

# Key Trends and New Technologies for Grantmakers

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# Information System Challenges

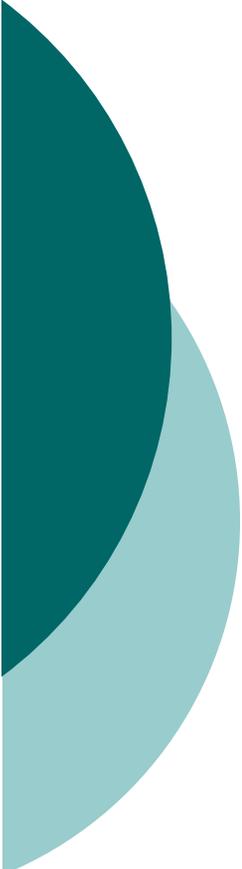
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What are the most common causes of system problems?

People, procedures and technology.

Technology is always the easiest to deal with.





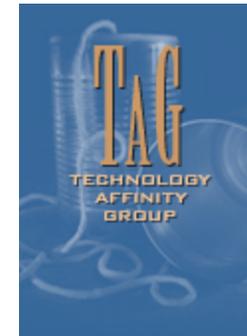
# Grantmaker Information Technology Survey

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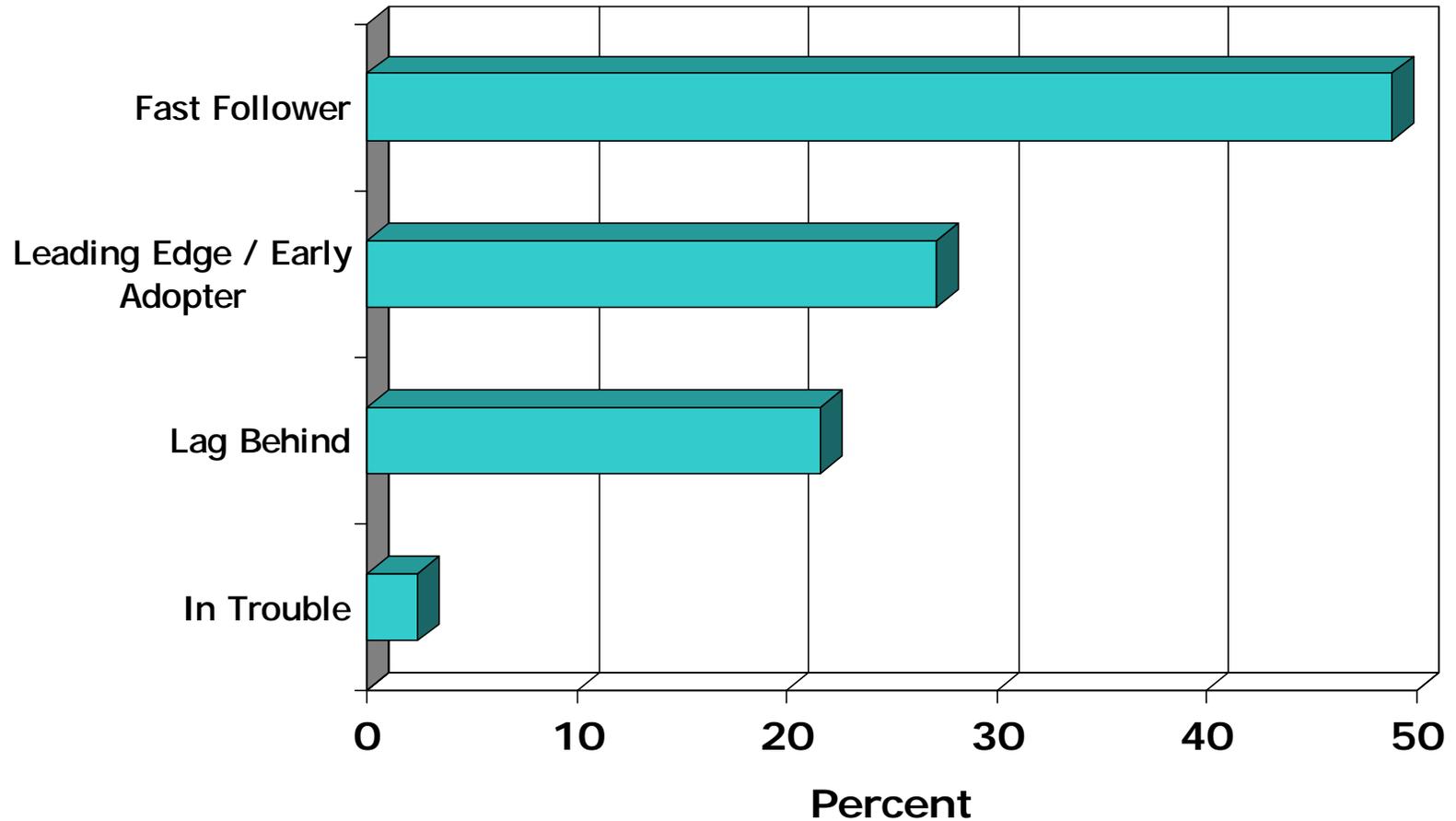
Prepared by the Technology Affinity Group  
and the Council on Foundations

July 2003

315 Survey Respondents



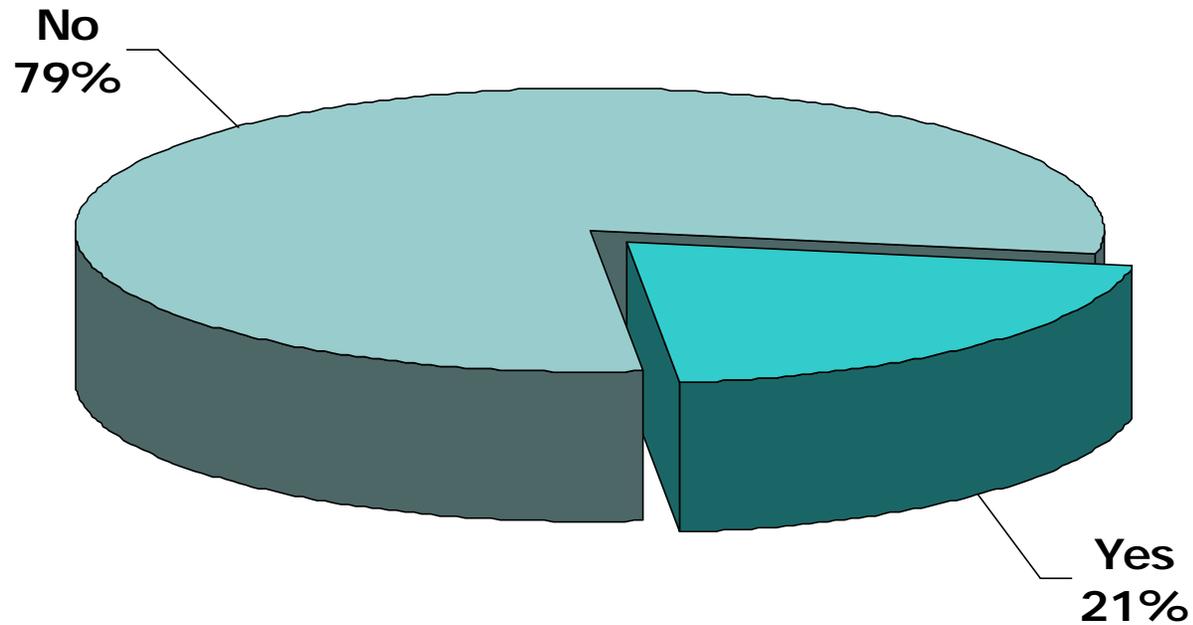
# Foundation Technology Adoption



Source: TAG/COF Grantmaker Information Technology Survey Report - July 2003

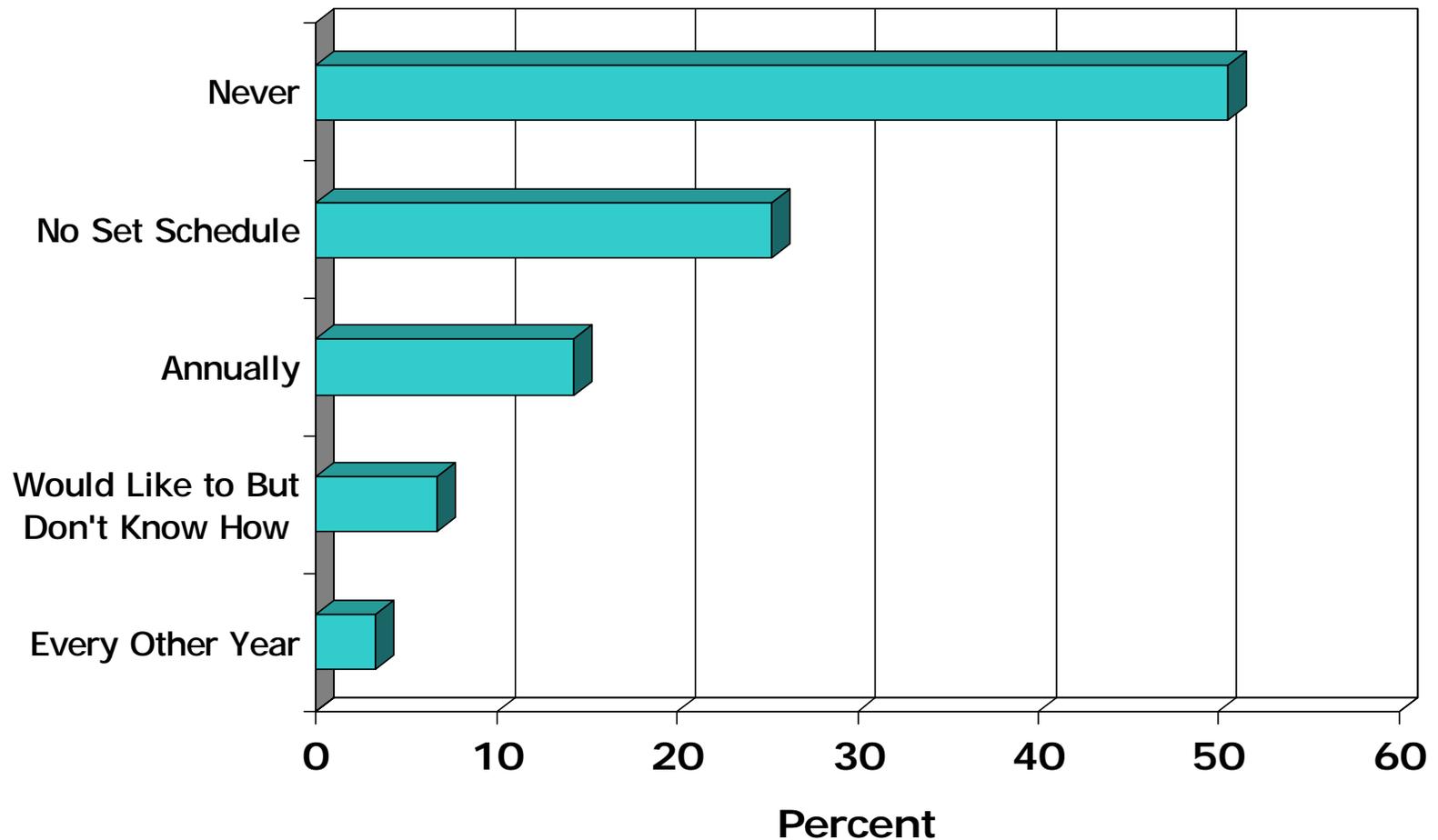
# Up-to-date Written Technology Plan

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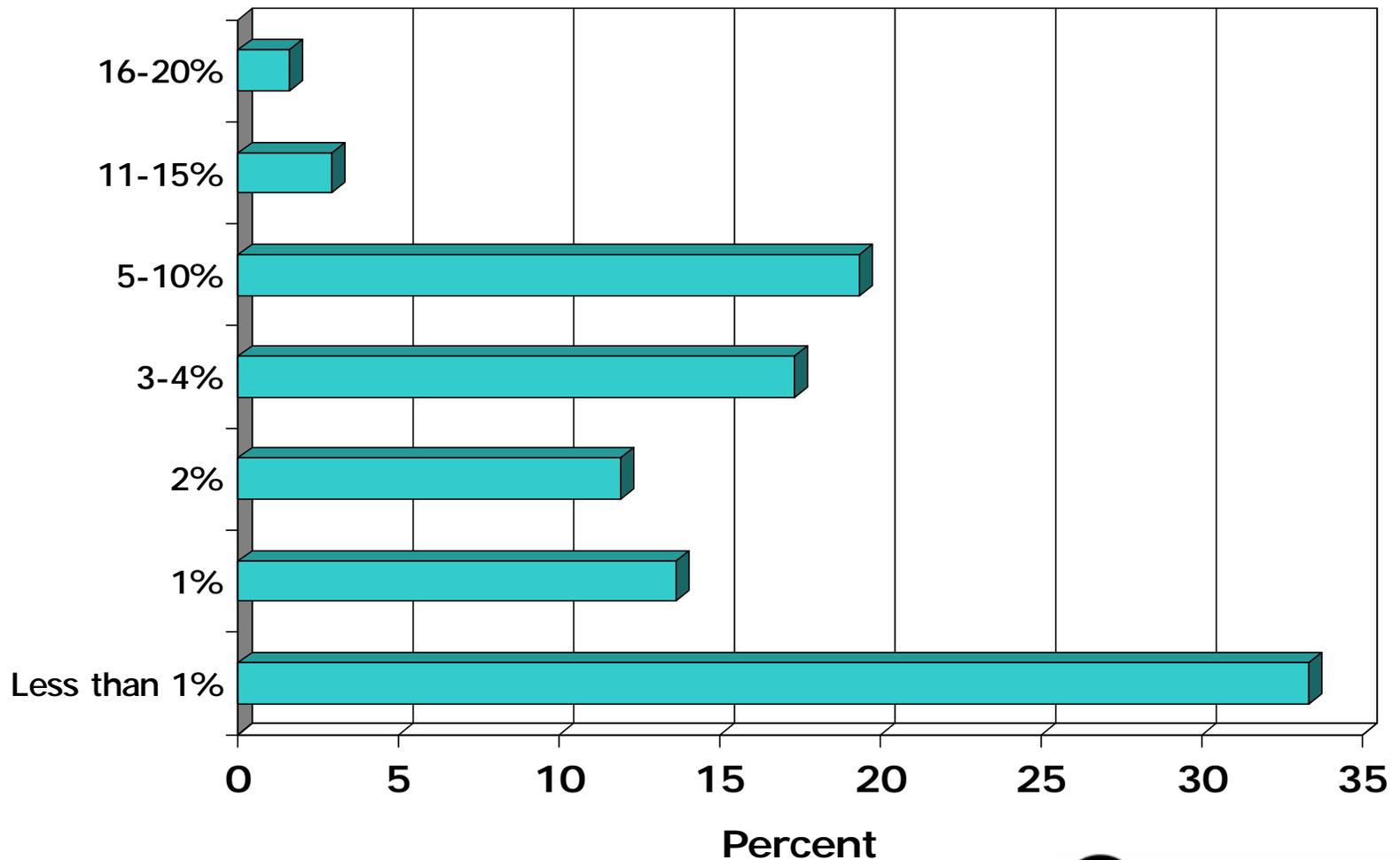
Source: TAG/COF Grantmaker Information Technology Survey Report - July 2003

# Frequency of Technology Audits



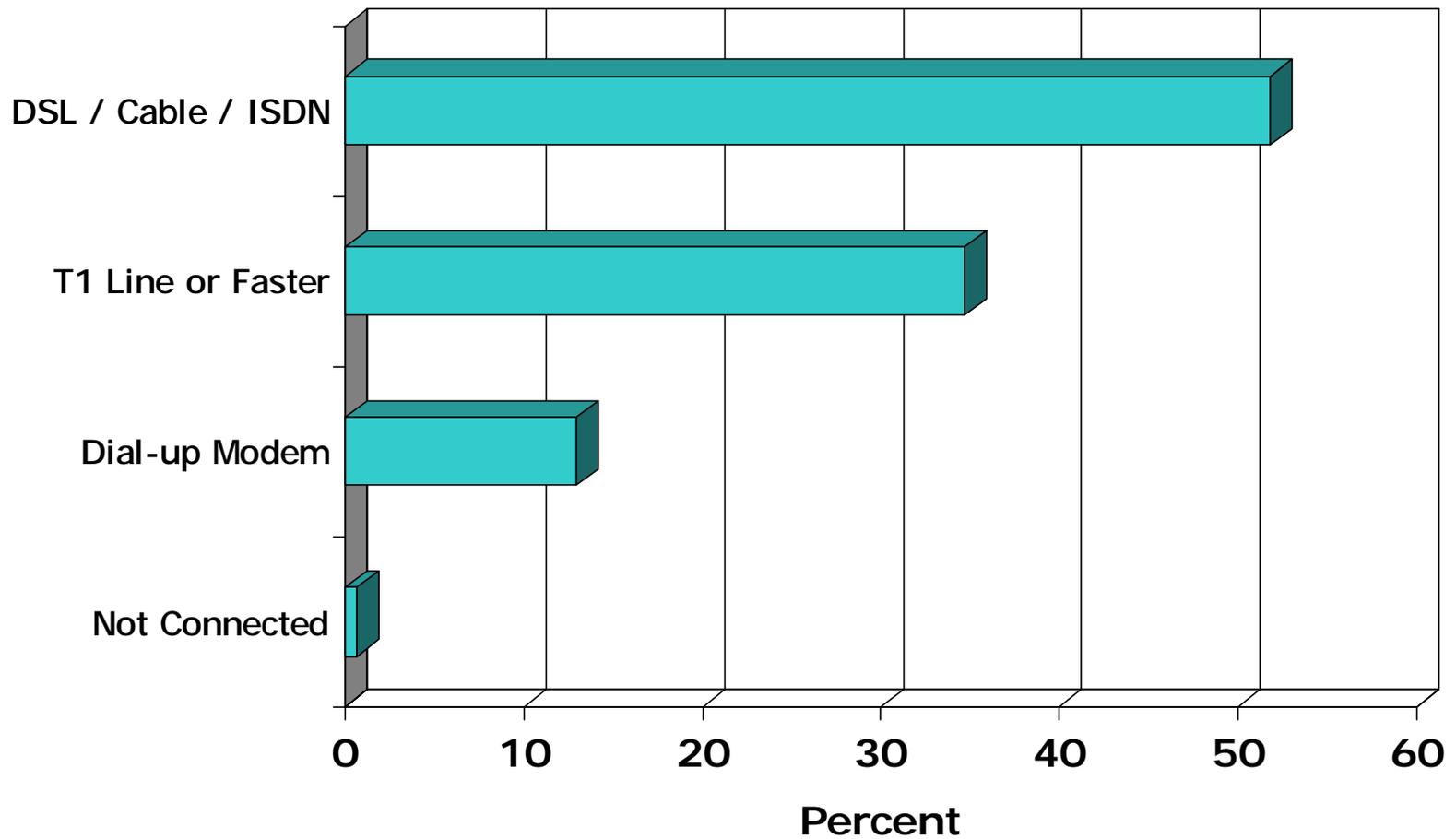
Source: TAG/COF Grantmaker Information Technology Survey Report - July 2003

# Percent of Total Annual Non-Program Budget Spent on Technology

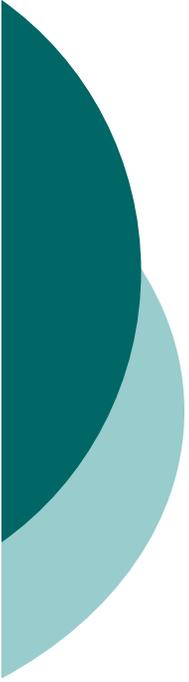


Source: TAG/COF Grantmaker Information Technology Survey Report - July 2003

# Connected to the Internet



Source: TAG/COF Grantmaker Information Technology Survey Report - July 2003

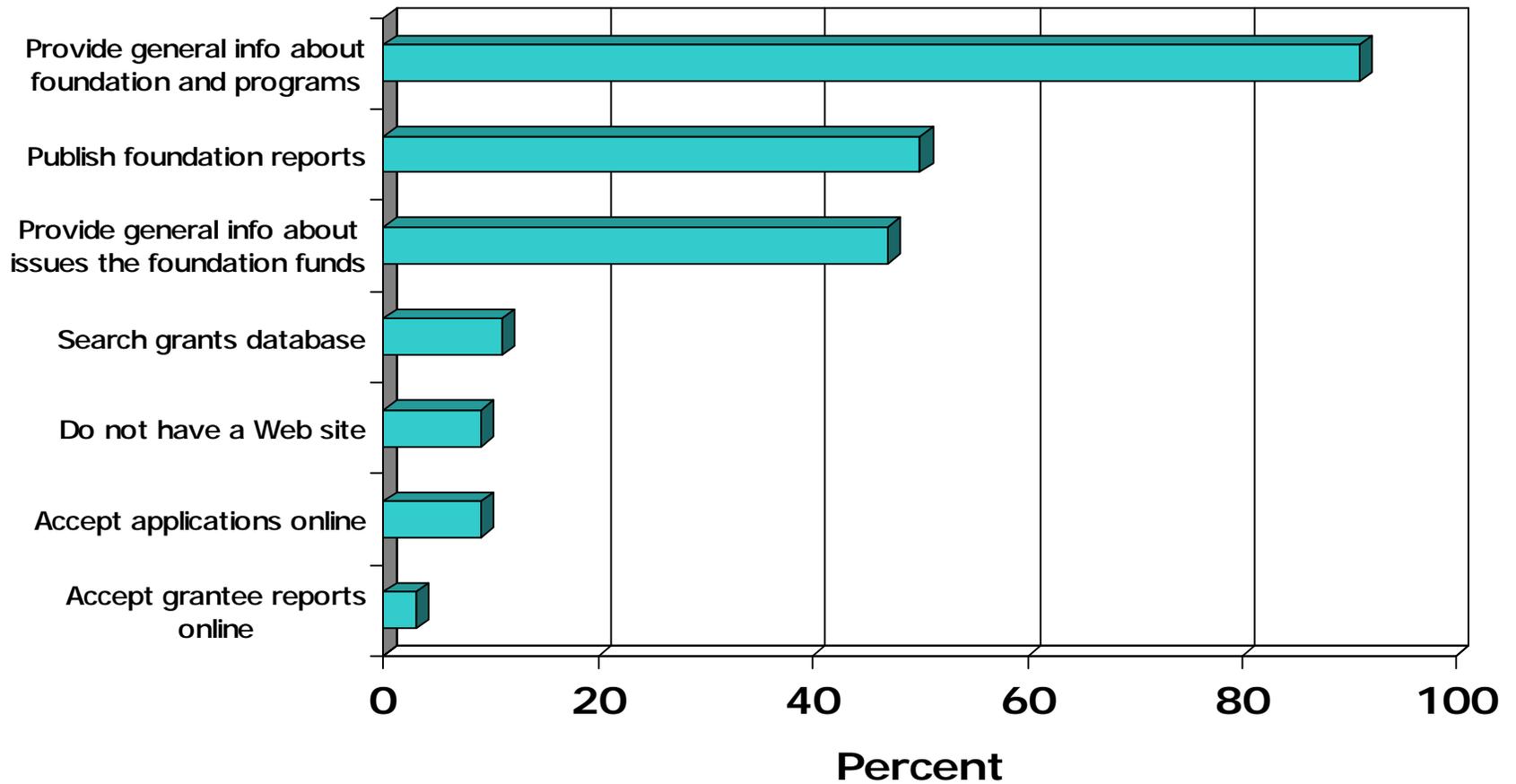


# Technology Issues That Grantmakers Report Are Most Difficult to Address

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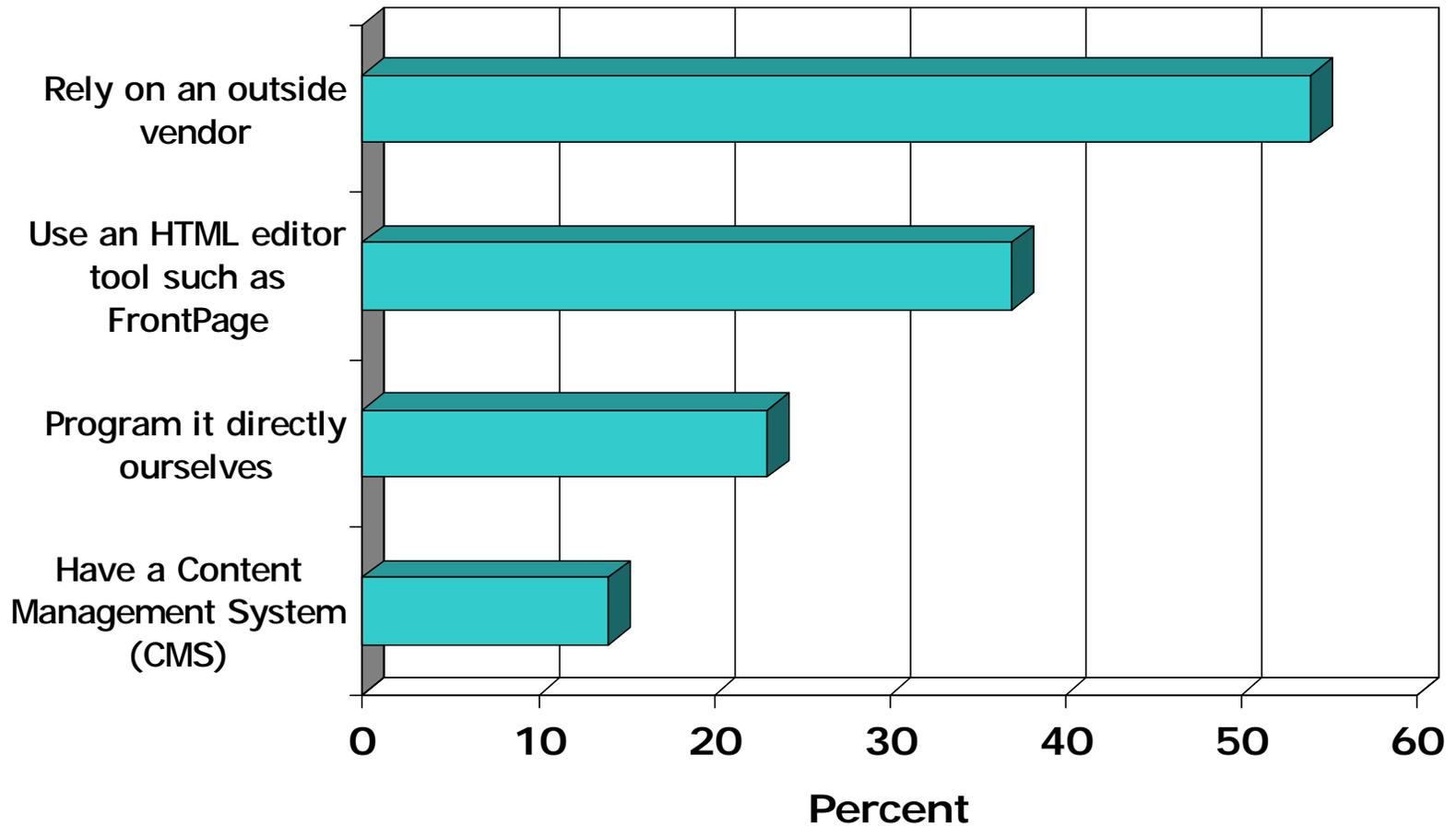
- i Online grantmaking and online donor information
- i Expansion and maintenance of Web sites
- i Wireless computing
- i Costs of keeping up with new technology
- i Integration of database software with other applications
- i Security

# Foundation Web Site Use



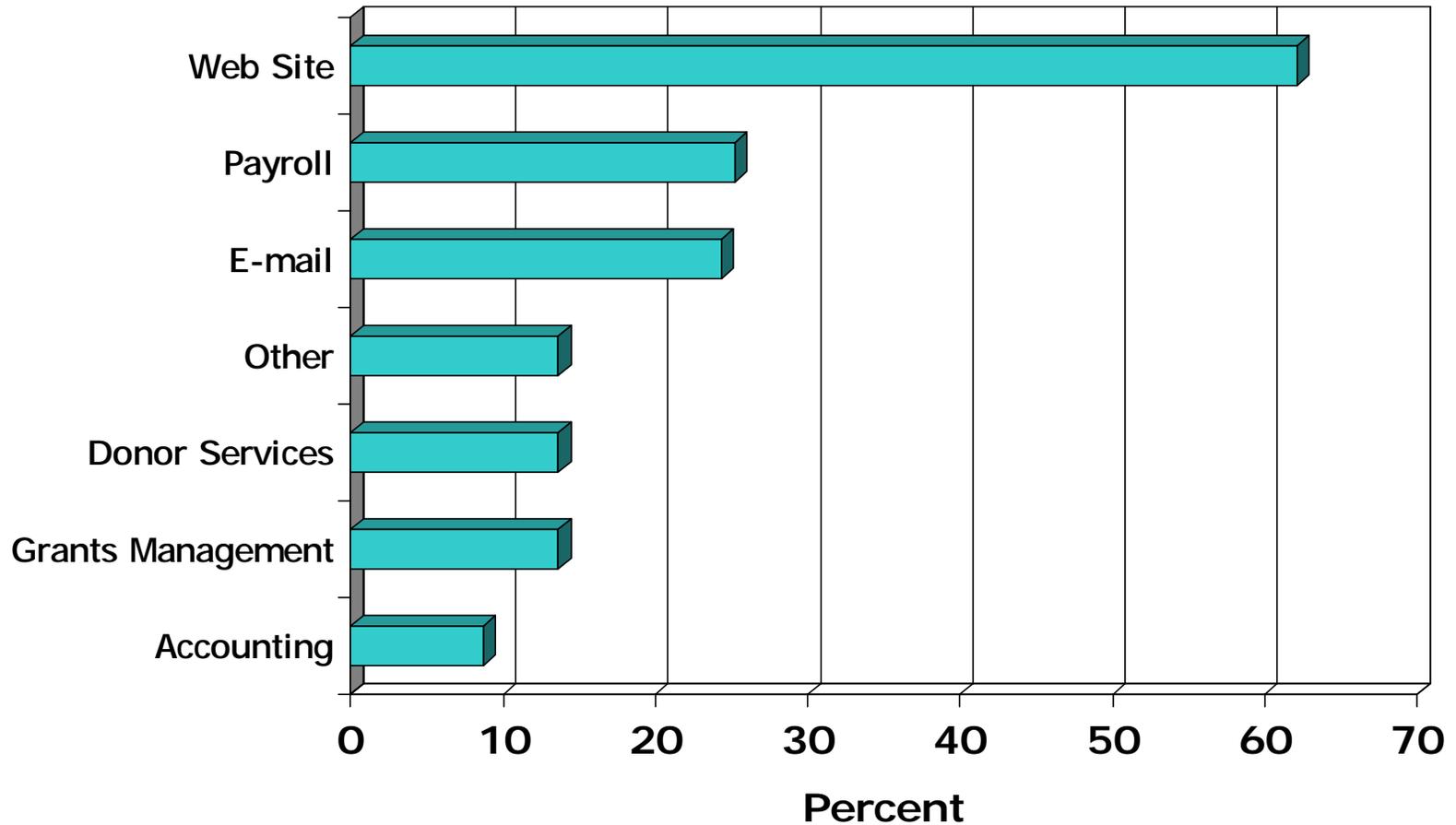
Source: TAG/COF Grantmaker Information Technology Survey Report - July 2003

# Foundation Web Site Maintenance



Source: TAG/COF Grantmaker Information Technology Survey Report - July 2003

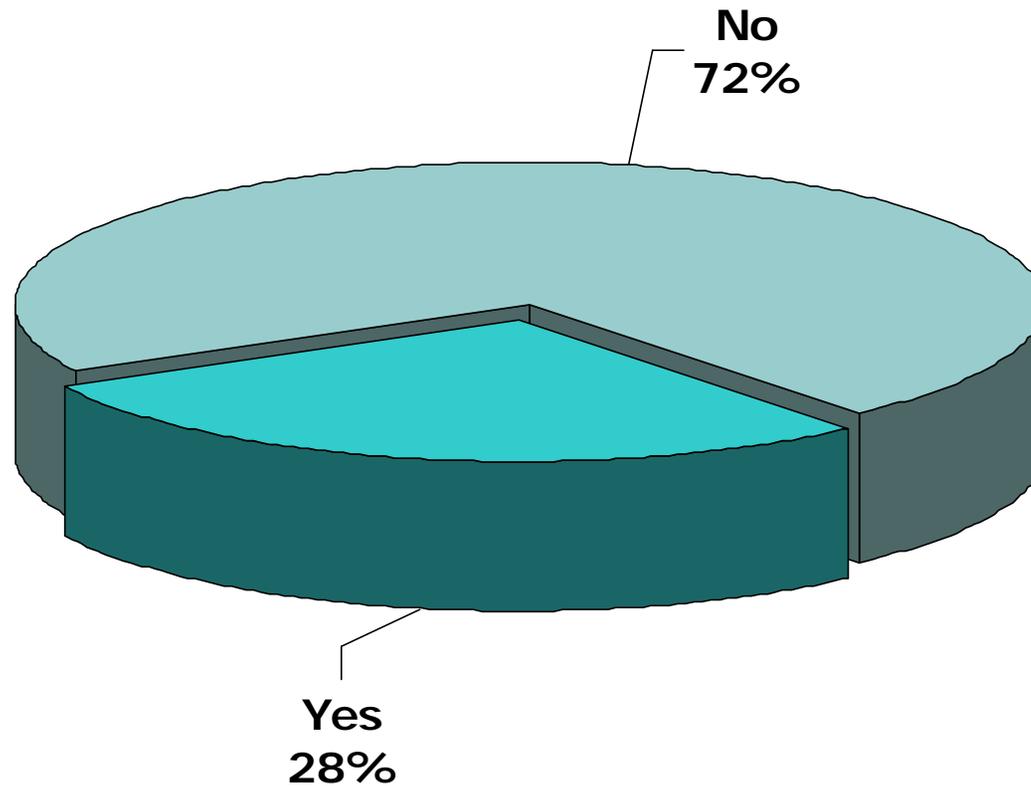
# Considering Application Service Provider (ASP) Outsourcing



Source: TAG/COF Grantmaker Information Technology Survey Report - July 2003

# Staff Intranet Availability

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Source: TAG/COF Grantmaker Information Technology Survey Report - July 2003

# Greatest Needs Expressed by Grantmakers

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- i “Our systems aren’t fully integrated – we have islands of information everywhere.”
- i “We have a lot of incomplete and duplicate information in our different systems.”
- i “We can’t get our systems to talk to each other and work together.”
- i “Our staff spend lots of time re-keying information.”
- i “We need to improve our systems, streamline our workflow, and operate more efficiently.”



# More Needs Expressed by Grantmakers

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- i “Our current operation isn’t very cost-effective.”
- i “Our paper files never stop growing – we need a practical way to archive and access historical information.”
- i “We need to provide secure remote Web access to staff who travel and telecommute.”
- i “We not taking full advantage of our current systems and all of their capabilities.”



# Needs Express by Community Foundations

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- i “API and Internet interfaces to donors, professional advisors and nonprofits; improved access to data and enhanced workflow efficiencies to link our different systems”
- i “We need a seamless link from our accounting systems to investment managers, brokers, banks and custodians; automating pool accounting and reconciliation, checking account reconciliation and allowing for daily valuation of investment pools.”



# More Needs Express by Community Foundations

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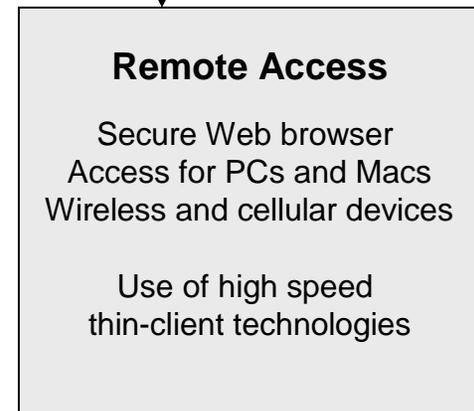
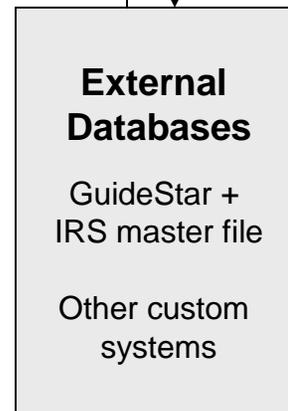
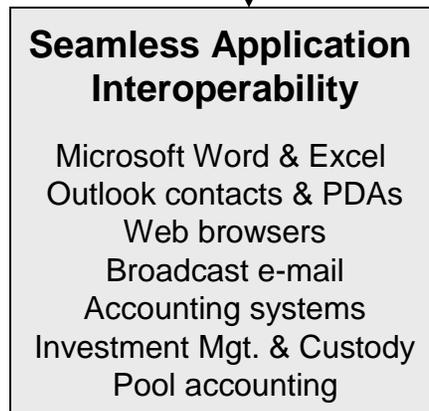
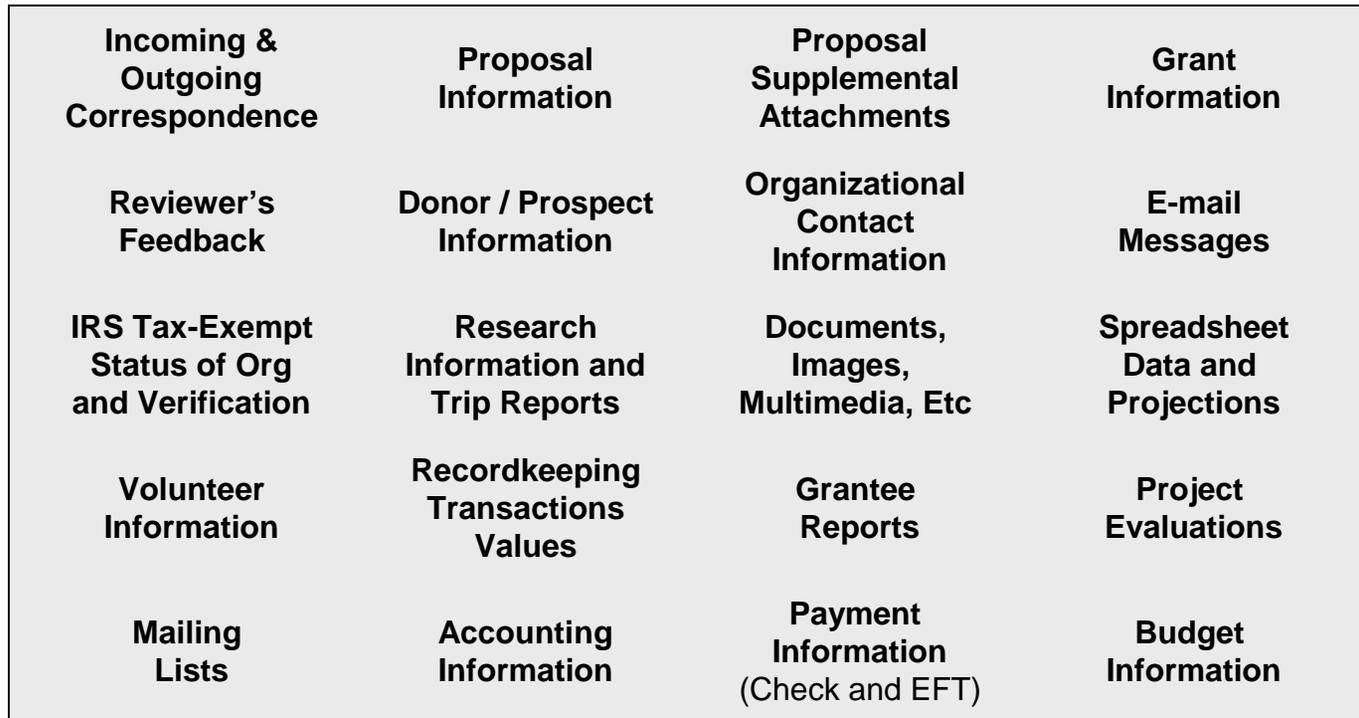
- i “We need robust Customer Relationship Management (CRM) capabilities”
- i “Accountability tools to better assess and communicate grant impact, grantee effectiveness and searchable nonprofit data”



# Islands of Information

<b>Incoming &amp; Outgoing Correspondence</b>	<b>Proposal Information</b>	<b>Proposal Supplemental Attachments</b>	<b>Grant Information</b>
<b>Reviewer's Feedback</b>	<b>Donor / Prospect Information</b>	<b>Organizational Contact Information</b>	<b>E-mail Messages</b>
<b>IRS Tax-Exempt Status of Org and Verification</b>	<b>Research Information and Trip Reports</b>	<b>Documents, Images, Multimedia, etc</b>	<b>Spreadsheet Data and Projections</b>
<b>Volunteer Information</b>	<b>Recordkeeping Transactions Values</b>	<b>Grantee Reports</b>	<b>Project Evaluations</b>
<b>Mailing Lists</b>	<b>Accounting Information</b>	<b>Payment Information (Check and EFT)</b>	<b>Budget Information</b>

# A Fully Integrated Information System



# Capabilities / Advanced Functions of the Best Grants Management Systems

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- One-step mailmerge with Word and export to Excel
- Contact management with one-to-many relationships
- Synchronization with Outlook/Exchange contacts and calendar – personal or group address books
- Document management with viewers
- Built-in calendar/scheduling
- Workflow management
- Review management
- Program and grant evaluation
- Flexible ad-hoc query with saved searches
- Powerful and flexible report writers



# Capabilities / Advanced Functions of the Best Grants Management Systems

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- Comprehensive library of standard reports that can be modified
- User defined hierarchical coding structure
- Custom screens with user-defined fields that can be used in all reports and also permit calculations
- Web-based application forms that look just the way that you want them
- Branching eligibility quizzes
- Online submission of grantee reports with automatic virus checking of all incoming files
- Secure full-featured Web-based system access



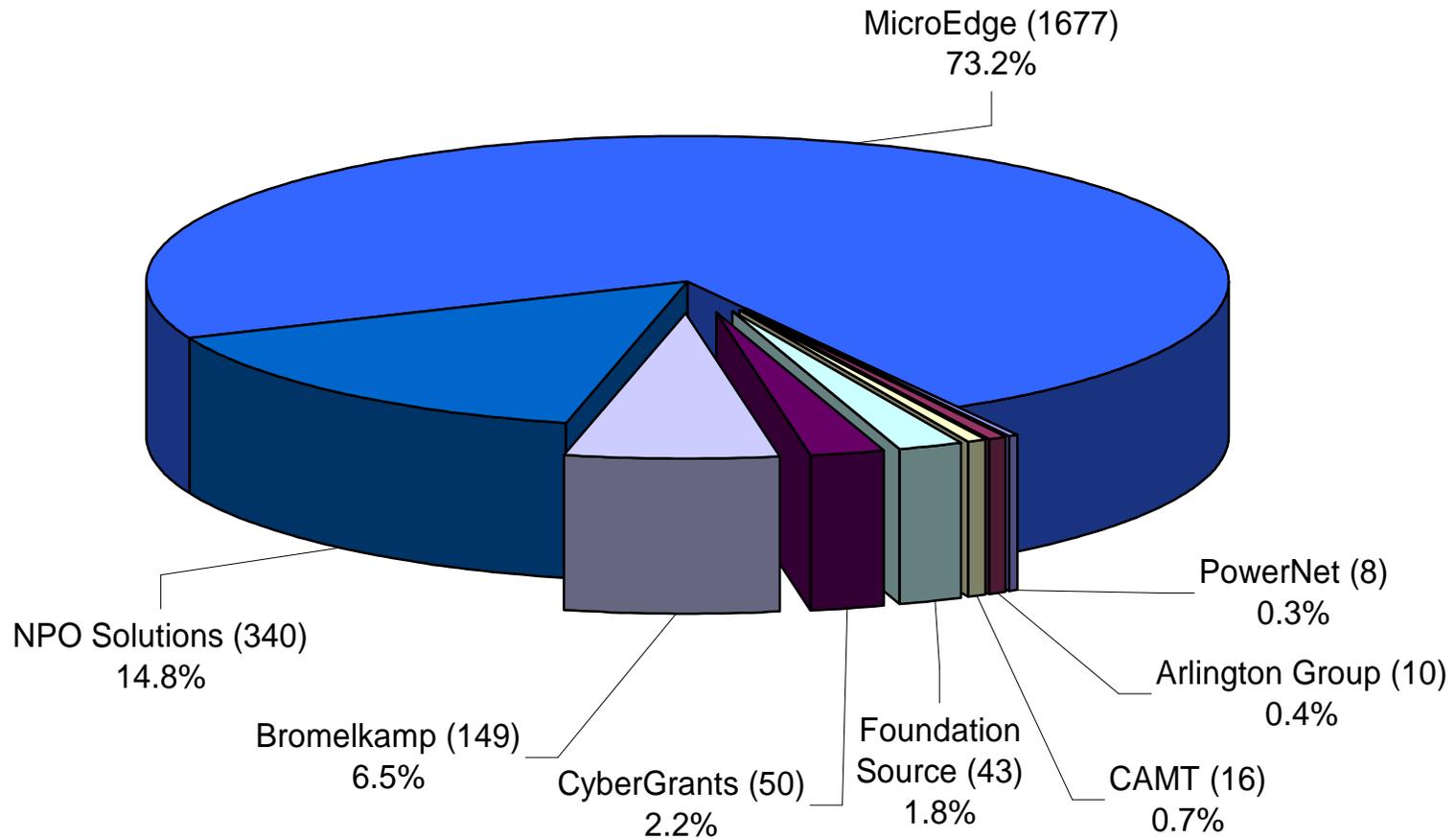
# Capabilities / Advanced Functions of the Best Grants Management Systems

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- ⌘ Personalized interfaces for different users
- ⌘ Selected grant data can be posted on a Web site
- ⌘ Application programming interface to enable two-way read/write links to other programs via an API
- ⌘ Supported two-way links to accounts payable packages
- ⌘ Dynamic links to GuideStar and other Web-based services
- ⌘ Collaborative online budget development
- ⌘ Support of both cash and accrual accounting
- ⌘ Systems security and audit trails for all key events



# U.S. Market Commercial Grants Management Software and Services



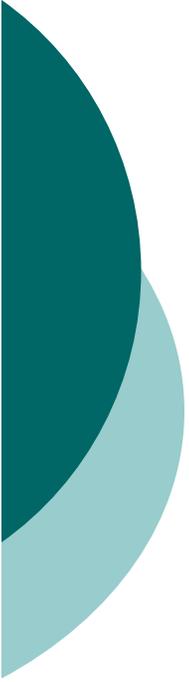
Source: Vendor reports of active clients as of 12/31/02

# Market Trends in Grants Management Software and Services

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- i Fewer vendors and continuing market consolidation
- i Growth in ASP hosting services to 4 percent
- i Entry of completely outsourced foundation services
- i Moderate growth in the use of online grant applications
- i Fewer custom and more flexible commercial systems
- i Collaborations and partnerships
- i Future Application Programming Interfaces (API)
- i Microsoft .NET framework and Web Services emerging as next generation commercial system architecture for multiple vendors





# System Options – Today and Tomorrow

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Today's  
systems

Commercial  
systems  
with good  
flexibility

Highly  
customized  
one-of-a-kind  
system

Tomorrow's  
opportunity

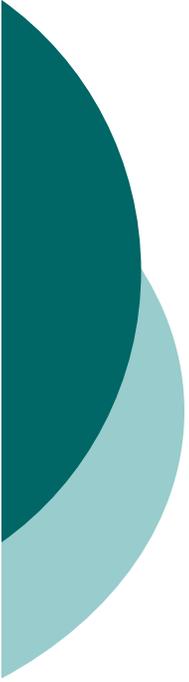
More flexible open systems that  
can be enhanced and linked to  
other applications and data

# Collaborative Systems Development

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- i Gain leverage by joining well-managed development projects for next generation common systems
- i Establish consensus and develop clearly defined and prioritized system requirements
- i Develop strategic vendor partnerships that are mutually beneficial





# Community Foundation Initiatives

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- i Technology Steering Committee (TSC)  
Community Foundation Technology Initiative  
\$4M collaboration to support the development of a next generation system
- i Merrill Lynch Community Charitable Fund (MLCCF) – users of FIMS and Foundation Power have access to a donor advised fund (DAF) through Merrill Lynch’s network of 14,000+ financial advisors

# Develop Requirements

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Management Speak:

“We would like the solution to be as flexible as possible.”

Translation:

“Discovering our requirements will be like nailing Jell-O to a wall.”

- IS Survivalist Joseph Baxter



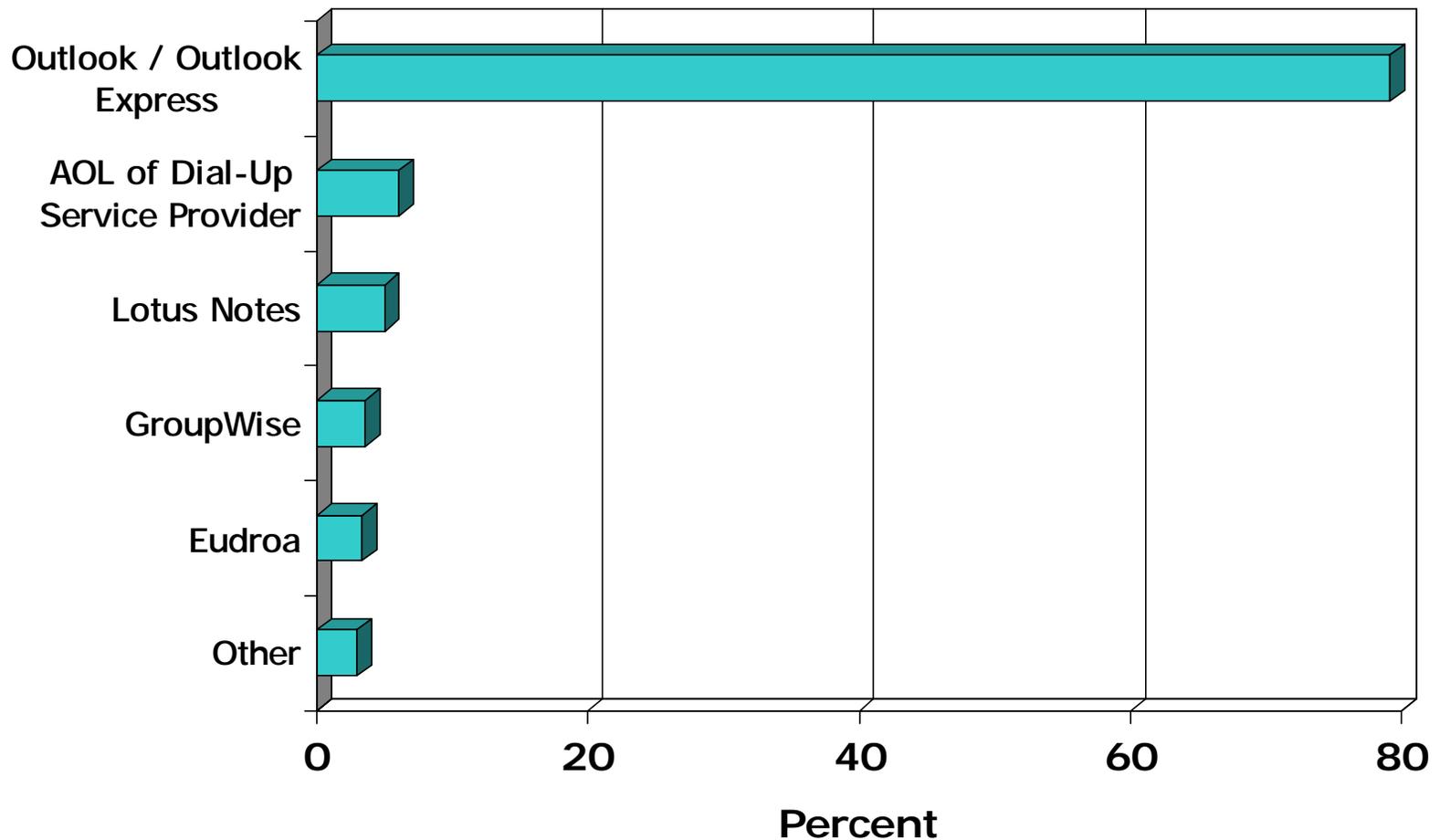
# Key IT Trends

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- i Web-based applications and services
- i System and server consolidation
- i Standardization of operating systems and applications
- i Growing market share of Microsoft Office applications and Microsoft Exchange / Outlook for e-mail
- i Increasing security to protect from viruses, Trojan horses worms, macros, spyware and unauthorized system access
- i Use of spam blocking software

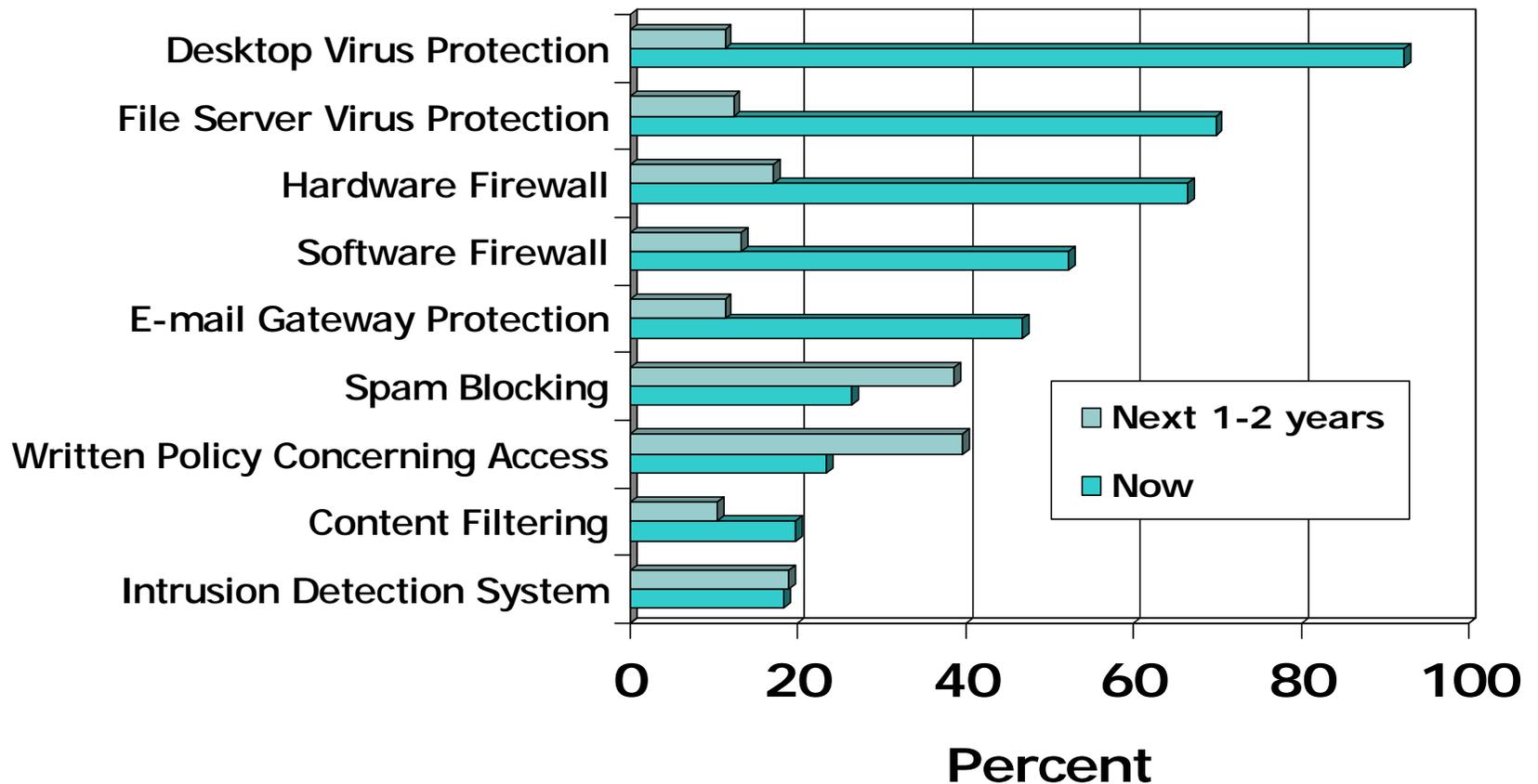


# Foundation Primary Use of E-Mail Software



Source: TAG/COF Grantmaker Information Technology Survey Report - July 2003

# Foundation Security Measures



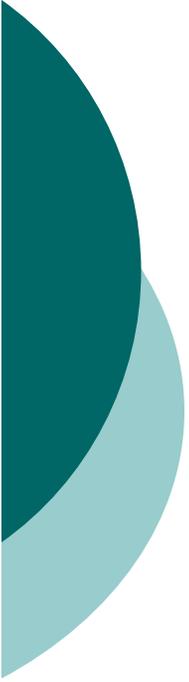
Source: TAG/COF Grantmaker Information Technology Survey Report - July 2003



# Emerging Technologies

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- i Sunsetting support of operating systems and applications (Windows 95, 98, 98SE, ME, NT)
- i Microsoft Windows Server 2003
- i XML standard-based systems
- i Web Services   
- i Microsoft Office 2003 with XML support (started shipping in September 2003)
- i Wireless and cellular devices
- i Centrino technology – low-current processor enables longer battery life plus integrated Wi-Fi



# Application Programming Interface

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- i Provides external programs with access to data and services
- i Technical staff can use programming languages to create a "front-end" or design integrated customized programs
- i Can adhere to business rules
- i Can do edit checking and ensure data integrity
- i Can log transactions
- i Facilitates application upgrades

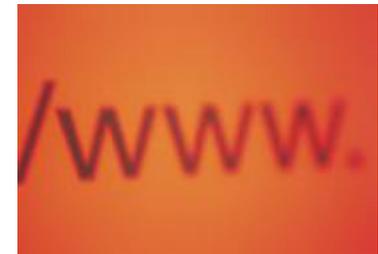
API

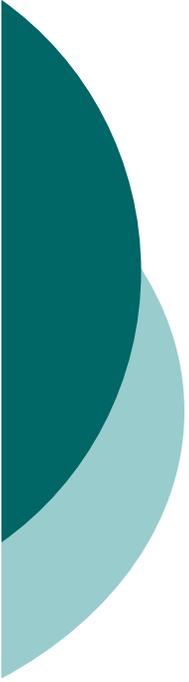


# What are Web Services?

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- i The emerging standard for interoperability among Internet based applications
  - | eXtensible Markup Language (XML)
  - | Simple Object Access Protocol (SOAP)
  - | Web Services Description Language (WSDL)
  - | Universal Description Discovery and Integration (UDDI)
- i Enables applications to talk to each other without human intervention
- i Platform neutral (*supposedly*)
- i Ramping up in 2003 – widespread adoption expected in 2004





# Federal E-Grants Initiative (a.k.a. Grants.gov)

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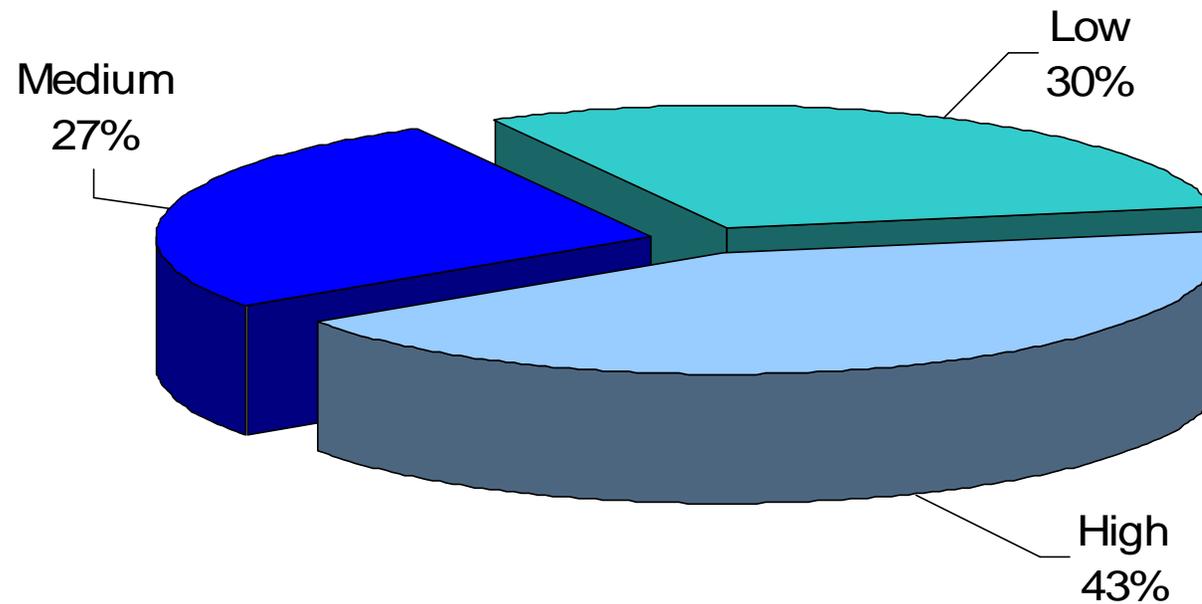
- i One of 24 initiatives of the E-Government program for improving access to government services via the Internet
- i Established technology standards
  - | Fully Web based
  - | XML data format
  - | Microsoft or Oracle SQL database
  - | SSL and S/Mime security
- i All components will use commercial off the shelf software (COTS)

# Teleworking in Philanthropy

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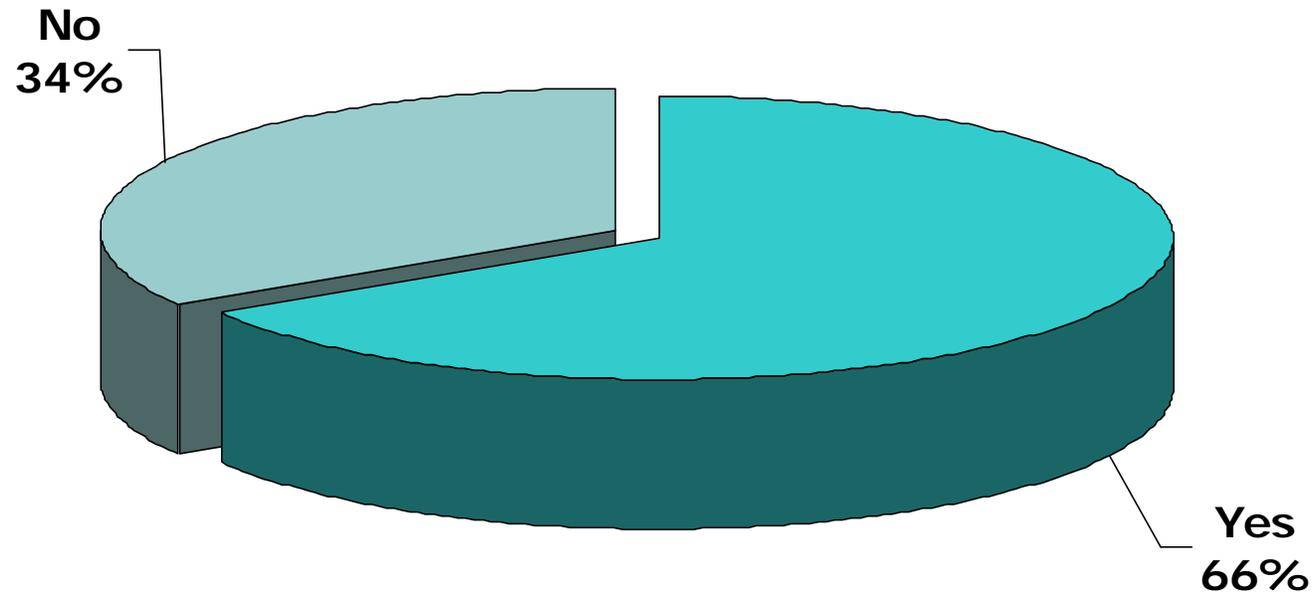
# Importance of Teleworking for Staff in Philanthropies



Source: Teleworking in Philanthropy survey of 44 organizations – April 2002

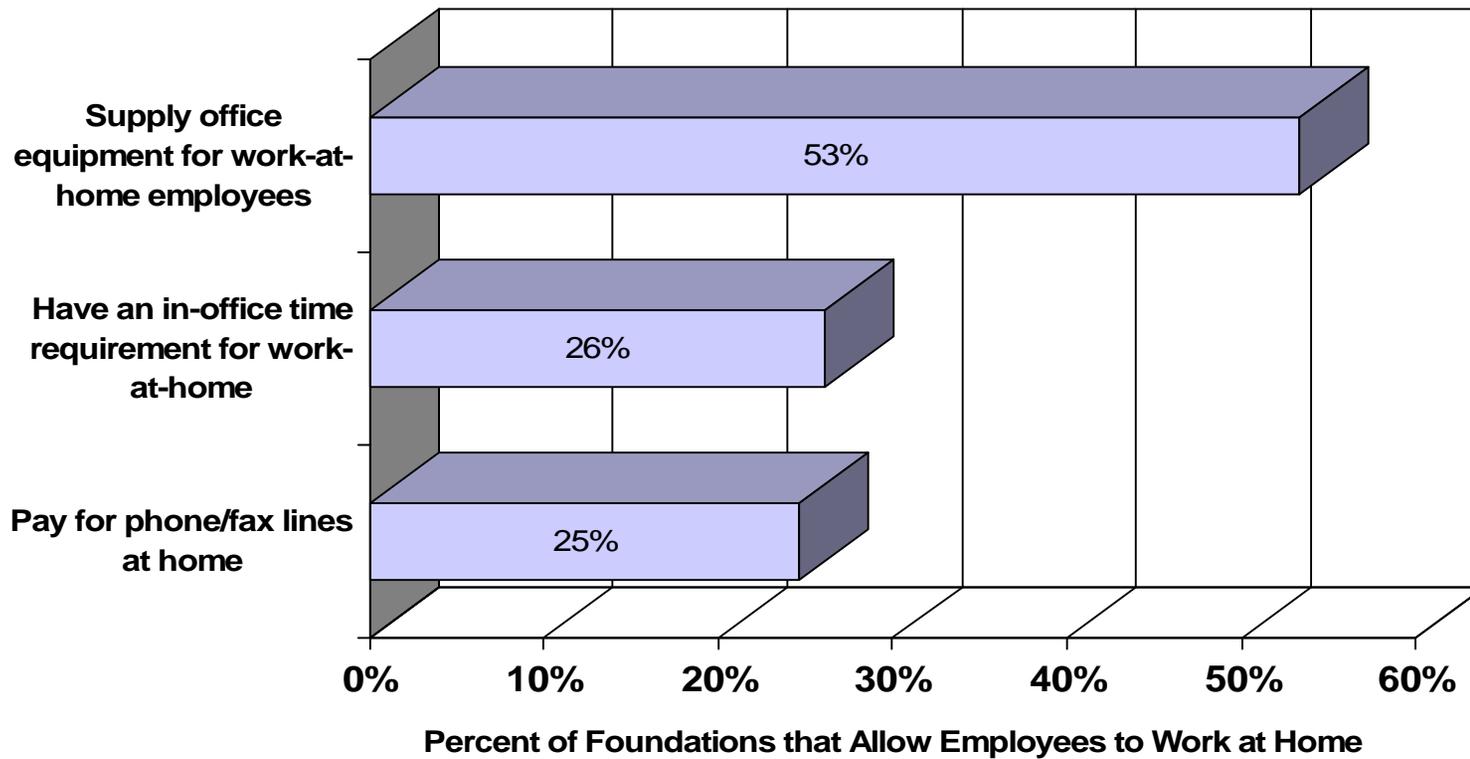
# Provide Remote System Access

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Source: TAG/COF Grantmaker Information Technology Survey Report - July 2003

# Foundation Support of Teleworkers



Source: Council on Foundations Annual Salary and Benefits Survey – 2002

# Growing Use of Thin Client Technologies for Remote Access

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- i Windows XP Remote Assistance
  - | Insecure



- i Windows Terminal Server (WTS)
  - | Built in to Windows Server 2000 and 2003



- i Citrix Metaframe
  - | Upload/download from local drive
  - | Better printing than WTS
  - | High level of security
  - | Display configuration options
  - | Clustering and load sharing



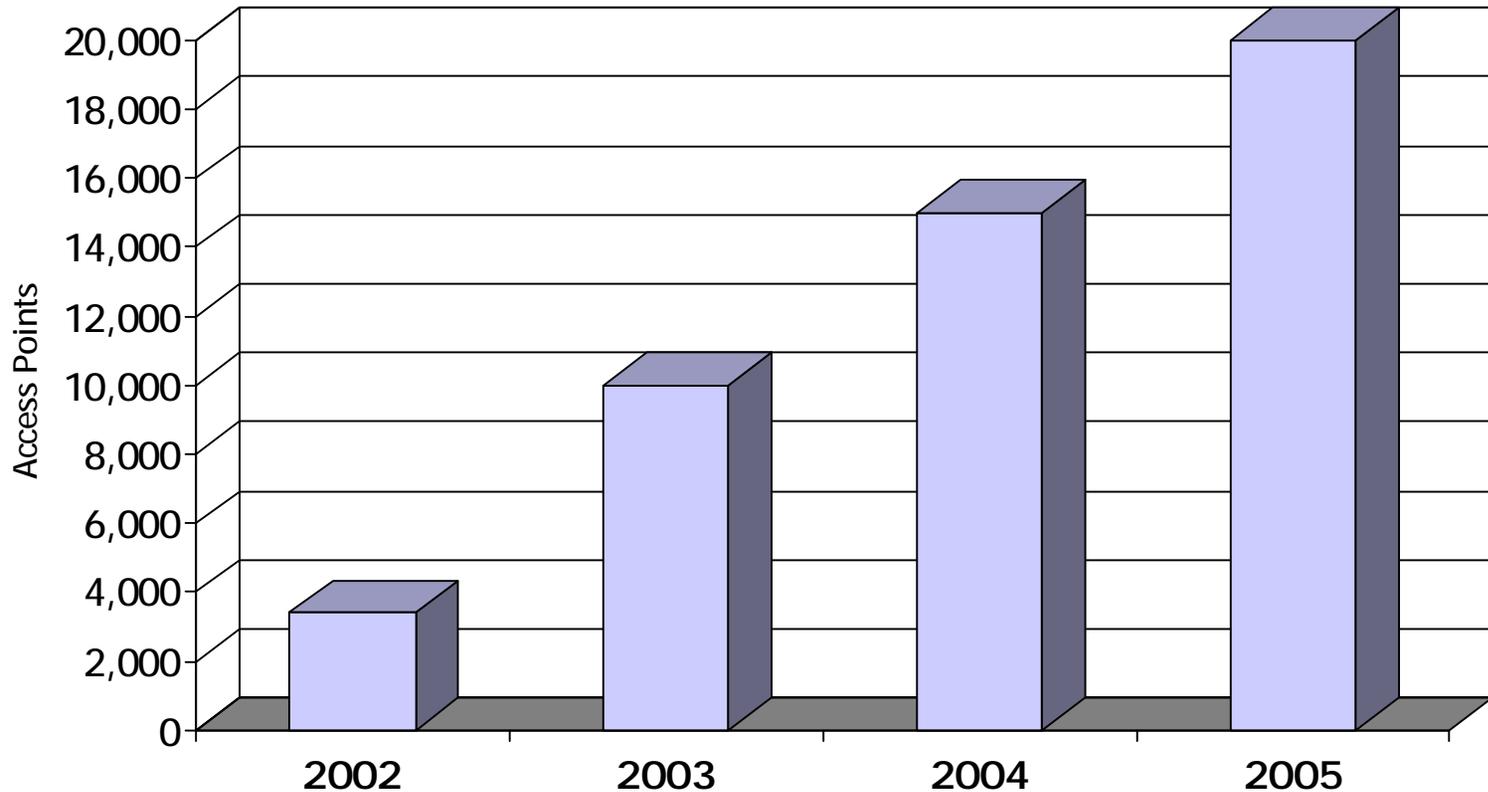
# Wireless and Cellular Devices

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- i Processors that use less power and batteries that last longer
- i Integrated voice-data cellular services
- i Dramatic national Wi-Fi (Wireless Fidelity) expansion but wait for WPA security
- i Embedded wireless in notebooks, PDAs, and Tablet PCs  
(20% for business notebooks in 2002, 50% projected for 2003)
- i PDAs running Pocket Windows, Pocket Office and GPS applications  
(Pocket versions of Word, Excel, Outlook, IE, Acrobat Reader)

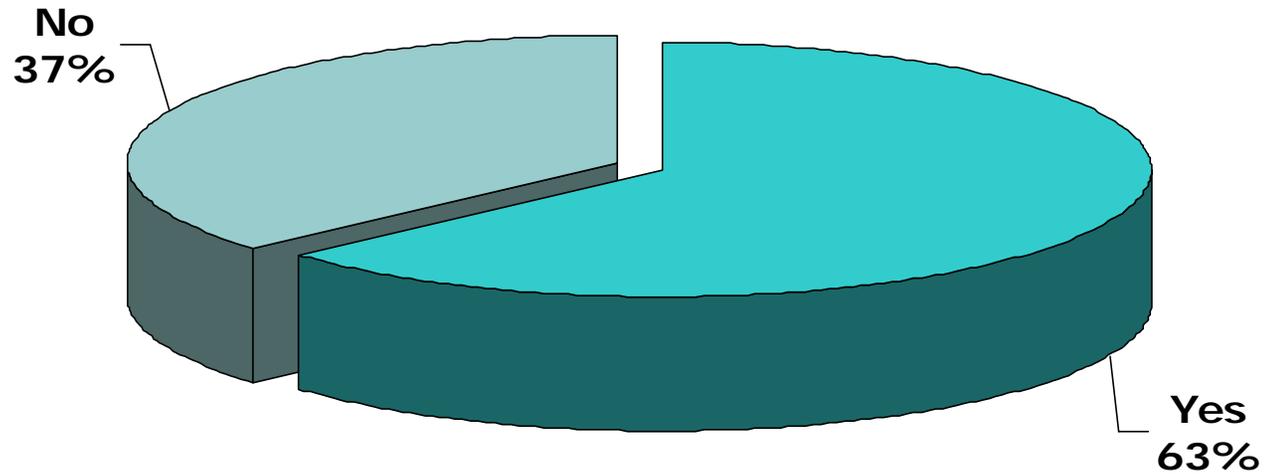


# Growth of Wi-Fi Market



Cometa Networks backed by AT&T, Intel, and IBM to install 20,000 Wi-Fi hot spots by 2005

# Foundation Use of Personal Digital Assistants

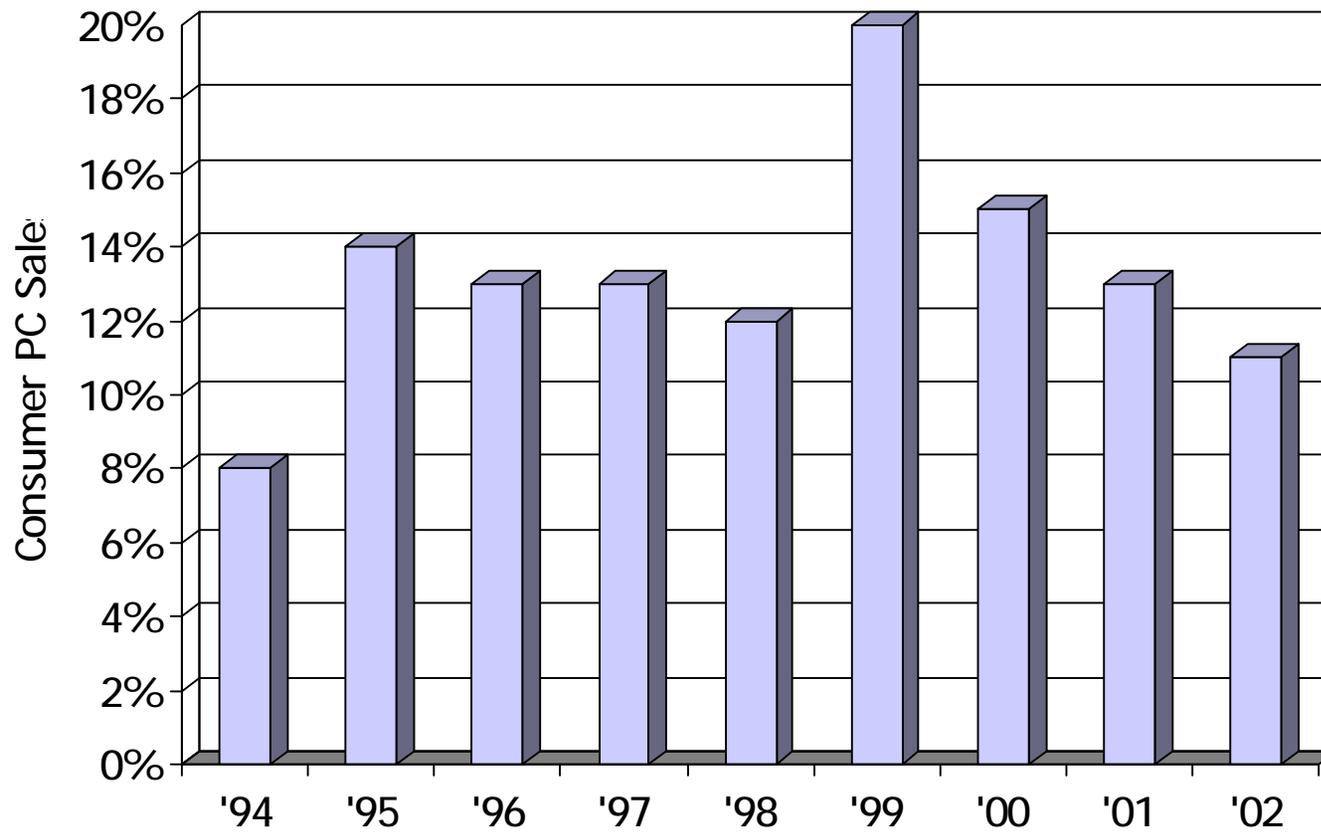


Source: TAG/COF Grantmaker Information Technology Survey Report - July 2003

# Handheld Devices for Grantmakers



# Demand for Faster PCs Slow Down



# Redesigned and Expanded Foundation Web Sites

- i Outsourced development and hosting of foundation Web sites
- i Use of database driven Content Management Systems (CMS) to enable easy updating of content by non-technical staff
- i Opportunity to export selected grants data to the Web site for online searching and display



The screenshot shows a web browser window displaying the 'Foundation for Children' website. The page title is 'Submit a Grant Report'. The form includes the following fields: 'FUNDING ORGANIZATION', 'Name of Project/Initiative', 'FUNDING SOURCE', 'Grant Name', 'Grant Number', 'PROJECT TYPE' (with a 'Select One' dropdown), 'Document Title', 'Subject', 'Keywords', and 'File Upload' (with a 'Browse...' button). A 'Submit' button is located at the bottom of the form. The page also features a navigation menu at the top and a sidebar on the left with links for 'GRANT REPORTING' and 'NEWSPAPER COLUMN'. A note on the page states: 'NOTE: This form is for the use of grantmakers to submit grant proposals.'

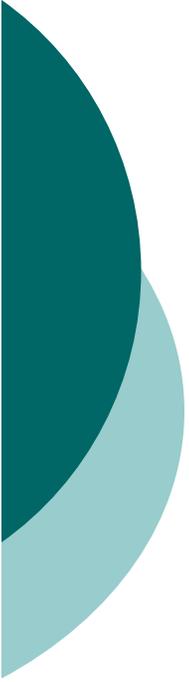
# Compliance with the U.S. Patriot Act is a Challenge



- i This regulation applies to all grantmakers that are making grants to any organization, either in the U.S. or in a foreign country, that may be associated with an Office of Foreign Assets Control (OFAC) identified Blocked Person or Specially Designated Nationals.

This is especially difficult to determine and enforce for the following reasons:

- | A nonprofit organization that is currently designated as a 501(c)(3) by the IRS can be an OFAC identified blocked organization or be associated with blocked individuals.
- | There is no practical way for a funder to identify and review the names of all people who are associated with the nonprofit organizations that they are considering for funding.
- | Many of the names on the OFAC list of Blocked Person or Specially Designated Nationals are common names in Arabic countries.



# Technology Resources

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Articles about technology, industry trends, surveys, and links to references of special interest to foundations and nonprofits.

The site is updated regularly

[www.iaa.com/resources.html](http://www.iaa.com/resources.html)

Information Age Associates: Resources - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Search Favorites Media Print Mail News RSS Options

Address http://www.iaa.com/resources.html

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## RESOURCES

Sharing Good Ideas and Best Practices

Martin Schneiderman serves as Technology Editor, industry analyst, and regular contributing writer for *Foundation News & Commentary*, the membership publication of the Council on Foundations. This journal has a readership of 25,000.



In the sections below you'll find articles and presentations about technology, industry trends, surveys, and [links](#) to resources of particular interest to foundations and nonprofit organizations.

Check the schedule of past [and future presentations](#) on technology related topics at national and regional conferences.

### PUBLICATIONS

 [Trends in Grants Management Software and Services](#)  
An overview of the leading market trends in commercial grants management software and services. It includes a detailed chart that describes the major vendors' products and services. [Click here](#) to learn about the strategic directions and product enhancements that vendors say are on the way.

 [Grants Management Software: How to Manage Your Existing System in the Midst of Product and Market Changes](#)  
A presentation at the Council on Foundations 2003 Annual Conference. Learn about key market trends, ASP services, new development platforms, capabilities of the best grants management systems, plus common pitfalls and mistakes.

 [Broadening Communications - Redesigning Your Web Site to Reach Diverse Constituents](#)  
Your first-generation Web site needs a redesign. You now want to communicate your message to all of your target audiences. See and learn how foundations have designed cost-effective sites that are broadly accessible, easy to navigate and manage, and facilitate online collaboration.

 [My Favorite Things](#)  
A review of new and improved technology products, services and online tools that can enable greater workplace and personal productivity and security.

 [Some Words to Remember and Live By](#)  
This collection of quotes shows how hard it is to predict where technology will take us, and how important it is to learn from mistakes we've made.

 [Realizing Potential](#)  
Today practically all nonprofits depend upon information technology tools in their day-to-day operations. Unfortunately, many don't come close to realizing the full potential of these systems. It's time to take a fresh look at proposals for technology assistance.

 [Telecommuting in Philanthropy](#)  
In the past few years foundations have moved quickly to provide telecommuting capabilities to their staff. Learn about the latest summary statistics and the key factors that have influenced this.

 [Telecommuting / Teleworking in Philanthropy Multimedia Presentation](#)  
A multimedia presentation concerning the trends, attitudes, issues, and practices about telecommuting in philanthropic



**Time for  
spirited questions!**