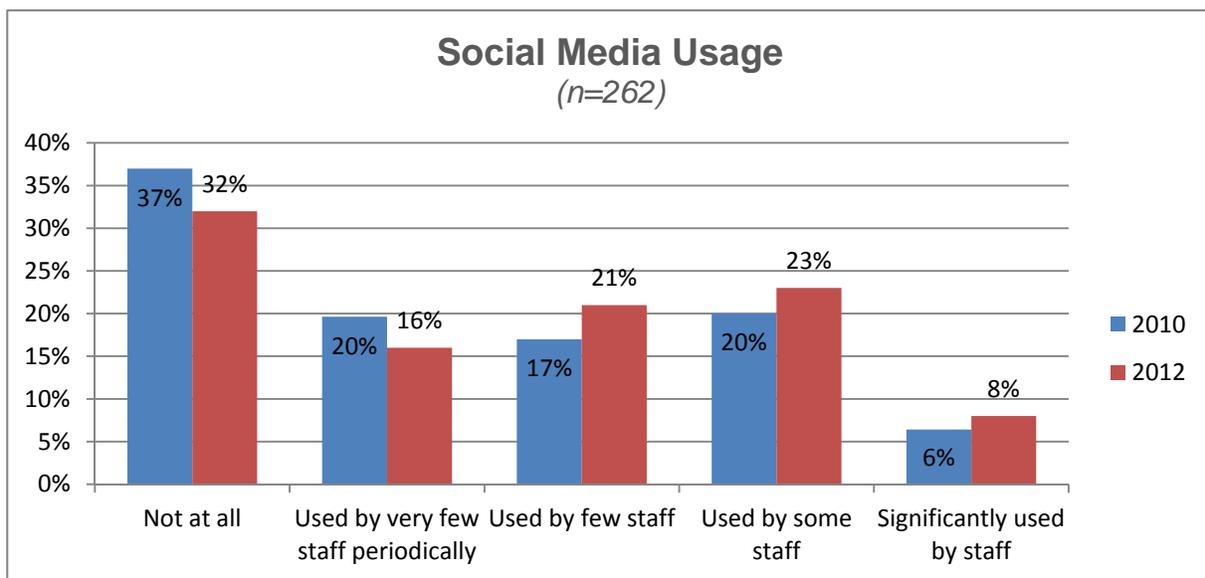
As you can see from the chart above, social media usage among foundations has changed very little since 2010. When asked "to what extent is your foundation using social media for foundation-related business," responses varied from 32% saying they did not use it at all to 8% saying it was used significantly by staff.

For foundations not using social media, the main reason cited was "concerns it's not appropriate for foundation communications" (73%), followed by just "not interested" (44%) and "not enough time" (38%). Other reasons included resistance from management, concerns about lack of control and concerns about security. These reasons are very consistent with 2010.

What Social Media Sites are Being Used

Social Media Sites Used by Foundations
(n=177)
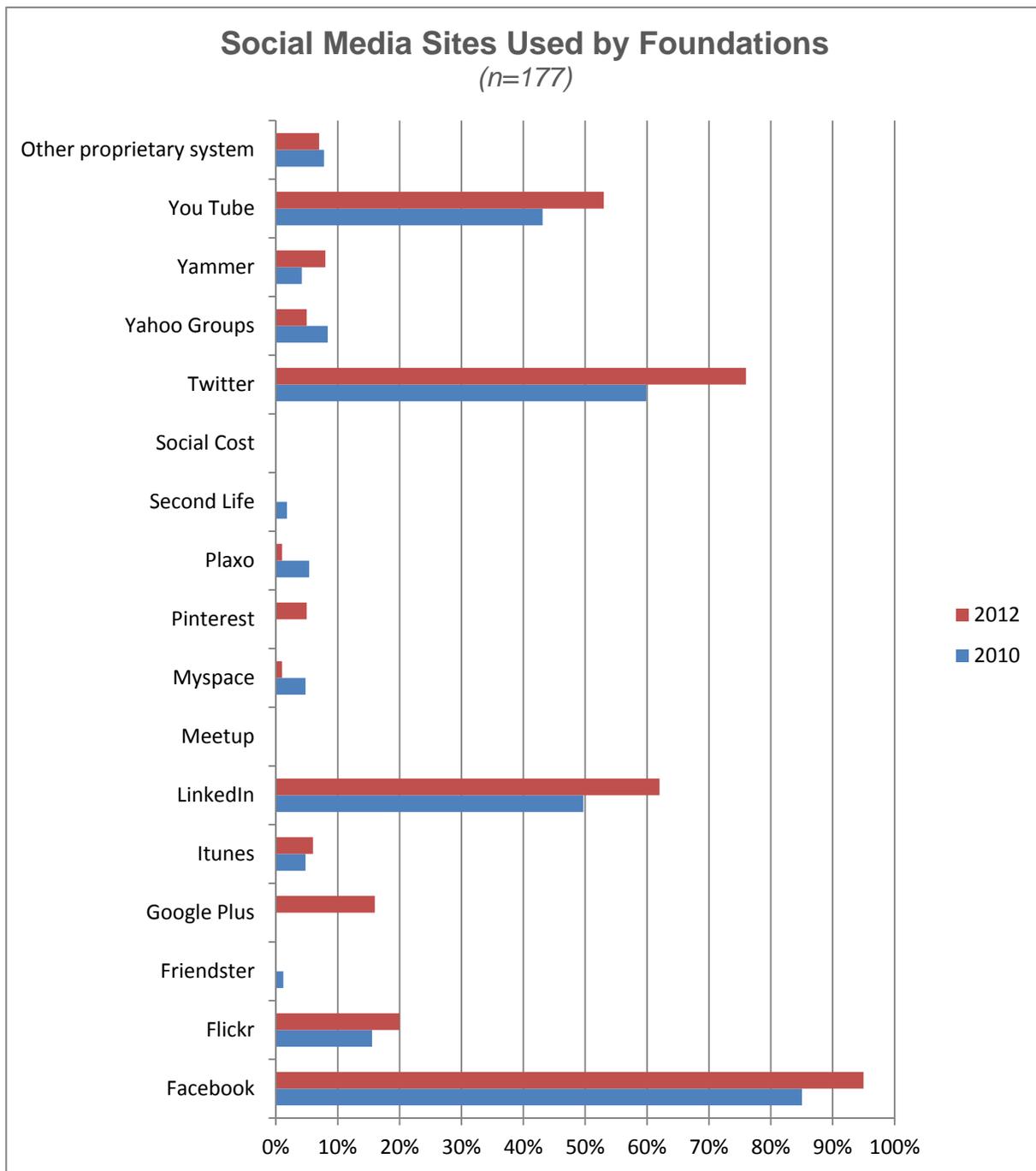
Foundations' use of social media sites continues to mirror the sites currently most popular with the general public. *Facebook* is the most common, used by 95% of foundations that use social media. *Twitter* is used by 76% of foundations who use social media; 62% use *LinkedIn* and 53% use *YouTube*. Usage for each of these top four has increased approximately 10% since 2010. As you can see, there has been very little change in usage for all of the other social media sites listed above.

Purpose of Social Media

Purpose of Social Media
(n=177)

Category	2012	2010
Working with reviewers		
Collaborating with other foundations		
Communicating with the press		
Encourage discussion/collaboration		
Increase transparency		
Staying informed on relevant issues		
Sharing information		
Connecting grantees with each other		

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
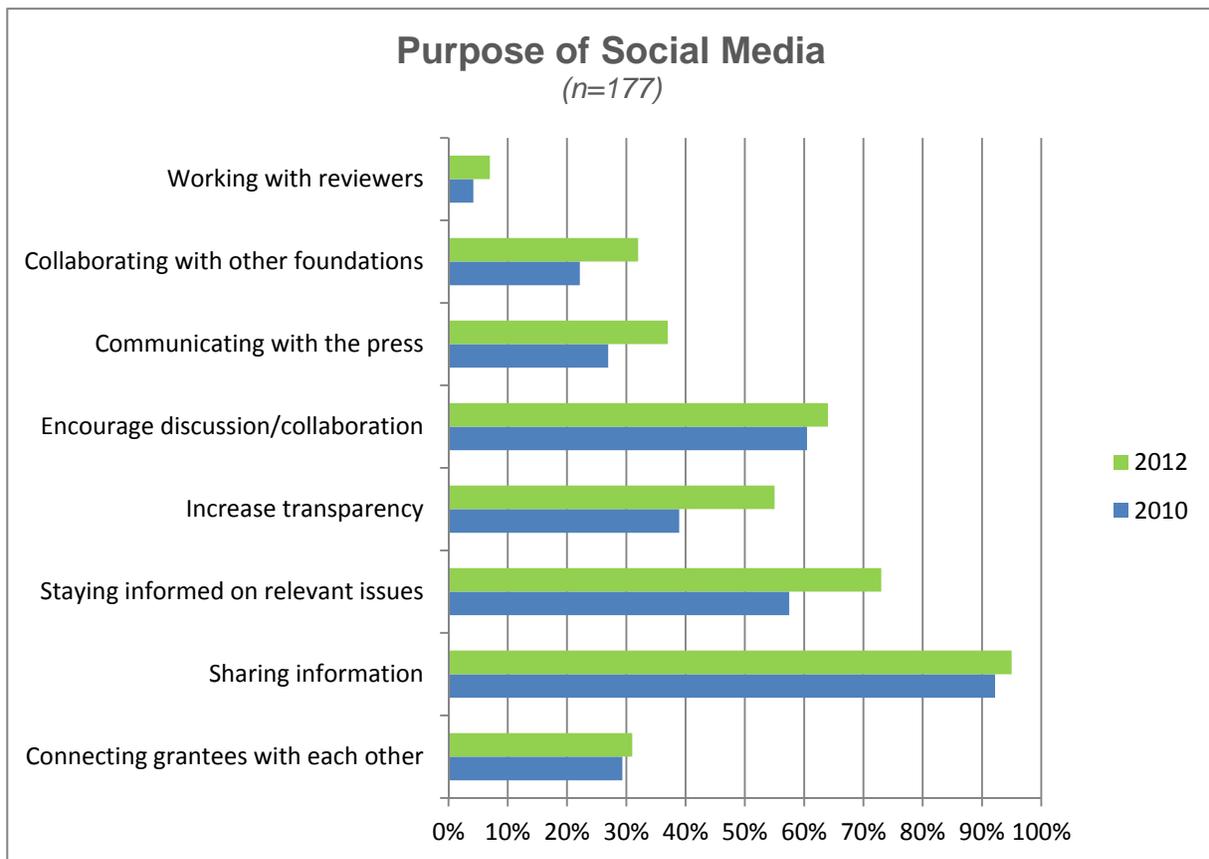
The main reason foundations are using social media continues to be to share information, but it is also being used to stay informed on relevant issues and to encourage discussion/collaboration. Most foundations are not using social media to connect with grantees, communicate with the press or collaborate with other foundations.

Social media is being used primarily by communications staff (83%) and program staff (68%) within the foundation. 41% of respondents indicated the foundation's executive staff also uses social media. These ratios are similar to 2010. However, the percentage of use by each staff category has increased about 10%.

Open Source Software

Open Source Software

(n varies 107-163, response = check all that apply)

Categories (top to bottom): None, Other, Web services, Office productivity applications, Knowledgebase, Grants Management, E-mail, Server operating system, Desktop operating system, CRM

Legend: 2012, 2010

X-axis: 0, 0.05, 0.1, 0.15, 0.2, 0.25, 0.3, 0.35
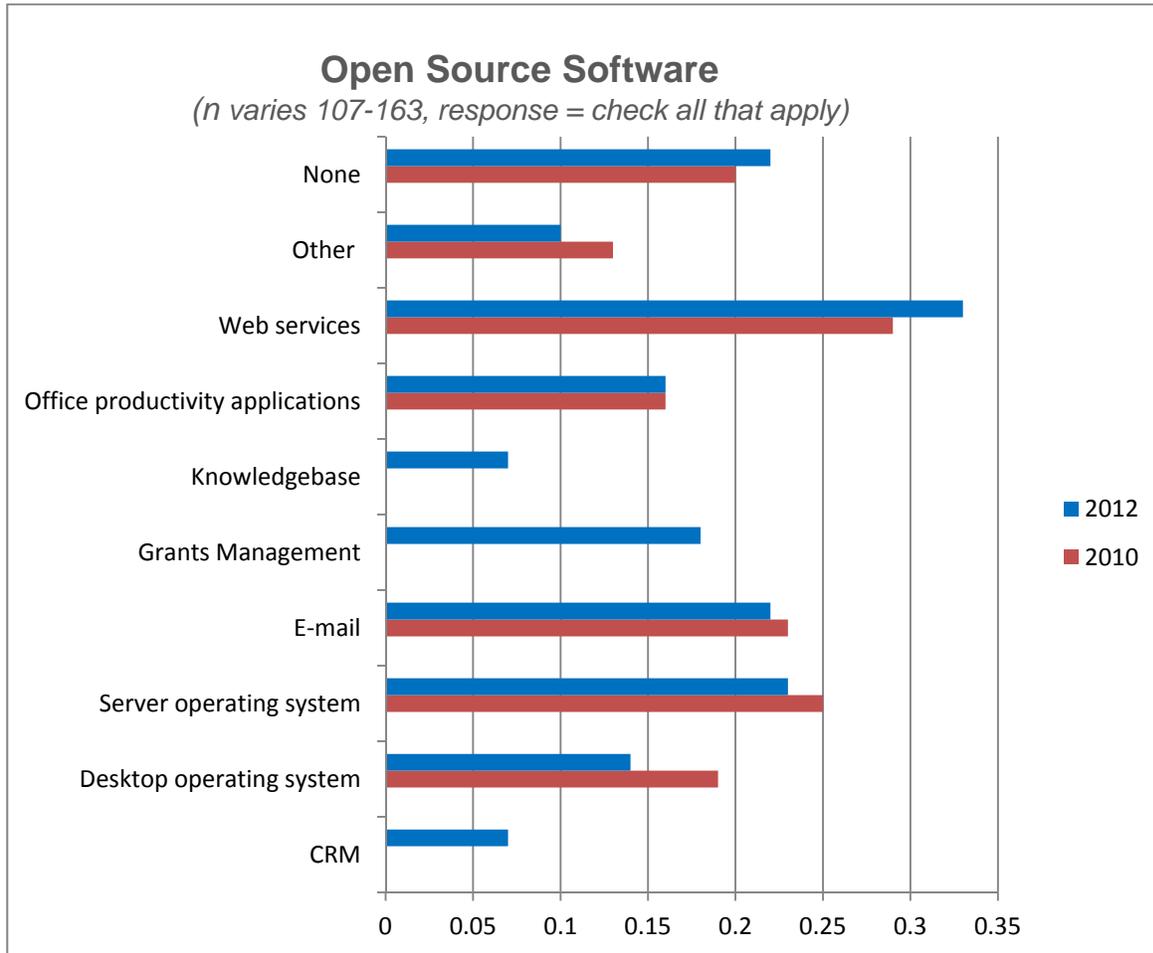
78% of respondents reported they use some open source software. Compared to 2010, the use of open source software has increased for web services but has decreased in other major categories, including desktop and server operating systems and email. It is interesting to see that 18% of respondents are using open source grants management software. Data for open source CRM, knowledgebase and grants management software was not collected in 2010.

Internet Explorer is not the dominant browser it once was. The web browser is one area where open source software has gained considerable market share in recent years. 21% of respondents indicated they use *Firefox v11* and 44% indicate they use *Firefox v12* and another 36% indicated they use *Safari*. The data indicates foundation staff members are using both *Internet Explorer* and an open source browser too.

Internet Browser

(n=267, response = check all that apply)

Browser	Percentage
Internet Explorer v8 or less	45%
Internet Explorer v9	59%
Firefox v11	21%
Firefox v12	44%
Google Chrome	54%
Safari	36%
Opera	2%
Other	1%
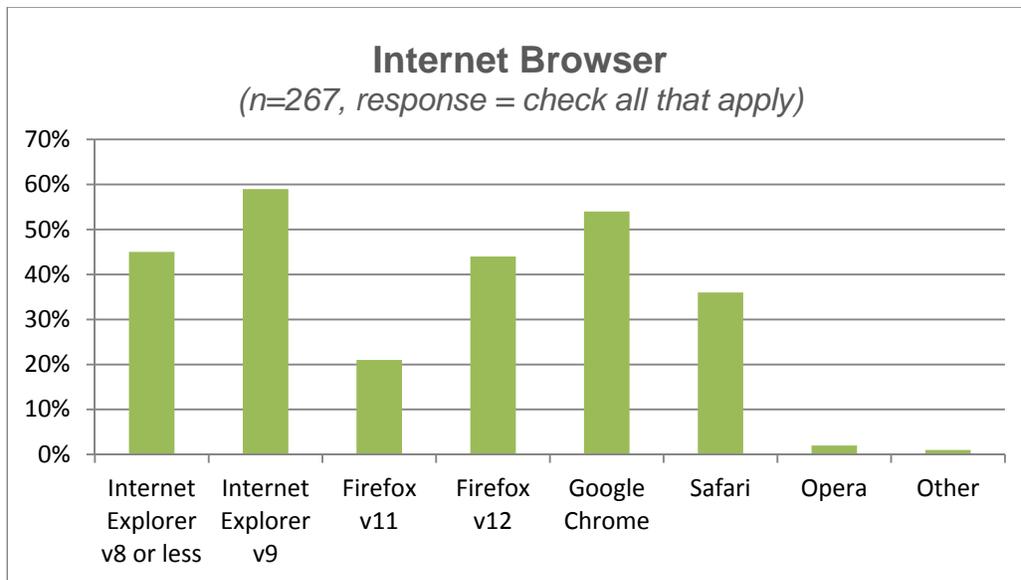
Infrastructure

Cloud Computing

Overview

Once again, cloud computing was cited as one of the top five issues foundations are not prepared to face. Based on the data, foundations large and small are using cloud solutions for everything from data backup, email and email security to grants management software and other core business applications. The ability for staff to have access to software anywhere anytime is appealing and cost-effective in terms of the foundation's infrastructure and technical support.

This section looks at software as a service (SaaS) being used by foundations and the impact cloud computing is having on the foundation's infrastructure, including the server environment and the Internet bandwidth required to support SaaS.

Foundation Infrastructure Environment

Infrastructure Environment
(n= 251)

- Physical servers on-site
- Physical servers off-site
- Virtual servers on-site
- Virtual servers off-site
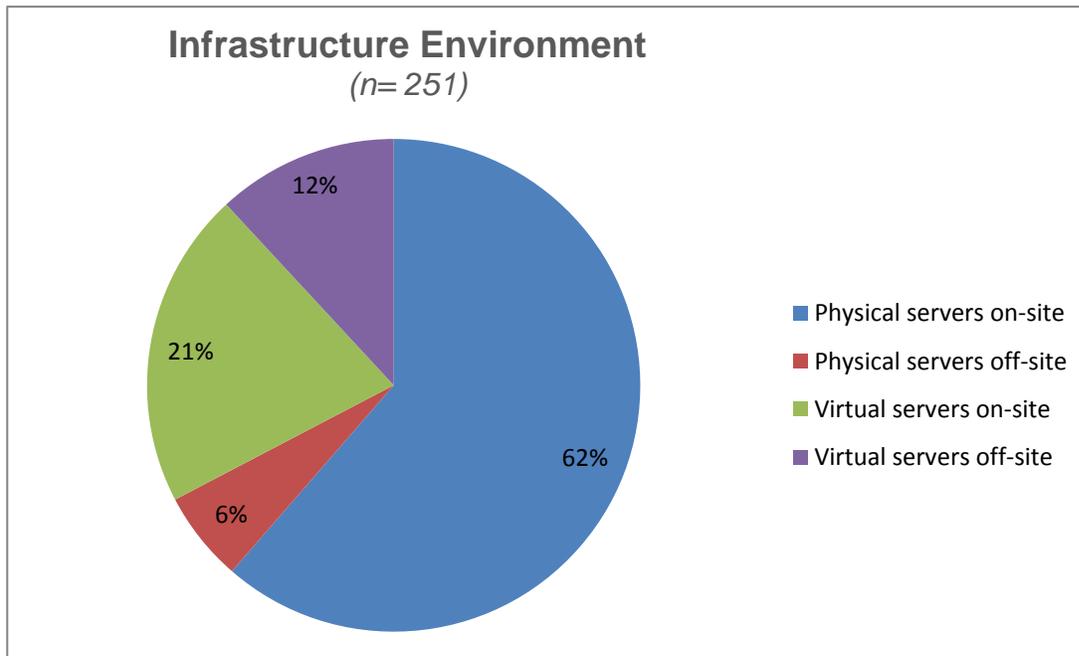
The majority of foundations (62%) still describe their network infrastructure environment as primarily having physical servers on-site. An additional 21% describe their environment as having virtual servers on-site. Only 18% described their environment as having servers off-site.

As cloud computing and software as a service continue to increase in popularity, it will be interesting to track whether the infrastructure environment moves primarily off-site or whether foundations continue to have many servers on-site for some core business processes.

Software as a Service

Software as a Service Usage
(n =211, response = check all that apply)

■ Using   ■ Plan to Use

Category	
p-Office Productivity Suite	
o-Sharepoint	
n-Website	
m-Payroll	
l-Mapping grantee location/geographic area…	
k-Donor services	
j-Online applications	
i-Grants management	
h-Extranet	
g-E-mail Security	
f-E-mail	
e-Electronic board books	
d-Data backup	
c-Customer/grantee relationship management	
b-Benefits/personnel management	
a-Accounting	

0%   10%   20%   30%   40%   50%   60%   70%   80%

The use of software as a service (SaaS) has continued to increase in almost all categories for foundations, but not at the double and triple rates it increased between 2007 and 2010. More than 50% of foundations now use SaaS for data backup, email security, payroll and the foundation's web site. 40% or more are using SaaS for email, grants management and online applications. Online applications experienced the largest increase, with respondents reporting 24% usage in 2010 compared to 40% in 2012.

Compared to other questions that asked about planning where there appeared to be little planning done, foundations are planning with respect to SaaS. 20% or more of the respondents plan to implement SaaS for customer/grantee relationship management, electronic board books, grants management and online applications.

Internet Bandwidth

Internet Bandwidth
(n = 225)
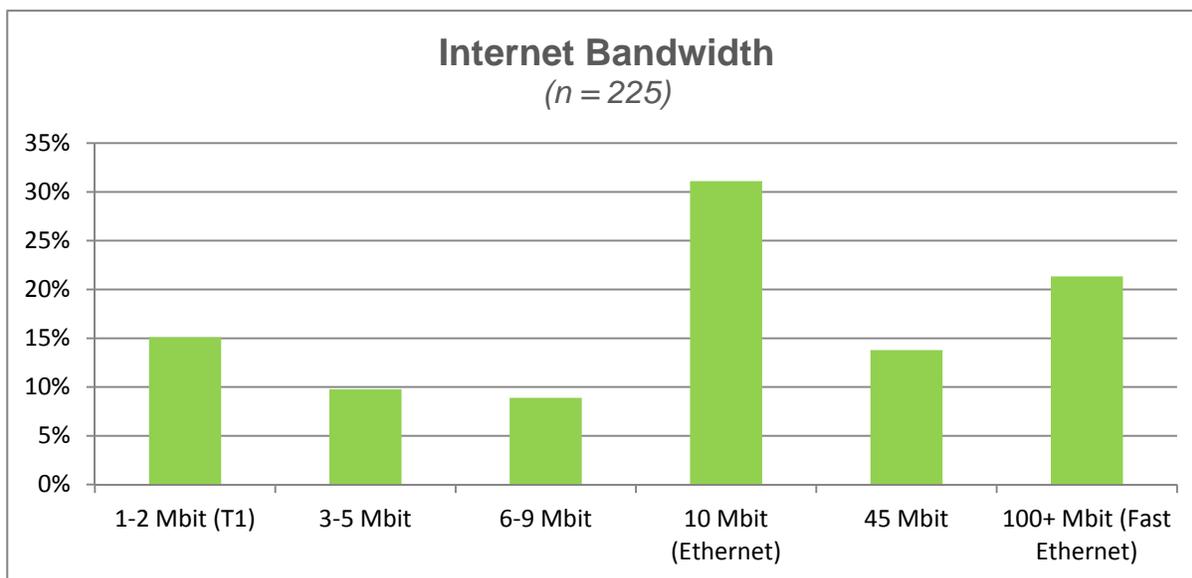
The survey asked foundations the maximum speed of Internet bandwidth provided to staff. The most common response was 10 Mbit (31%), followed by 100+Mbit (21%). The remaining responses ranged from a T1 line to 45 Mbit.

Finally, the survey asked foundations whether they had to increase their Internet bandwidth due to the foundation's use of cloud services. 18% of respondents indicated yes, 42% indicated no and 42% indicated they do not use cloud services.

Consumerization/Mobile Computing

Mobile computing was cited as the second most important challenge for foundations in 2012. In 2010, the rapid adoption of smartphones by consumers required foundations to sort out cell phone/smartphone policies. Deciding if and what device to provide to staff and how to reimburse staff for ongoing usage charges is an ongoing challenge. And, given that many employees are purchasing these devices on their own, foundations now have to manage a wide array of products and "bring your own device" is a practice gaining in popularity. In 2012, the release of the iPad and other tablets has complicated further mobile device policies and practices. Foundations are seeing a rapid adoption of tablets among both board and staff and are wrestling with the appropriate use of these devices in the workplace.

This section examines mobile device policies and what devices are being provided to staff. It also looks at the impact of iPads in the board room by asking questions about how foundations are providing board meeting materials and what software is being used to create and annotate electronic board books.

Cell Phone/Smartphone Policy

Cell Phone/Smartphone Policy
*(n =267, response = check all that apply)*
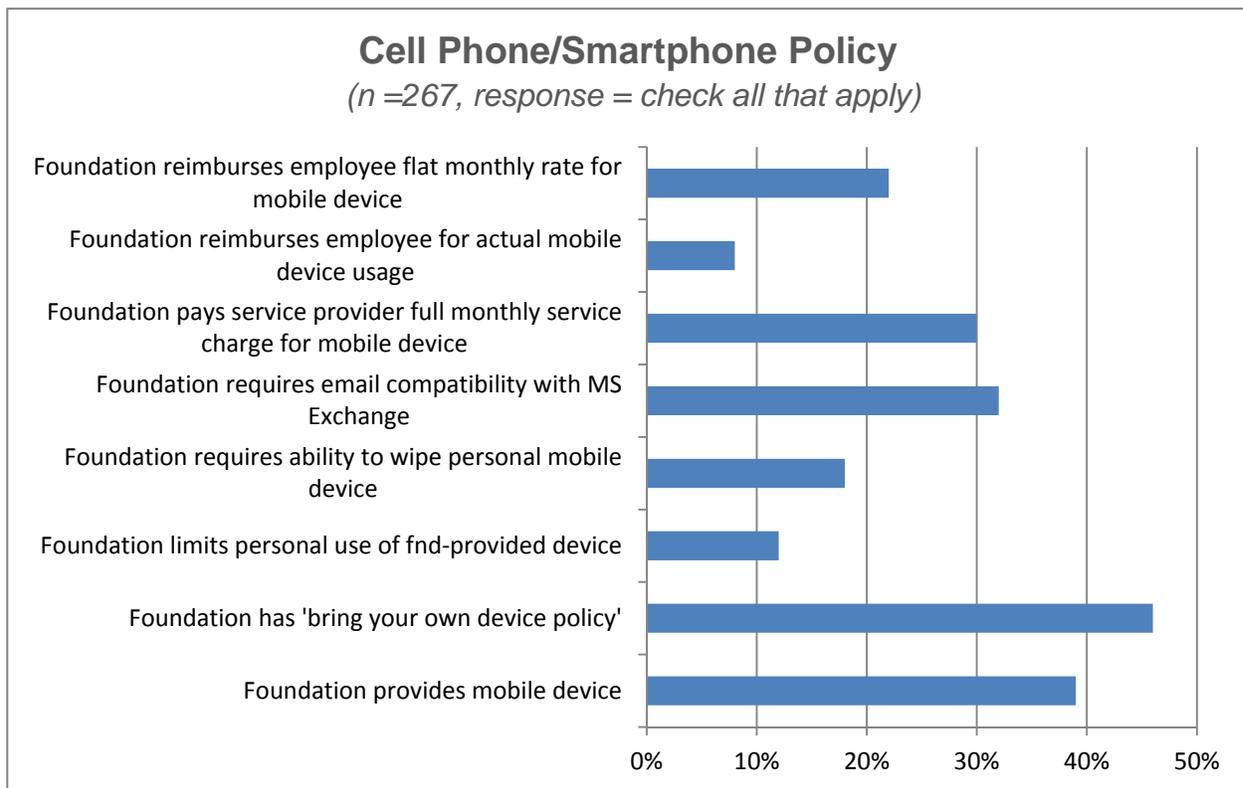
46% of respondents indicated the foundation has a "bring your own device" policy compared to 39% of respondents who indicated they provide a mobile device to staff. While the data is relatively evenly divided between those that provide a physical device and those that do not, anecdotally "bring your own device" policies seem to be gaining in popularity.

For foundations that have staff bring their own device, there are two policies some foundations implement: requiring the device to be compatible with Microsoft *Exchange* and requiring the ability to wipe the mobile device if it is lost.

The reimbursement of costs is evenly divided: 30% of foundations reimburse for the full monthly service charge for mobile devices and 30% of foundations do a partial reimbursement based on actual cell phone/smartphone usage or a flat monthly rate.

Percentage of Foundation Reimbursement for Mobile Devices

When asked what percentage of the ongoing service the foundation pays for, the responses varied greatly from 36% who indicated none to 34% who indicated they pay 100%.

Smartphone Service % Foundation Pays
(n=244)

Devices Provided to Staff

Computer Equipment Provided to Staff
(n=259)
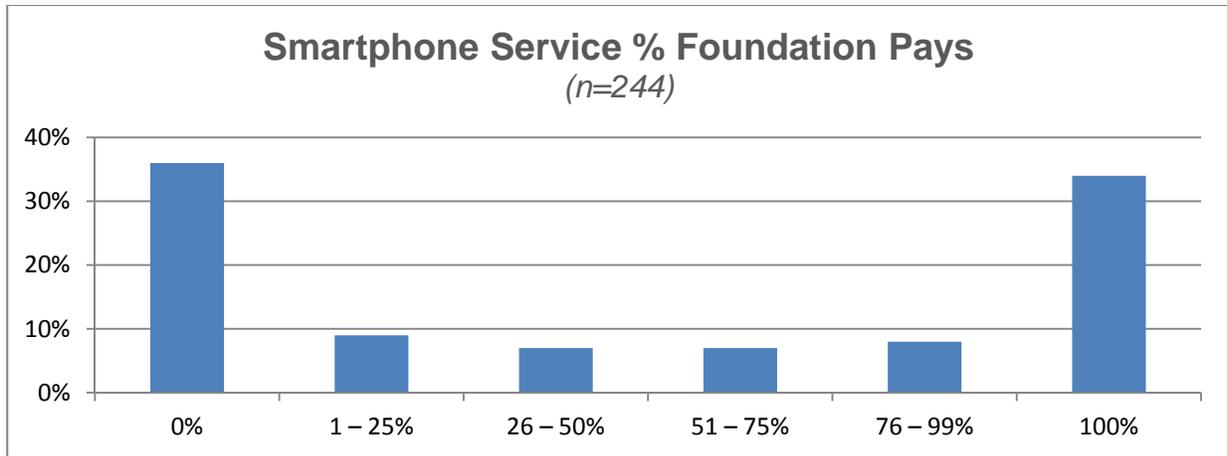
## Mobile Devices Provided to Staff
(n=260)
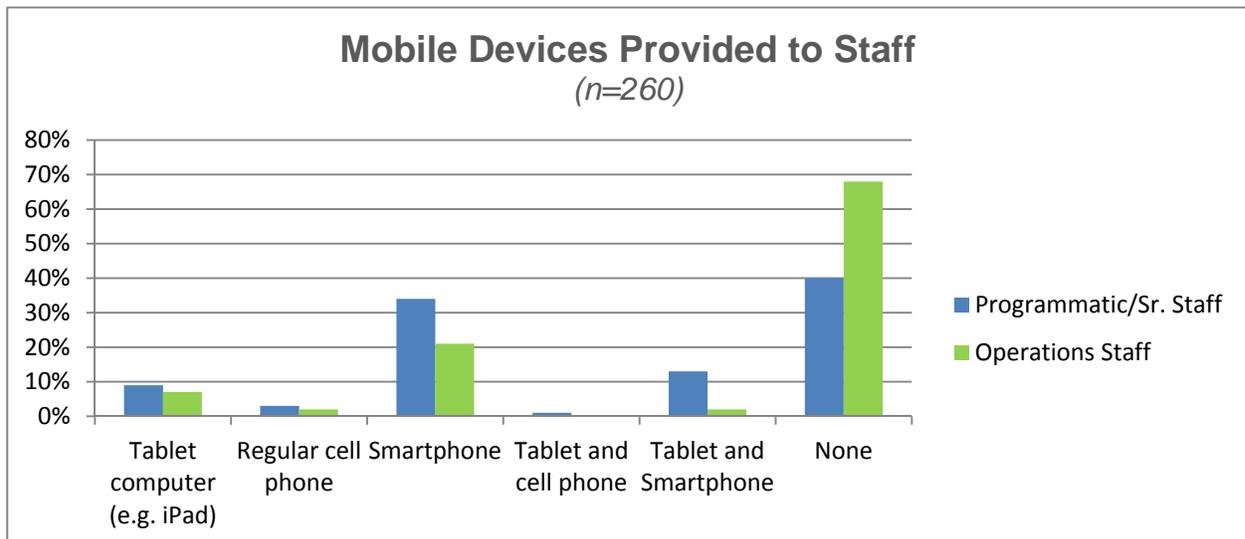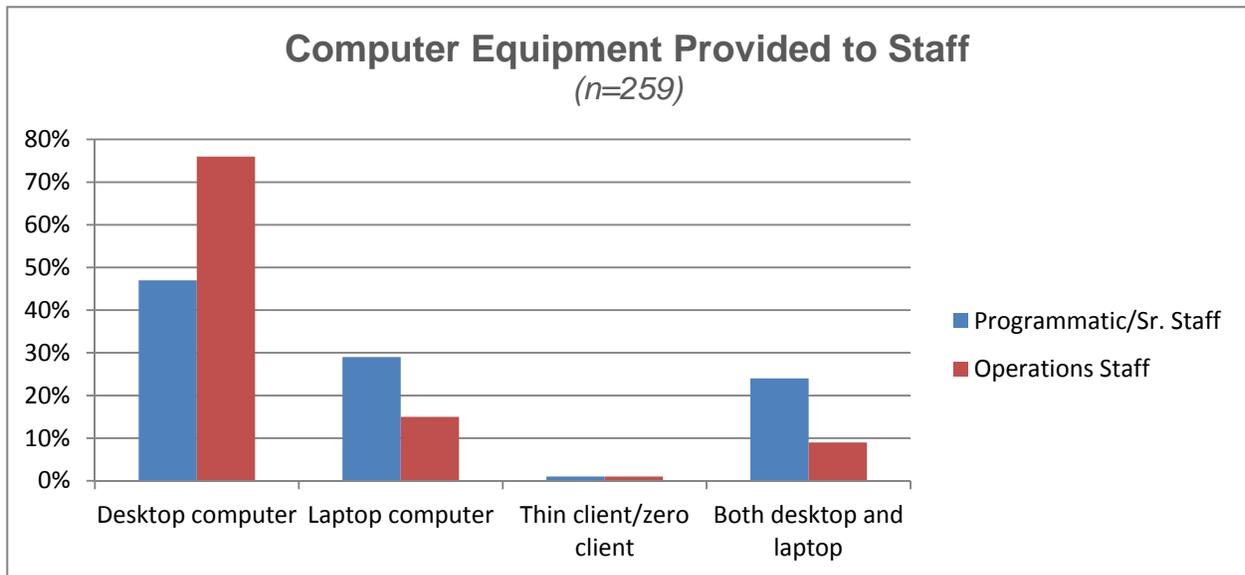
Program staff and senior staff are more likely to receive a mobile device while operations staff is more likely to receive a desktop computer. 47% of respondents indicated they provide program/senior staff with a desktop only while 29% said they provide program/senior staff with a laptop and 24% said they provide both. This compares to 76% of respondents who indicated they provide operations staff with a desktop only while 15% said they provide operations staff with a laptop and 9% said they provide both.

Program staff and senior staff are also more likely to receive a tablet computer and/or a smartphone than are their counterparts in operations. 9% of respondents indicated they provide program/senior staff with a smartphone, 9% said they provide program/senior staff with a tablet and 13% said they provide both. This compares to 7% of respondents who indicated they provide operations staff with a smartphone, 7% said they provide operations staff with a laptop and 2% said they provide both.

These practices are not surprising, since staff that travel for their work have more use for mobile devices than staff who work primarily in an office.

Board Meeting Materials
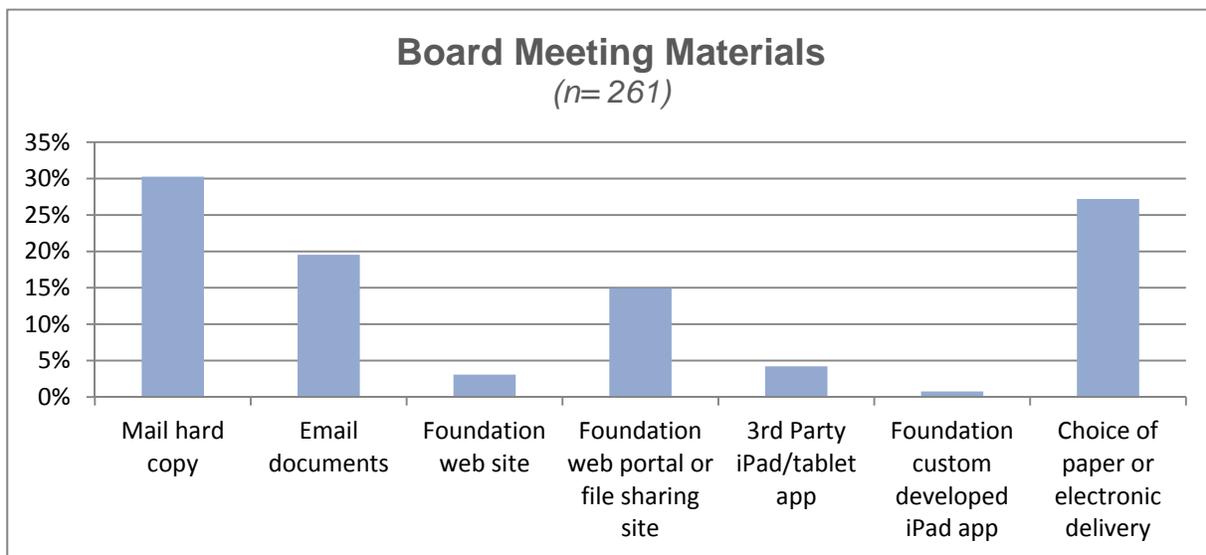
The use of iPads in the board room has led to one of the most rapid transformations in foundation business practice in recent years. Foundations are quickly moving towards the creation and electronic delivery of board books and are providing board members with software to annotate the documents electronically, thus streamlining the board book production process, saving time, paper and delivery costs.

43% of respondents provide the board book electronically and another 27% offer their board members a choice of receiving the board book electronically or by paper delivery.

Software Used to Create Electronic Board Books

Software Used to Create Electronic Board Book
*(n= 253)*
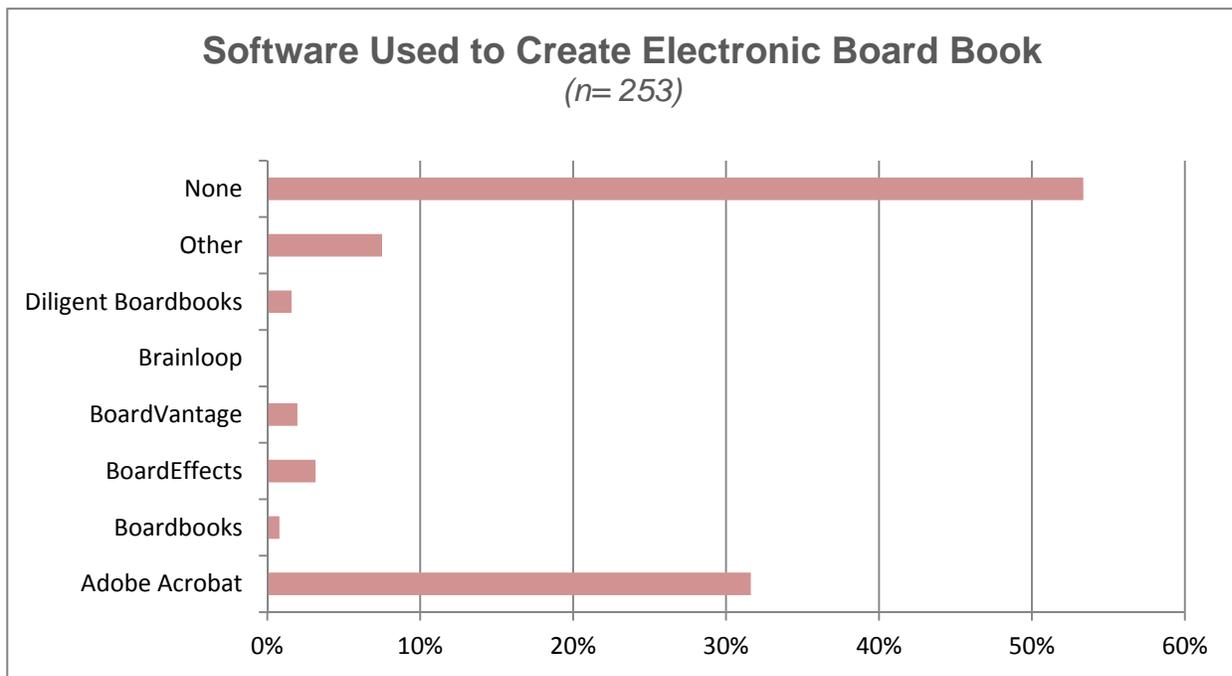
Since the first iPad was released in June 2010, this data was not collected in 2010. It is remarkable to see how quickly the board book production process has changed in two years, with almost half of the foundations reporting their process has been transformed.

47% of respondents create an electronic board book for board members. The most common tool used is Adobe *Acrobat*, with 32% of respondents reporting they use Adobe *Acrobat*. Other tools used include *Boardbooks, BoardEffects, BoardVantage* and Diligent *Boardbooks*, each with less than 5% of respondents reporting their use.

Tablet Software

PDF annotation software is the most common tablet software used by foundations. Other tablet software reported in use includes:

- *Citrix*
- *DocstoGo*
- *Dropbox*
- *Evernote*
- *OneNote*
- *Pages*
- *Quickoffice*

PDF Annotation Software
(n= 243)

- None
- iBooks
- GoodReader
- iAnnotate pdf
- PDF HD
- Other

9%

6%

8%

9%

1%

67%
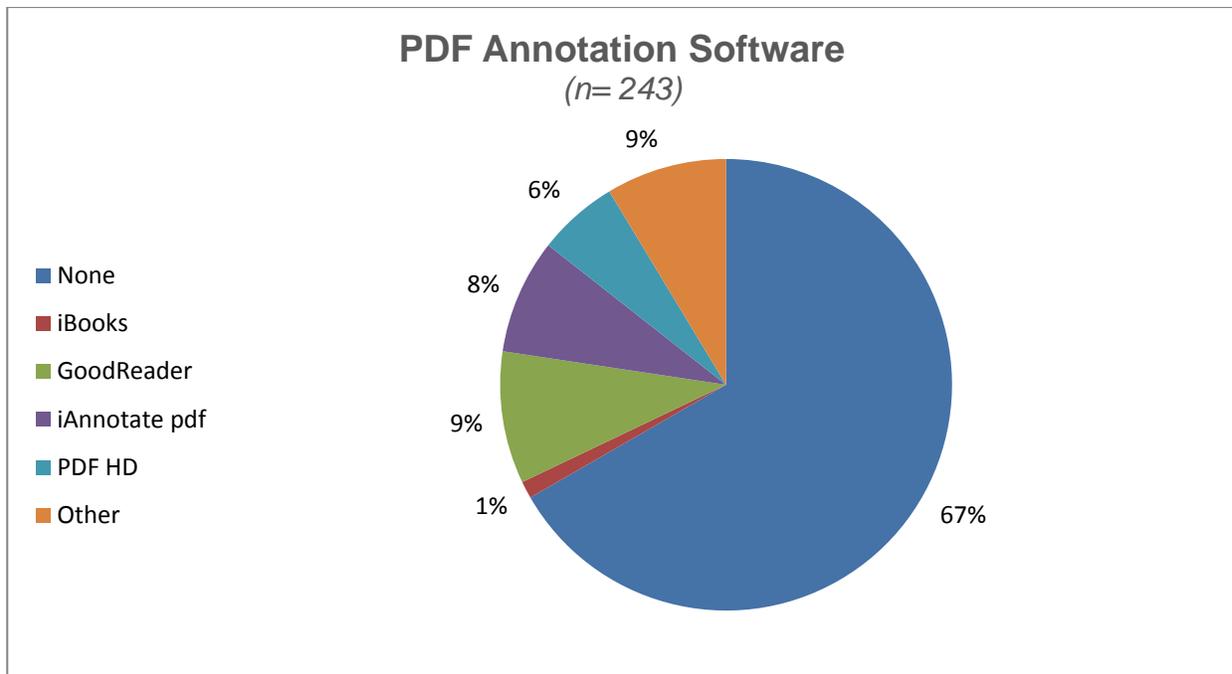
While board members have been quick to read board books online, they have not been so quick to adopt PDF annotation software for commenting electronically. 32% of respondents' boards are using PDF annotation software. The most popular products reported are *GoodReader* (9%) and *iAnnotate* (8%).

Security

Overview

Security was not cited as a top challenge this year but it should continue to be a concern and a top priority for foundations. The use of software as a service (SaaS) has moved some of the responsibility for data security from foundation to the SaaS vendors and hosting providers. However, the ongoing and growing threat of viruses, spyware and spam has become an increasingly difficult challenge for foundations to manage.

To address this challenge, many foundations have moved to SaaS for email and email security.

Security Measures in Place

Security Measures in Place
(n varies 55 - 224)

| Security Measure	2012	2010
Mobile device remote wipe	60%	
Proxy Internet access	45%	
Application white-listing	33%	
Biometrics	9%	3%
MS autom-updates on	88%	75%
Restricted local admin'r rights	68%	51%
E-mail attachments blocked	49%	38%
Spyware blocking	95%	84%
E-mail gateway protection	90%	64%
Server virus protection	96%	81%
Desktop virus protection	97%	92%
Spam blocking	99%	91%
Content filter	62%	43%
Intrusion detection system	65%	41%
Software firewall	89%	76%
Hardware firewall	95%	85%
Employee security training	47%	25%
Written security policy	68%	47%
Physical security	78%	59%
None	24%	5%

Similar to 2010, foundations reported an increase in percentages for each security measure listed in the survey. This is consistent with survey data in previous years, which also indicated an increase in security measures from 2005 to 2007 and 2007 to 2010.

As you can see from the data above, 90% or more of foundations have implemented a hardware firewall, spam and spyware blocking, and desktop and server virus protection and email gateway protection. In addition, 89% of foundations indicated they have a software firewall and 88% of

respondents indicated Microsoft automatic updates are turned on to continually receive Microsoft security upgrades.

Similar to 2010, the area where the most progress was made relates to written security policies. The percentage of foundations reporting they have a written policy increased from 47% in 2010 to 68% in 2012 and 47% of respondents indicated they train their employees with respect to security, up from 24% in 2010. Other areas where strong progress was made include the implementation of intrusion detection systems, content filtering, restricting local administrator rights and physical security.

Wireless Security

Wireless Security
(n=267, check all that apply)
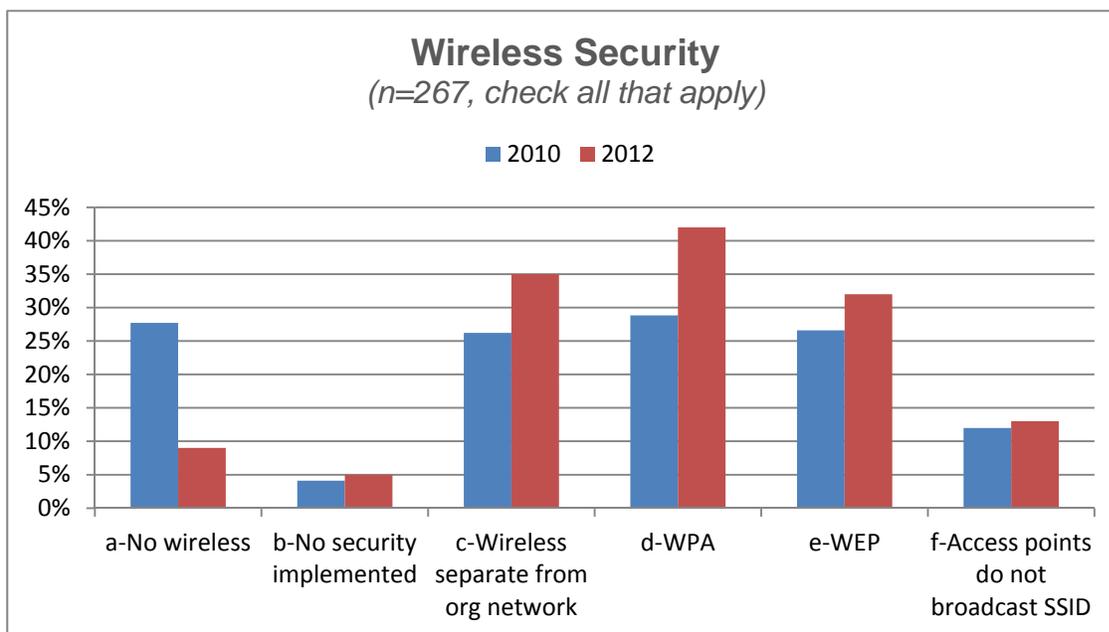
Almost all foundations (91%) now have a wireless network. This compares to 2010 when 72% of respondents reported having a wireless network. Most foundations have also implemented wireless security, with only 6% of respondents with a wireless networking reporting that they do not have wireless security.

The implementation of wireless security has increased in all areas, with 35% of respondents indicating the wireless network is separated from the organization's network, 42% reporting they use Wi-Fi Protected Access (WPA), 32% reporting the foundation has Wired Equivalent Privacy (WEP) and 13% reporting the foundation's access points do not broadcast Service Set Identifiers (SSID).

What the Leaders Are Doing

Overview

There were 16 foundations that identified themselves as leading edge adopters of technology. Compared to all foundations, the leading edge adopters were slightly larger and had technology staff, with the mean number of total employees equal to 16, a mean technology staff size one of 0.6 and

the mean total assets equal to $153 million. For comparison, the results for all foundations participating in the survey are 9 total employees, 0.3 internal technology staff and mean asset size of $125 million.

The differentiation between the leading edge adopters and all others was not as significant in 2012 as it was in 2010.

Staffing, Planning and Budgeting

The leading edge adopters view the role of technology more strategically than their counterparts.

- 82% of the leading edge adopters viewed the role of the IT staff as a strategic partner compared to 46% of the other technology adoption profiles.

- The roles and responsibilities of technology staff in leading edge adopters indicated a higher percentage of participation in nonprofit boards, interacting with technology peers from other organizations, providing technical support and advice to grantees and making technology grant recommendations as part of the technology staff job responsibilities.

Leading edge adopters have a higher percentage of managing technical web hosting and application software services in-house but they have outsourced database administration, server administration, Intranet hosting and voice telecommunications more than their counterparts.

Leading edge adopters also do a much better job of planning.

- 29% more leading edge adopters have a written up-to-date technology plan.

- 16% more leading edge adopters have a documented up-to-date and tested disaster recovery plan than the other technology adoption profiles.

Leading edge adopters spend more money on technology but less on their grants management system relative to their total budget than do their counterparts.

- For leading edge adopters, the ratio of IT budget spending to total non-program budget is 7.1%. For all others, the ratio is 3.9%.

- Leading edge adopters spend 1.2% of their technology budget on grants management software or services compared to 10% for all others.

Applications and Communications Software

The implementation of application software is where the leading edge adopters differentiate themselves from their peers. The leading edge adopters implement new software sooner and utilize more software than their peers in other technology adoption profiles. The leading edge adopters also have a higher percentage of custom developed in-house grants management software.

- 31% of leading edge adopters have a custom developed grants management system compared to 8% for all others.

- 25% of leading edge adopters have a custom developed online grant application compared to 9% for all others.

In 2010, the leading edge adopters reported they had made greater strides towards "going paperless," reporting higher percentages of having a paperless grants management process, an online grants application and records/document management software. In 2012, there is not a significant difference in leading edge adopters versus all other adoption profiles regarding moving towards a paperless office but leading edge adopters report higher percentages of online application software and document/records management software.

- 87% of leading edge adopters have an online application compared to 57% of all others.
- 60% of leading edge adopters have a document/records management system compared to 39% of all others.

Leading edge adopters also report a higher satisfaction rate for how well their grants management software or service supports their grantmaking practice.

- 41% of leading edge adopters indicated their grants management software meets all of their grantmaking needs compared to 19% of non-leading edge adopters.

Program and operational dashboards are becoming popular and leading edge adopters are leading the way.

- 50% of leading edge adopters have implemented dashboards and score cards compared to 30% of the other technology adoption profiles and the leading edge adopters tend to use more sophisticated dashboard tools such as those within the grants management system, SharePoint Reporting Services or Crystal Reports while their counterparts use Microsoft Office products for dashboards.

Leading edge adopters report higher percentages of using open source software and software as a service (SaaS) in almost all software categories. The biggest differences in the SaaS include office productivity suites, accounting software, benefits/personnel management and geographic mapping of grantee data.

- 50% of leading edge adopters use SaaS office productivity suites compared to 18% for all others.
- 55% of leading edge adopters use SaaS accounting software compared to 28% for all others.
- 45% of leading edge adopters use SaaS benefits/personnel management software compared to 23% for all others.

The leading edge adopters are using some collaboration software – and at greater percentages than all other foundations. The most commonly used collaboration tools include webinar software, software-based videoconference, GIS mapping and wikis.

- 73% of leading edge adopters use software-based videoconferencing such as *Skype* compared to 41% for all others.
- 33% of leading edge adopters use GIS mapping software compared to 8% for all others.
- 20% of leading edge adopters use wiki software compared to 9% for all others.

Finally, with respect to communications, the way foundations are sending meeting materials to boards and committees is changing drastically, with on 7% of leading edge adopters reporting that they mail a hard copy. Electronic creation and distribution of board meeting materials ranges from emailing a PDF file to using a web portal or file sharing site.

- 7% of leading edge providers mail a hard copy board book compared to 31% for all others.

Infrastructure

The use of mobile devices in the foundation has changed what equipment foundations are providing to staff. Leading edge adopters are providing more mobile devices than are their counterparts.

- For program staff, 77% of leading edge adopters provide either just a laptop or a laptop and a desktop compared to 51% for all others.

- For program staff, 36% of leading edge adopters provide a tablet and a smartphone compared to 12% for all others.

Leading edge adopters also described their infrastructure environment as having more virtual servers off-site and less physical servers on-site.

- 42% of leading edge adopters described their infrastructure environment as having physical servers on-site compared to 63% for all others.

- 25% of leading edge adopters described their infrastructure environment as virtual servers off-site compared to 11% for all others.

Finally, with respect to open source software, leading edge adopters reported having more open source server operating systems and browsers and were less likely to use the *Windows* operating system on the desktop.

- 43% of leading edge adopters reported having *Linux* as a server operating system compared to 10% for all others.

- 57% of leading edge adopters reported having Apple *Macintosh OS* as one of their desktop operating systems compared to 27% for all others.

- 25% of leading edge adopters indicated they do not use *Windows* when asked their plans for migrating to *Windows 8*, compared to only 3% for all others.