# Executive Summary
## Report on Grantmakers' Information Technology Survey
## September 2014

## Survey Overview

The Technology Affinity Group (TAG) and Grants Managers Network (GMN) joined forces to conduct an information technology (IT) survey of grantmaking organizations in June 2014. This was a follow-up to similar surveys TAG conducted in collaboration with the Council on Foundations in April 2003, July 2005, and June 2007, independently in 2010 and with GMN in 2012.

The survey is designed to empower grantmaking organizations with information on new trends and insights into what peer organizations are doing so that they can make better decisions about the technology they use to support their mission.

Specifically, the technology survey aspires to:

- Enable grantmaking organizations to make more informed, timely and cost-effective decisions aided by information on peer organizations, trends in the sector and future plans for other foundations;
- Determine, by grantmaker type, asset size, and number of staff information technology capacity and needs;
- Inform the sector about its own technology utilization; and
- Learn how grantmakers access and distribute information.

A total of 211 foundations completed the survey, down from 278 in 2012. Of the 155 dues-paying TAG member foundations, 105 completed the survey, for a completion rate of 68% among TAG members (in 2012, 103 TAG member foundations completed the survey).

## Management and Planning

Survey results indicate no real progress has been made from 2012 to 2014 with respect to technology adoption, executives' comfort level and understanding of technology, and the impact technology has had within foundations. Almost half of the survey respondents describe their technology adoption as "lags behind." Although the majority of foundations continue to report that technology is causing some change within the organization, less than 20% describe that change as transformative. Similarly, executives' comfort level and understanding of technology is characterized as "mostly supportive but not too knowledgeable."

Most foundations do not have technology plans: only 23% of respondents report that they have a technology plan that has been updated within the last two years. Conversely, most foundations have disaster plans in place, but only 22% of respondents report that they have tested their plans. Since disaster recovery hinges on the ability to restore data from backups, it is disconcerting that foundations are not regularly confirming that they can restore their backed-up data.

Foundations currently outsource the management of more technology services than they manage in-house. However, the percentage of foundations reporting they manage a technology service in-house increased from 2012 to 2014 in more than half of the technology service areas included in the survey.

Three-quarters of responding foundations (73%) report that they are adequately staffed with respect to the technology function—yet staffing was cited as the primary challenge for grantmakers. There has been no change with respect to the role of technology staff within their organization: of responding organizations, 40% report that IT is viewed as a service provider, 38% indicate IT is viewed as a strategic partner, and 11% report being viewed as a strategic leader.

## Challenges and Issues

The number one challenge grantmakers feel unprepared to address is staffing and related training. For the first time since 2005, online grantmaking was not in the top spot—in fact didn't even make the top five.

Specific staffing challenges cited by respondents include:

- Maintaining adequate staffing to support the significant increase in the use of technology throughout the foundation
- Delivering technology training for all staff
- Navigating the learning curve inherent in new technologies
- Staff resistance to new software and equipment
- Lack of in-house technical expertise
- Technology planning and staff expectations not consistent with level of foundation investment

Security was the second most commonly reported challenge, followed by cloud computing, mobile computing and data.

## Application and Communications Software

Implementing an online grant application continues to be the top priority for grants management software. This is followed in priority by items related to data, including reporting, measuring grant outcomes and exporting data.

### Grants Management

Foundations are very slowly moving towards a paperless grants management process. In 2012, 14% of foundations reported their entire grants management process was paperless. In 2014, that percentage has increased to 20%.

There has been tremendous change across foundations in terms of which grants management software they employ. Within a five-year time span, more than half of all foundations surveyed will have replaced their grants management software, and by 2015 more than two-thirds of foundations surveyed (68%) will have replaced their software since 2007. Overall 61% of respondents report they are "very satisfied" or "somewhat satisfied" with their current grants management software.

Of the 180 survey respondents who reported they use a commercial grants management product, 64% reported they use a MicroEdge product. This compares to 70% of survey respondents in 2012, 79% in 2010 and 87% in 2007. Survey respondents reporting the use of the three GIFTS products remained steady at 53%.

New products are slowly being adopted by foundations. The most prominent new products reported by survey respondents are Foundant Technologies *Grant Lifecycle Manager,* Fusion Labs *GE/Spectrum* and NPower (now roundCorner) *FoundationConnect*. Other new products reported being used include *Fluxx*, Good Done Great *Grant*, SmartSimple *GMS360°* and WizeHive *Grant Management System*.

68% of foundations now report they have a grant application available online. The most commonly reported products include MicroEdge *IGAM,* Foundant *Grant Lifecyle Manager* and Npower (now roundCorner) *FoundationConnect.*

Business intelligence

Business intelligence is emerging as an important discipline for foundations. More than 67% of foundations reported they have an *operational* dashboard/scorecard and 51% reported having a *programmatic* dashboard/scorecard. Most foundations use simple tools such as the Microsoft *Office* suite or tools built into their grants management software package. Only a handful of respondents reported using of more sophisticated tools such as *Tableau*, *SAP* and *GivingData* for data analysis.

Social Media and Social Networking

Social media tools are not widely used by foundations, with only 8% of respondents indicating social media tools were significantly used by staff. Foundations' use of social media centers on the same sites most popular with the general public: *Facebook* is the most common, followed by *Twitter*, *LinkedIn* and *YouTube*. Given the ubiquity of social media in today's society, foundations will need to step up their usage of social media in order to reach the post baby-boomer generations.

## Infrastructure

The largest infrastructure trends continue to be the move to cloud computing and the use of mobile devices. Foundations large and small are using cloud solutions for everything from file storage and data backup to Office application suites and grants management software. The ability for staff to access software anywhere at any time is appealing, and cloud-based solutions are cost-effective when compared to the cost of on-premise infrastructure and technical support. The survey data confirms that infrastructure is rapidly moving off-site: 33% of respondents reported they are moving as much as possible to the cloud and another 28% reported they were moving basic infrastructure to the cloud while keeping software in-house. Correspondingly, the percentage of foundations that identified their infrastructure is primarily on site declined from 62% in 2012 to 39% in 2014.

Cloud Computing

Almost three-quarters of responding foundations (74%) report they are using some type of cloud solution, most commonly for cloud storage and software as a service (SaaS). Less common uses include Infrastructure as a Service (IaaS) and Platform as a Service (PaaS). A total of 39% of foundations who use cloud services reported they had to increase their Internet bandwidth to accommodate the increase in outbound traffic generated by cloud-based services, and 49% of all respondents report they have implemented redundant access to the Internet.

Consumerization and Mobile Computing

Mobile computing continues to be a challenge for foundations, and deciding whether or not to provide devices to staff, defining which devices to allow and determining how to reimburse staff for ongoing usage of a personal device all are problems with which foundations are struggling. 60% of respondents indicate their organization now has a "bring your own device" (BYOD) policy, compared to 46% in 2012. With respect to reimbursement of costs, the trend is to reimburse for a flat monthly rate.

The increase in BYOD policies and proliferation of consumer products has led to an increase in the different types of devices foundations need to support. While the iPhone and iPad are the most popular devices supported, foundations are also supporting Android smartphones and tablets, Windows phones and tablets and to a lesser extent, the Blackberry.

Program and senior staff are more likely to receive a tablet computer and/or a smartphone than operations staff. They are also more likely to receive a laptop than are their counterparts in operations. This is not surprising, given that traveling staff have more use for mobile devices than those who work primarily in an office.

More than two-thirds of foundations (68%) report that they create an electronic board book. However, 50% also report they mail a hard copy of the board book to board members. The 2014 data seems to indicate that foundations are creating electronic board books for some board members and staff, while continuing to mail hard copy board books for others.

Security

While the use of software in the cloud shifts some of the responsibility for data security from the foundation to the cloud service providers, the rise of mobile devices and easy-to-install applications has increased security concerns for grantmakers. Foundations need to be concerned about the ongoing threat of viruses, spyware and spam, as well as the increasing threat of advanced persistent threats. The complexity of security challenges is particularly difficult for foundations to manage due to limited in-house technical expertise.

The majority of foundations have implemented core security components. However, the data appears to indicate that foundations have fewer security measures in place in 2014 than in 2012. Foundations have done a much better job of implementing wireless security than mobile security. Almost all of the responding foundations (98%) report having a wireless network and all but 1% have implemented some form of wireless security. Only 52% of respondents report having some form of mobile security.

## Access the Full Report and Survey Data

The full report is available for download in Adobe portable document format (PDF) at www.tagtech.org.

Survey participants interested in analyzing the data further can perform their own data analysis and peer-group comparisons using the benchmarking tool at https://tag.client.peerfocus.com.

For additional information, please contact Lisa Pool at the Technology Affinity Group at 610.688.6832 or lisa@tagtech.org.

## About the Partners

The Technology Affinity Group (TAG), www.tagtech.org, is a membership organization of foundations that promotes the understanding of how information and communications technology can help its members further their philanthropic goals. TAG is an active community of professionals responsible for information and communications technology in the philanthropic sector. The community provides the highest quality resources and learning opportunities in an open and trusted environment.

Grants Managers Network is a thriving national association of more than 2,800 philanthropy professionals with a mission to improve grantmaking by advancing the knowledge, skills, and abilities of grants management professionals and leading grantmakers to adopt and incorporate effective practices that benefit the philanthropic community. By increasing the knowledge of grants managers and the efficiency and effectiveness of funders, GMN helps grantmakers deliver more resources directly to mission-driven activities, leading to better outcomes for grantmakers and grantseekers alike. Learn more about GMN at www.GMNetwork.org.