



Technology Affinity Group
Promoting technology in philanthropy



2014

SEPTEMBER

Grantmakers Information Technology Survey Report

Acknowledgment

The survey was designed by a Research Committee comprised of representatives from the Technology Affinity Group (TAG) and Grants Managers Network (GMN). Many thanks to the following committee members for their contributions to the survey design:

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Disclaimer

The information and data contained in this report are for informational purposes only and are not intended nor implied to be a substitute for professional advice. In no event will TAG or GMN be liable to you or to any third party for any decision made or action taken based on the results obtained through the use of the information and/or data contained or provided herein. TAG and GMN make every effort to provide accurate information so their members can make independent decisions regarding technology.

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.

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01

Survey Overview

- Survey Goals
- Respondent Demographics
- Top Ten Observations for 2014

Survey Overview

The Technology Affinity Group (TAG) and Grants Managers Network (GMN) together conducted an information technology survey of grantmaking organizations in June 2014. This survey is the latest in a series conducted by TAG in collaboration with the Council on Foundations (The Council) in April 2003, July 2005, and June 2007, then independently in 2010 and most recently with Grants Managers Network in 2012.

SURVEY GOALS

The technology survey is designed to enable grantmaking organizations to make better informed, timely, and cost-effective decisions regarding the technologies that support their grantmaking and fundraising/donor operations. It also is intended to empower grantmakers to make decisions based on information about new trends and how their peers are navigating them.

The goals of the technology survey are:

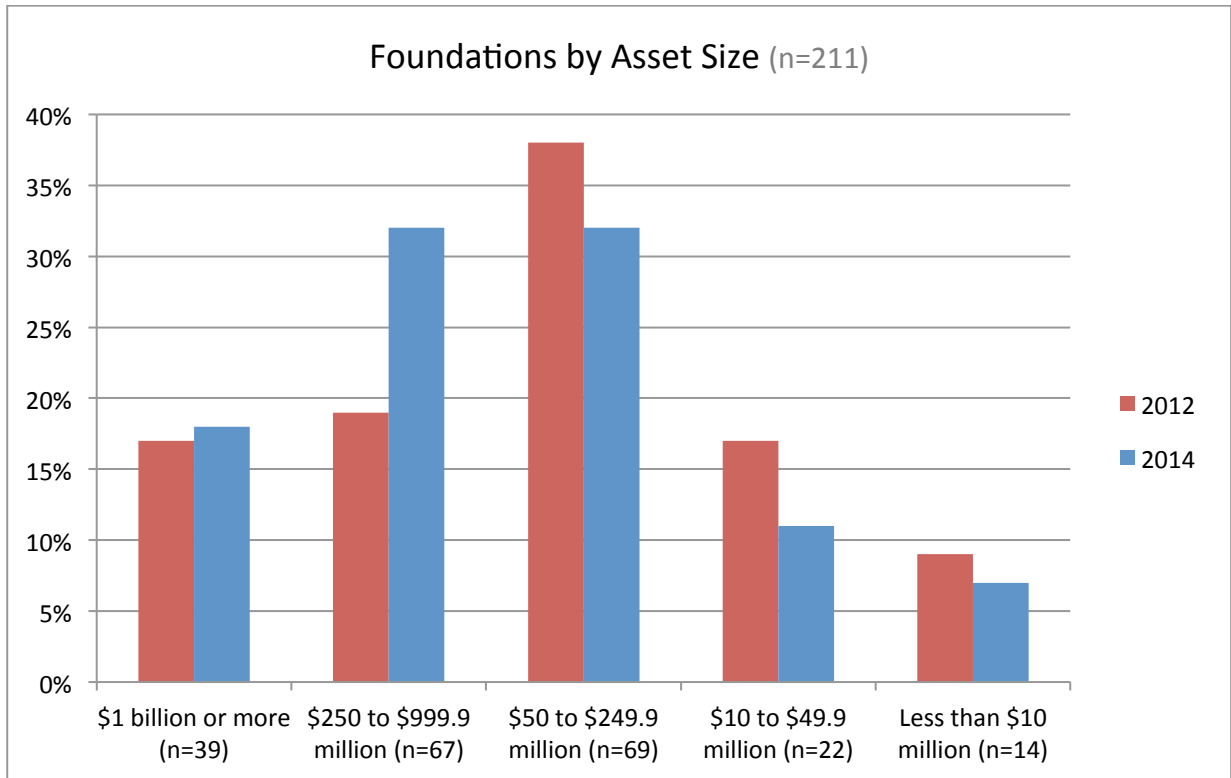
- To enable grantmaking organizations to make more informed, timely and cost-effective decisions based on information about what peer organizations are doing, trends and future plans;
- To determine, by grantmaker type, amount of assets and size staff, information technology capacity and needs;
- To inform the sector about its technology utilization;
- To understand how grantmakers access and provide information; and
- To enable TAG and GMN to better meet their members' needs.

The survey was built using www.peerfocus.com, the same online tool used to conduct the 2012, 2010 and 2007 surveys.

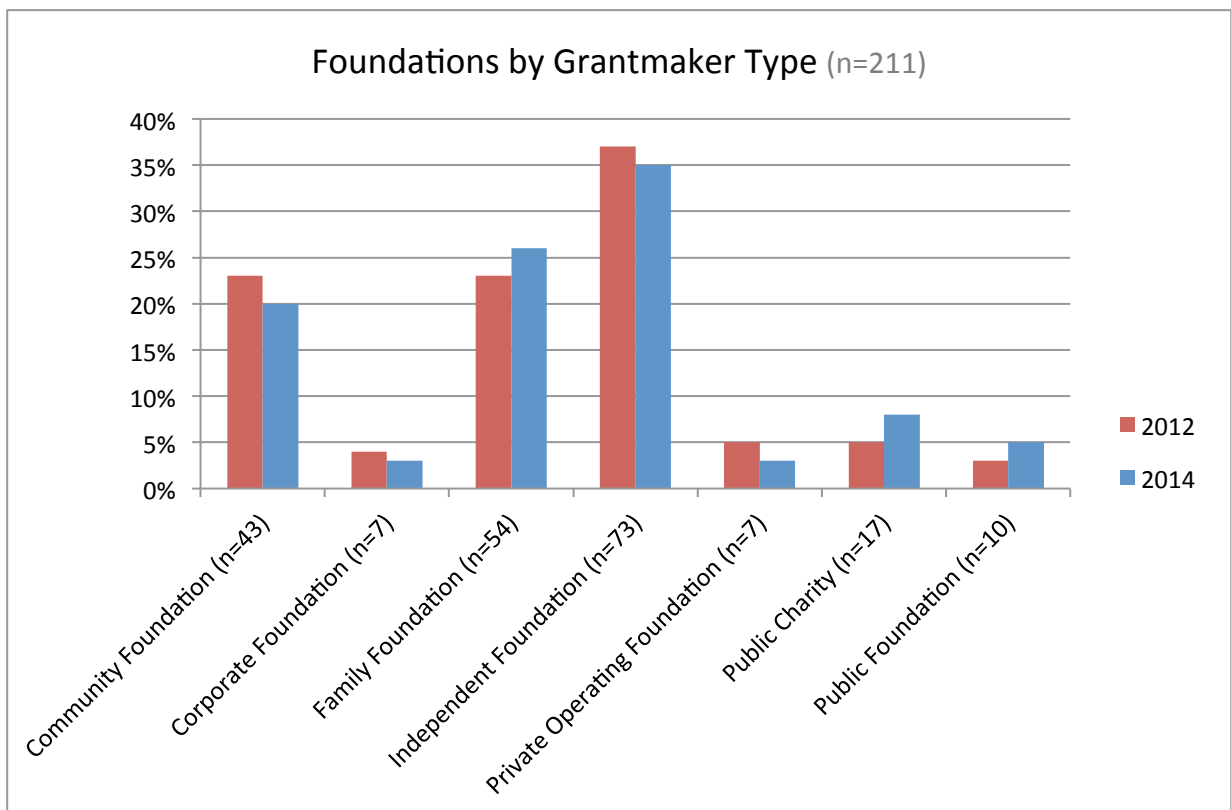
RESPONDENT DEMOGRAPHICS

An invitation to participate in the survey was sent by email to all member and non-member grantmakers in the TAG database, as well as to all GMN members and to anyone who had previously participated in the 2012 survey. The email explained the scope and context of the survey, invited recipients to complete it and provided a hyperlink unique to each recipient.

A total of 211 organizations completed the survey, down from 278 in 2012. This represents a 24% decrease in the total number of survey participants compared to 2012. Of TAG's 155 dues-paying member organizations, 105 completed the survey, for a completion rate of 68% among TAG members. In 2012, 103 TAG member foundations completed the survey.



Foundations reported their assets as depicted above. Compared to 2012, participation increased in the two largest asset categories and decreased in the three smallest asset categories.



Foundations were asked to specify their foundation type. The percentage of community, corporate, independent and private operating foundations decreased, while the percentage of family, public charity and public foundations increased.

Survey participants can analyze respondent data themselves, defining custom comparison groups based on demographics including asset size, foundation type, staff size and total number of technology staff. Through

the provided benchmarking tool, TAG and GMN members who responded to the survey can also view individual responses to survey questions in which participating organizations specify their currently utilized software (available under “Applications and Communications Software”).

***EDITOR'S 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 comprise 20% of survey respondents while the Foundation Center reports that in 2010 they represent only 1% of all U.S. grantmaking organizations. Independent foundations (including family and private operating foundations) represent 74% of grantmakers in the sector and comprise 64% of TAG survey respondents. This discrepancy may be because community foundations are typically larger with more IT staff than other foundation types.*

TOP TEN OBSERVATIONS FOR 2014

The observations below are listed in the order they appear in the report and are not intended to be in priority order.

1. Only 23% of respondents indicated that their foundation executives totally understand the benefits of technology.
2. Foundations outsource more technology services than they manage in-house. However, from 2012 to 2014 the percentage of foundations reporting they manage a service *in-house increased* for more than half of the categories.
3. 40% of respondents cited cost as the largest barrier to the implementation of new technology.
4. One-on-one training delivered at the desk-side is the most common means cited for delivering technology training to staff, with 65% of respondents indicating this as a current approach.
5. For the first time since 2005, staffing issues and training needs have replaced online grantmaking as the primary challenge grantmakers feel least prepared to address.
6. More than 50% of foundations will have replaced their grants management software in a five year time span; 68% of foundations will have replaced their grants management software/service between 2007 and 2015.
7. The use of operational dashboards increased from 16% in 2012 to 67% in 2014, while the use of programmatic dashboards decreased from 57% in 2012 to 53% in 2014.
8. Board books are digital! More than two-thirds (68%) of foundations reported they create an electronic board book.
9. 74% of foundations use at least some cloud-based software-as-a-service (SaaS).
10. Foundations reported security as a major concern—and appear to have fewer security measures in place than they did in 2012.

02

Technology Management and Planning

- Overview
- Environment
- Technology Planning
- Technology Staffing

Technology Management and Planning

OVERVIEW

This section explores the overall technology environment and how the technology function is managed and staffed by each responding organization.

Survey results indicate little progress from 2012 to 2014 with respect to the adoption of technology, executives' comfort level with and understanding of technology, and its impact within foundations. This is disappointing given the ubiquity of technology in today's society.

EDITOR'S NOTE: In previous years, this report included high-level budgeting information and benchmarks. This year, that data is available only to participating foundations through the online benchmarking tool.

Almost half of survey respondents described their technology adoption as "lags behind." The majority of foundations continue to report that technology is causing some change within the organization but less than 20% describe that change as transformative. Similarly, executives' comfort level and understanding of technology is characterized as mostly supportive but not particularly knowledgeable.

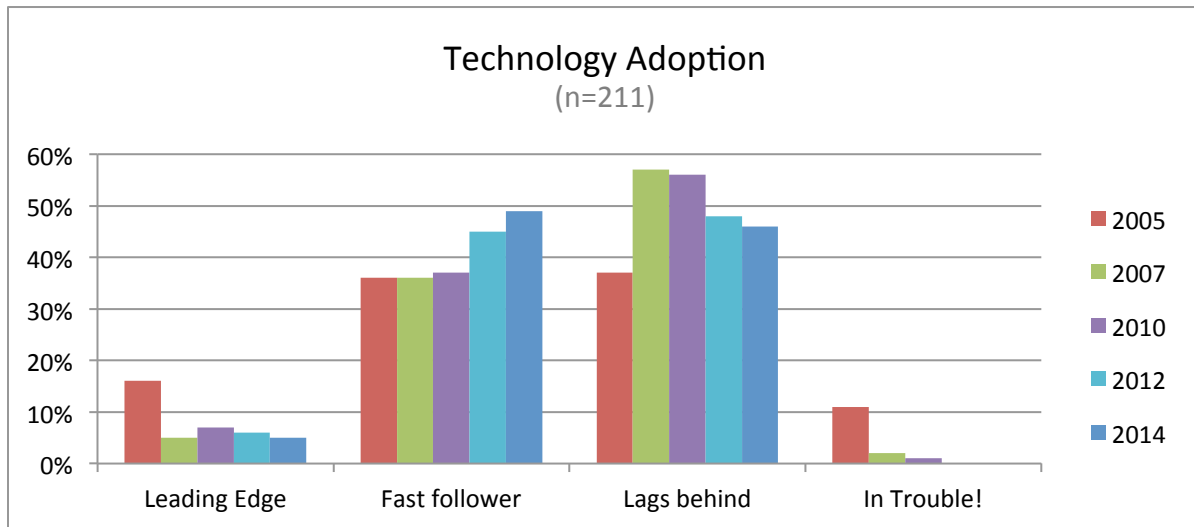
Although most foundations have disaster plans, they do not have technology plans: only 23% of respondents reported they have a technology plan that has been updated within the last two years. While the management of more technology services is outsourced than managed in-house, the percentage of foundations reporting they manage a technology service in-house increased from 2012 to 2014 in more than half of the service areas measured.

When asked to identify major technology challenges they felt unprepared to address, the most common response was staffing and training issues. With respect to staffing, the role of technology staff remained unchanged from 2012 to 2014, with about 40% reporting the IT staff role as a service provider and 38% reporting the IT staff role as a strategic partner. Only 11% perceive their IT staff as a strategic leader.

Only 23% of respondents indicated that their foundation executives totally understand the benefits of technology.

ENVIRONMENT

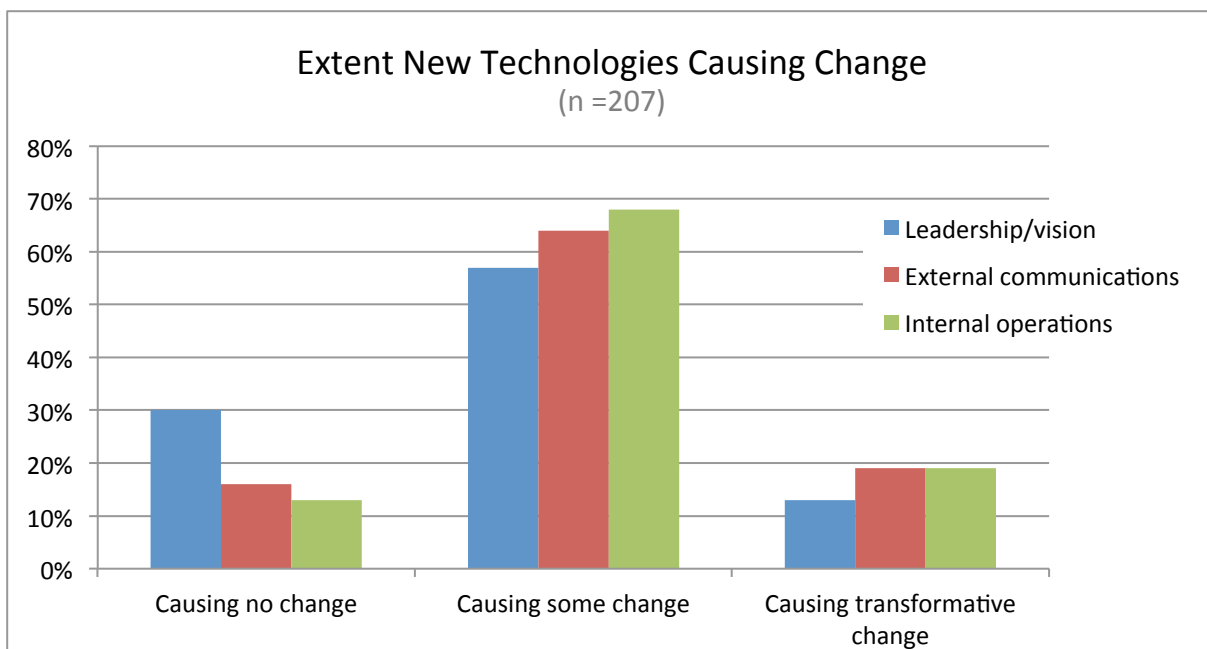
Technology Adoption



While many foundations are very progressive with respect to their grantmaking programs, they are not nearly as forward-thinking with respect to the strategic use of technology in their business practices.

As you can see in the graph above, there is no significant difference between the technology-adoption profile reported in 2012 and that reported in 2014. The majority of foundations (54%) deem themselves “leading edge” or “fast followers” but 46% of respondents still described their organization as “lags behind.” Given the rebound of the stock market and overall economy—and by extension the rebound in foundation budgets—it is notable that the self-described adoption profile of responding foundations hasn’t seen more improvement.

Extent that New Technologies Are Causing Paradigm Shift



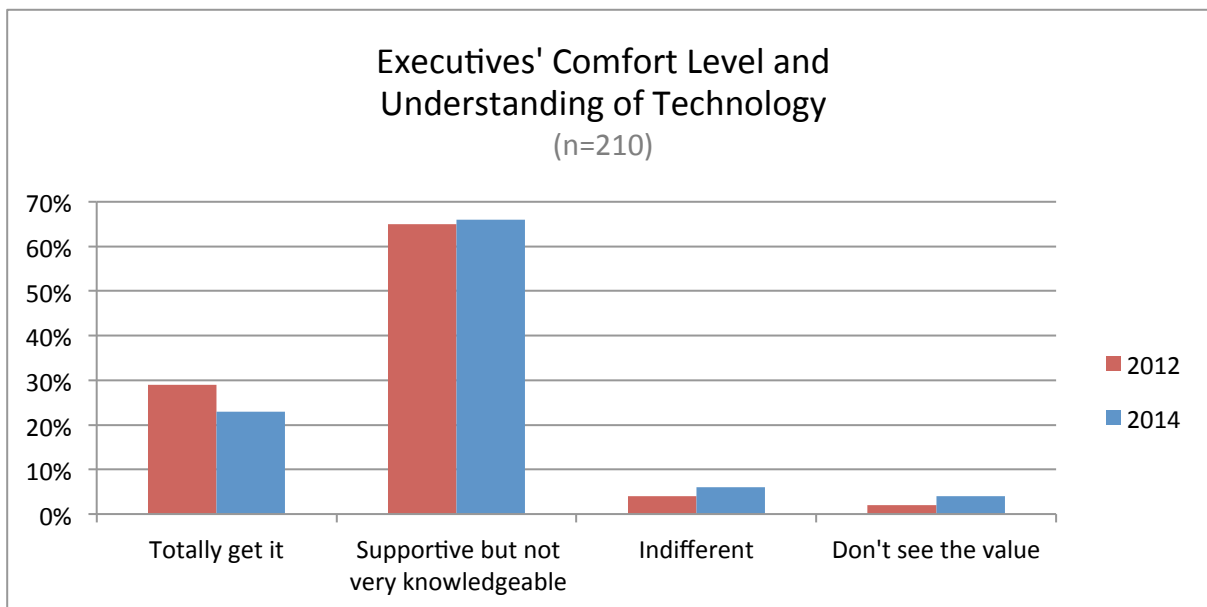
In 2012, we reported that technology was having a greater impact on foundations than it had in 2010 and 2007. This trend appears to reverse marginally in 2014.

When asked “to what extent are new technologies 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” increased from 2012 to 2014 in all three categories from 1% to 5% while the number of respondents indicating technology was “causing transformative change” decreased by 1% in all three areas.

While many foundations are very progressive with respect to their grantmaking programs, they are not nearly as forward-thinking with respect to the strategic use of technology in their business practices.

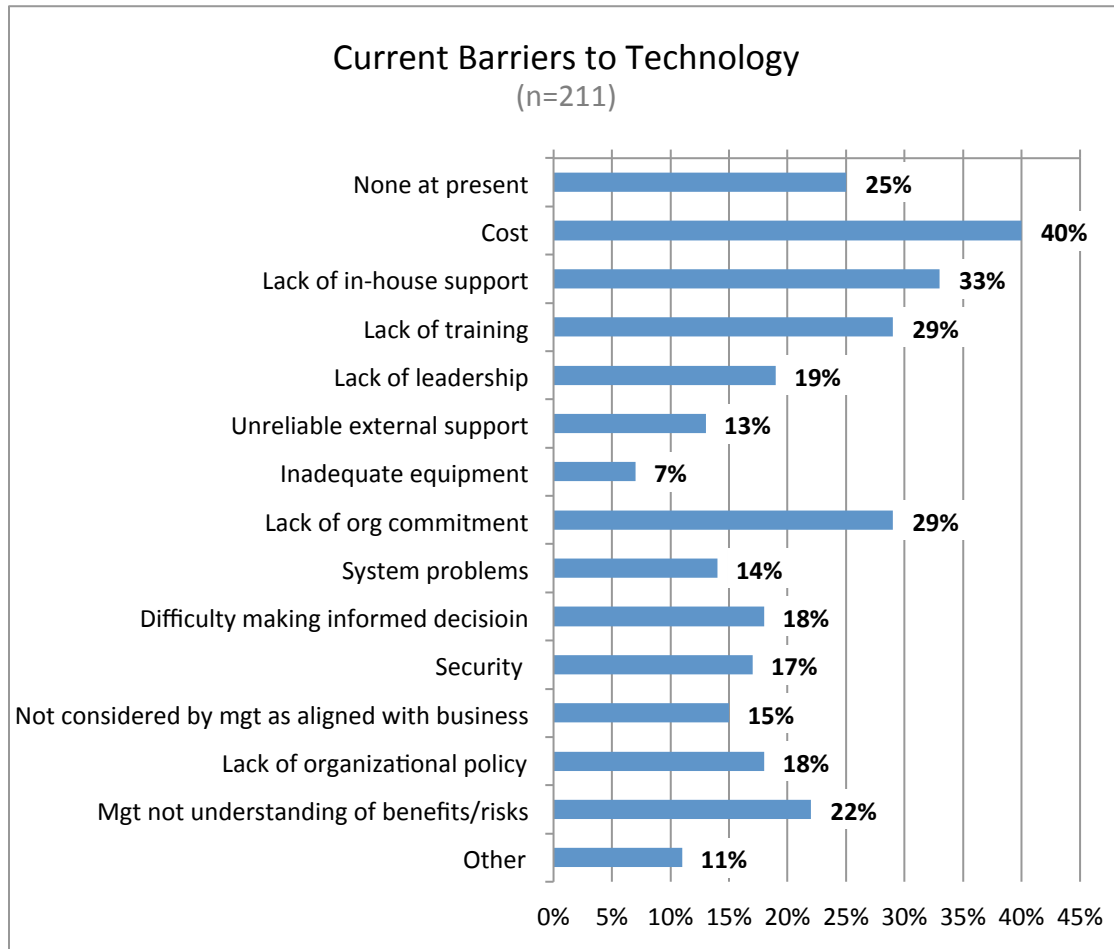
Technology Executives Comfort Level and Understanding of Technology

Foundation executives’ comfort level with and understanding of technology is reported to be slightly worse in 2014 than it was in 2012. Only 23% of respondents indicated their executives “totally get it.” While 66% indicated their executives were “supportive but not very knowledgeable,” it continues to be difficult to achieve transformative change within an organization without the full understanding of the capabilities of technology among the organization’s senior leadership team. This seems to be a major contributing factor to the sluggish rate of technology adoption discussed above.



Given that the philanthropic sector operates without the competitive market pressure that drives improvement in other sectors, it is difficult to predict what will lift foundations' use of technology into line with the 21st century for-profit enterprise. Let's examine the barriers reported by foundations as they seek to implement new and improved technology within their organizations.

Barriers for Implementing Technology

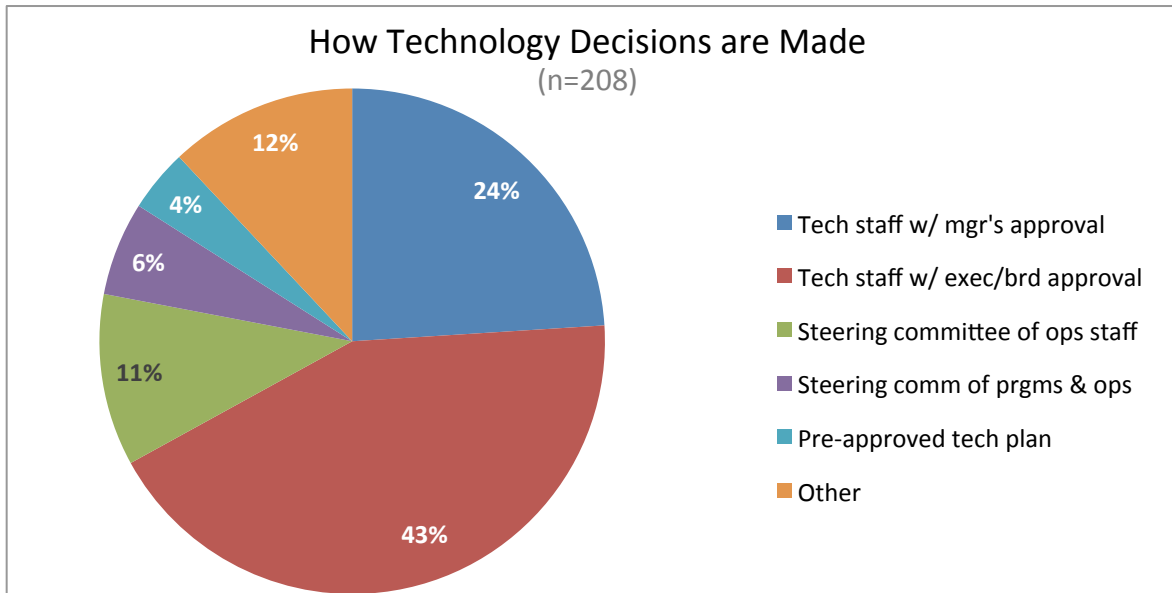


Cost continues to be cited as the most common barrier preventing implementation of new technology, with 40% of respondents reporting this in 2014. In 2012 this number was 40% and in 2010 it was 31%. Lack of in-house support (33%), lack of training (29%) and lack of organizational commitment (29%) were also frequently cited as obstacles encountered when advocating for new technology within the foundation.

40% of respondents cited cost as the largest barrier to the implementation of new technology.

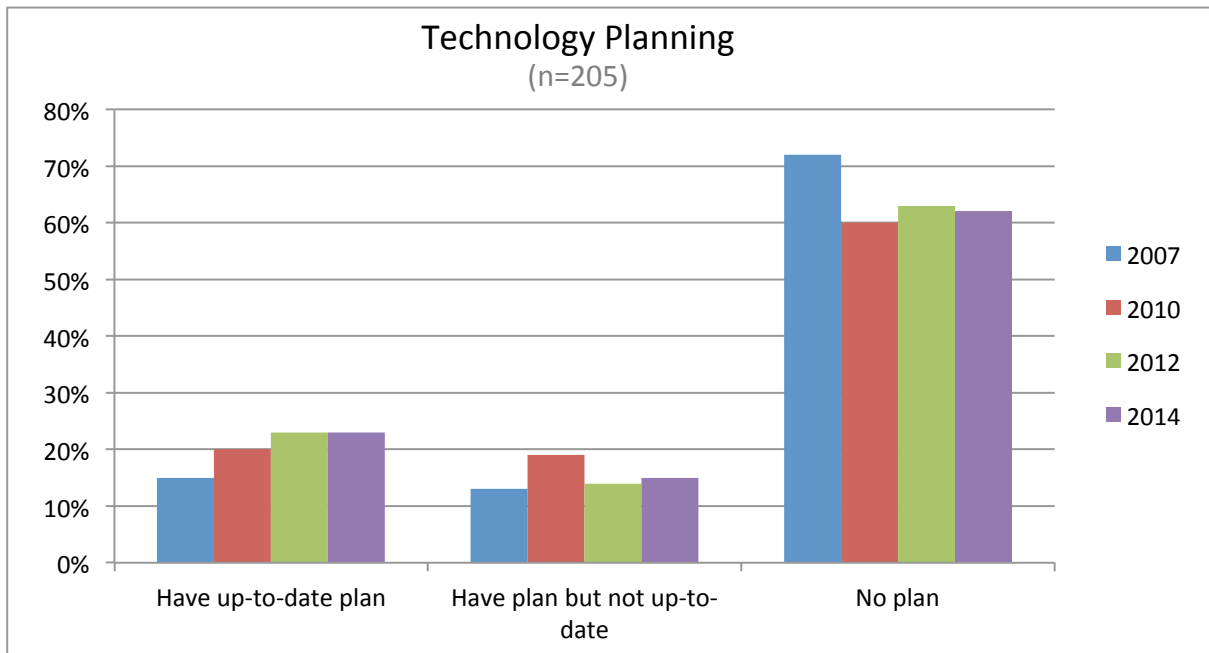
TECHNOLOGY PLANNING

Technology Decision-Making



When asked how technology decisions are made within their organizations, 43% of respondents indicated decisions are made by technology staff with executive/board approval and 24% indicated decisions were made by technology staff with manager’s approval. An additional 11% reported a steering committee of operations staff guided such decisions, and 12% reported “other.” This is consistent with data collected in 2012.

Technology Plans



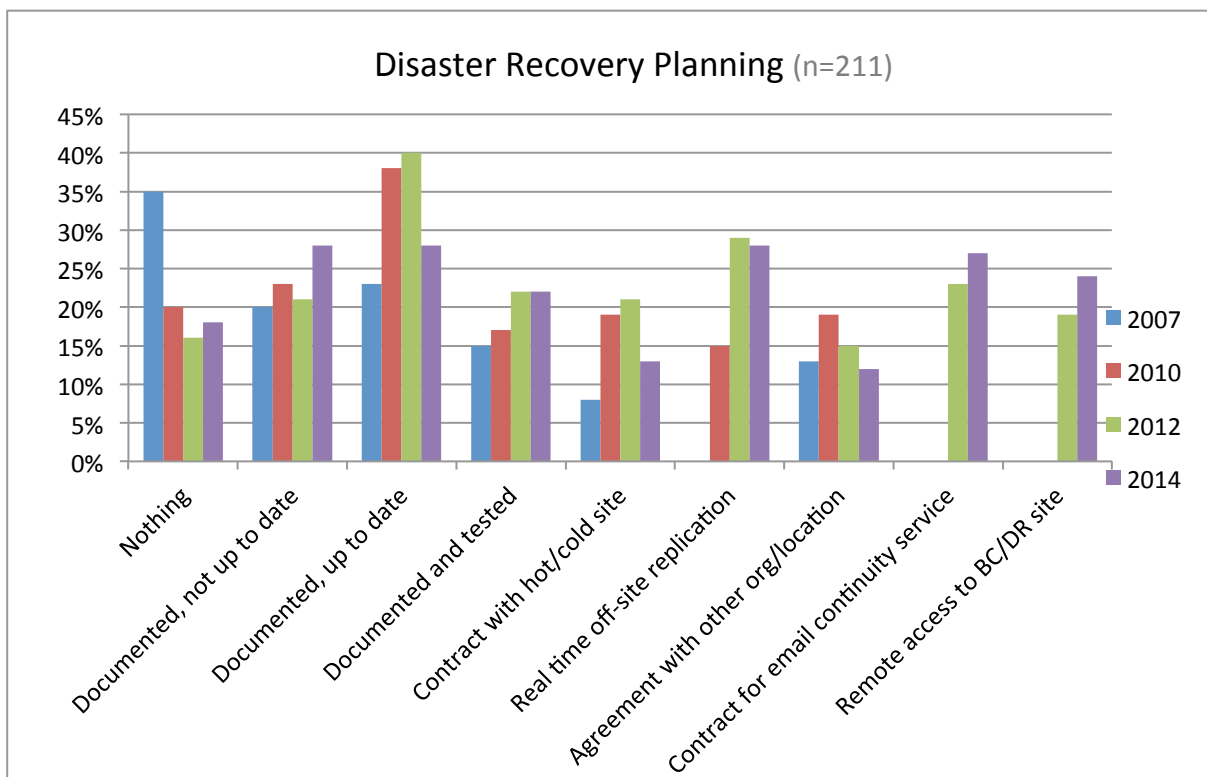
As illustrated by the graph above, there has been little progress in the past four years with respect to technology planning. Most foundations continue to report that they do not have technology plans. Only 23% of respondents indicated they have a technology plan that has been updated within the last two years, while an additional 15% reported they have a plan but it has not been updated. A total of 62% of respondents reported they did not have a technology plan at all.

While TAG has stressed the importance of technology planning, it would appear that the majority of foundations’ leadership does not see the value in—nor place a high priority on—technology planning. This continued lack of planning is consistent with the reported lack of foundation executives’ comfort level with and understanding of technology, as discussed above.

Advance planning does not appear to happen, even informally. There were several survey questions that asked respondents to indicate whether they planned to implement a particular software application or technology within the next 18 months. In all cases except for electronic signature software (which was reported at 21%), the percentage of respondents indicating they were planning to implement a new technology was less than 10%. This lack of technology planning in the sector continues to be a concern.

Disaster Recovery Plans

While disaster-recovery planning saw strong progress from 2007 to 2012, we have seen no real progress in such planning from 2012 to 2014.



Some components of disaster recovery, such as contractually guaranteed email continuity service (27%) and remote access to a business continuity/disaster recovery site (24%) have increased slightly since 2012. However, the percentage of foundations reporting they have a documented, up to date disaster plan actually decreased to 28%, down by 12% since 2012. Additionally, the number of foundations who reported either they don't have a plan (18%) or that they have a plan that is outdated (28%) increased marginally from 2012 to 2014.

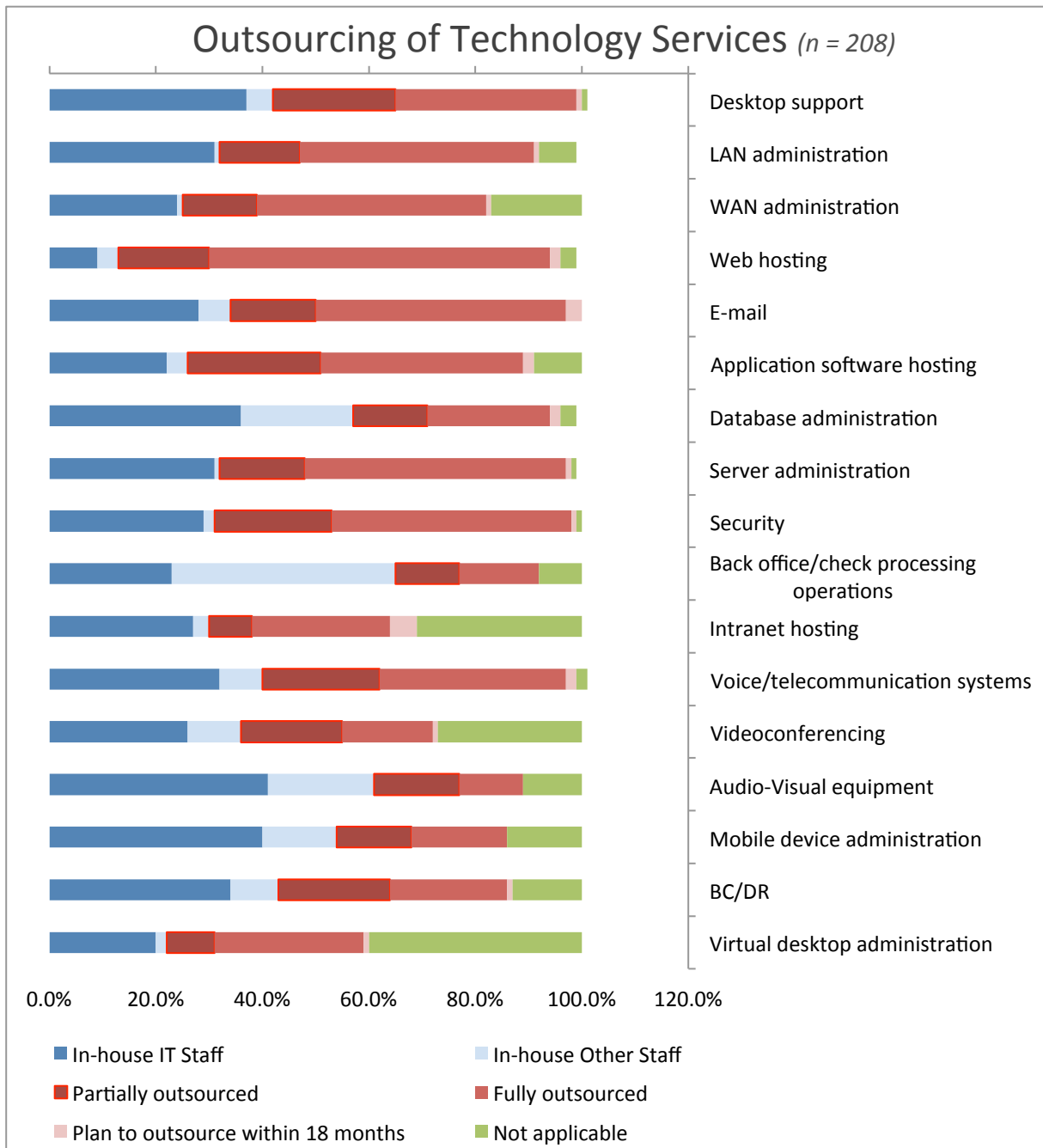
A possible explanation for this lack of progress could be the increase in foundations' utilization of cloud computing. As core business applications move to the cloud, foundations are responsible neither for disaster recovery nor for business continuity—one of the compelling drivers in the virtual migration away from software managed on premise.

For those foundations reporting that they have a disaster plan, testing and recurring validation continues to be a concern. Only 22% of respondents indicated that they test their plans. Similarly, when asked about network backup strategy, only 30% of respondents reported that they test their backup restoration process regularly. This is down by 4% since 2012.

Since disaster recovery hinges on the ability to restore data from backups in a timely fashion, it is disconcerting to note that although foundations are investing in an ongoing backup of their data, they are not regularly validating that they can successfully restore such data on demand.

Foundations outsource more technology services than they manage in-house. However, from 2012 to 2014 the percentage of foundations reporting they manage a service in-house increased for more than half of the categories.

Managing Technology Services



The final aspect of technology planning covered in the survey asked which technology functions are managed in-house and which are outsourced. The chart above lists technology services and illustrates for each the percentage of foundations that manage in-house versus the percentage of those that have a current (or planned) outsourcing relationship.

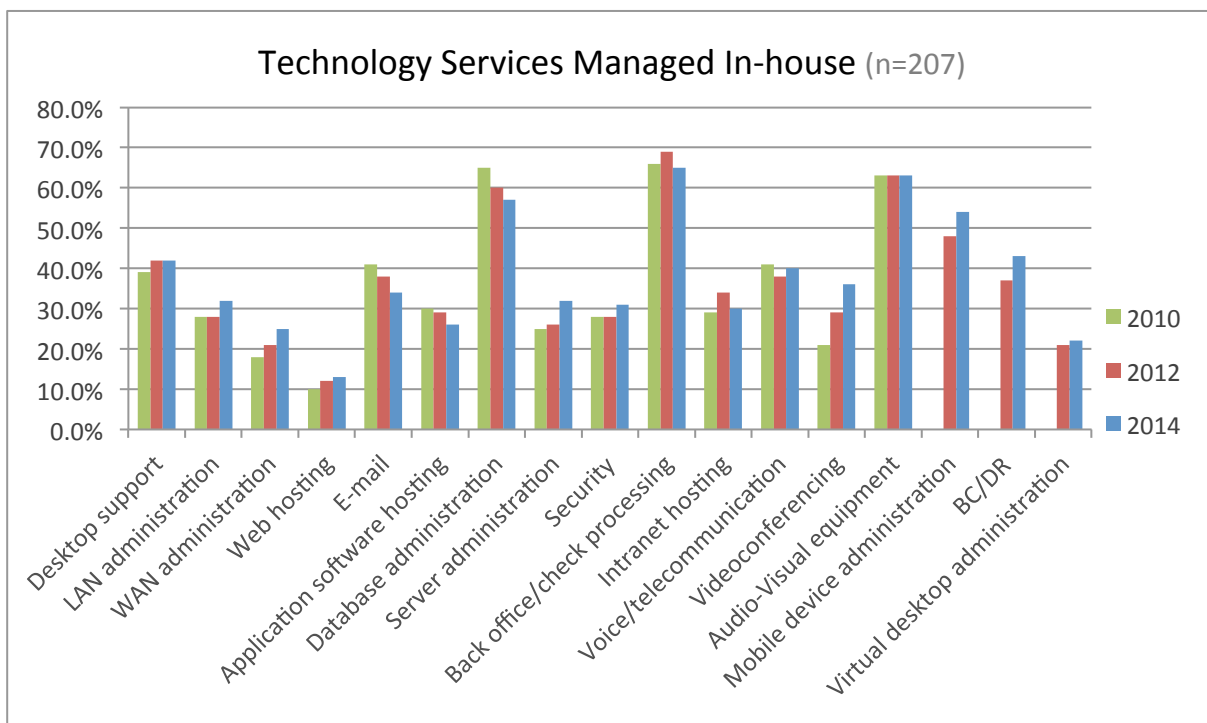
Without focusing on the individual technology functions, take a broad look at the chart above—the blue sections indicate the technology function is managed in-house, and the red sections indicate the technology function is partially or fully outsourced. The light red indicates the foundation is planning

to outsource the function and green indicates the foundation does not current support that technology function. As you can see, more of the technology services depicted are red than blue, indicating foundations are outsourcing the management of technology more often than they are managing it in-house.

Outsourcing is a frequent choice for small foundations with no specialized technology staff, as well as for large foundations with dedicated IT staff that choose to outsource everything from non-critical technology functions, to application software, to their entire networking infrastructure—usually to achieve better availability, greater efficiency, and/or more robust scalability.

The majority of foundations (around 60%) report that they manage select areas of their IT portfolio in-house, including database administration, back-office processing and audio-visual equipment.

Most foundations (81%) outsource the hosting of their web site. Between 50% and 70% of foundations also outsource desktop support, hosting for their grant application software, and the management of their basic technology infrastructure, including server administration, local and wide area network administration, security, email and voice/telecommunications systems.



In 2012 we reported no significant change since 2010 in the percentage of foundations choosing to outsource technology. While there continues to be a lot of talk about outsourcing the technology function and/or specific components of technology services, the 2014 survey data does not indicate any significant change from 2012 to 2014 in the percentage of foundations choosing to outsource technology. As you can see above, compared to 2012 and 2010, there have been only incremental changes in the percentage of foundations reporting they manage the technology service in-house for all technology service areas listed. In more than half of these, the percentage of foundations reporting they manage the service in-house actually increased from 2012 to 2014.

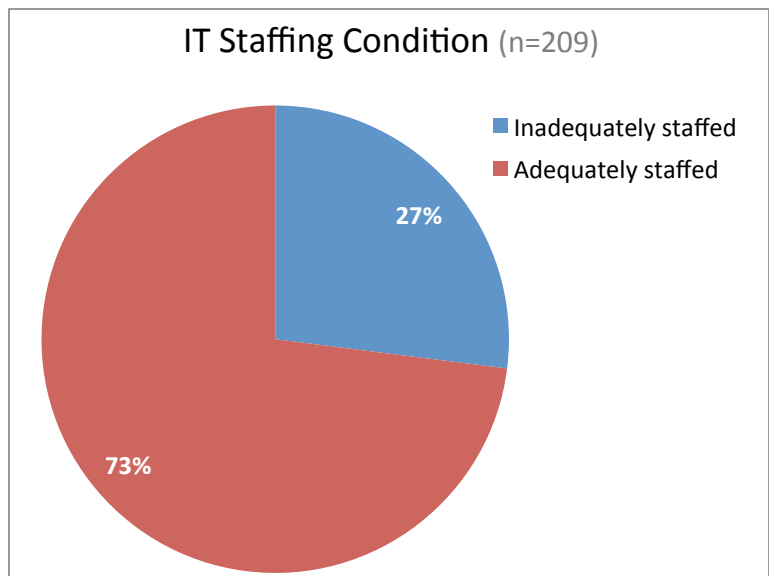
When asked to indicate whether they were planning to outsource each technology service within the next 18 months, again only 1% of foundations reported they had any additional plans for outsourcing. This is consistent with 2012 and 2010 when 2% or less reported they had plans to outsource within the next 18 months.

TECHNOLOGY STAFFING

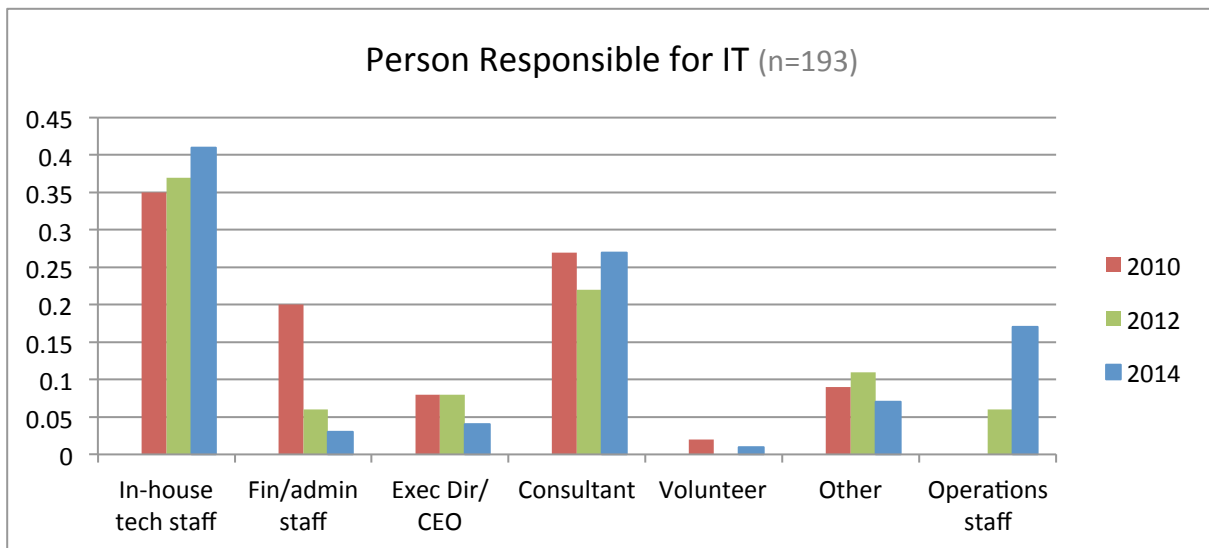
IT Staffing Condition

The majority of foundations (73%) report that they are adequately staffed with respect to technology. This is a decrease of 5% compared to 2012 data.

However, when asked to “List the top three technology issues your organization is not currently prepared to address,” 28% of respondents reported staffing and training as their primary challenge. In fact, this was the number one issue cited by respondents, and is consistent with the data shown above that indicates 27% of respondents believe their foundation’s technology function is inadequately staffed.



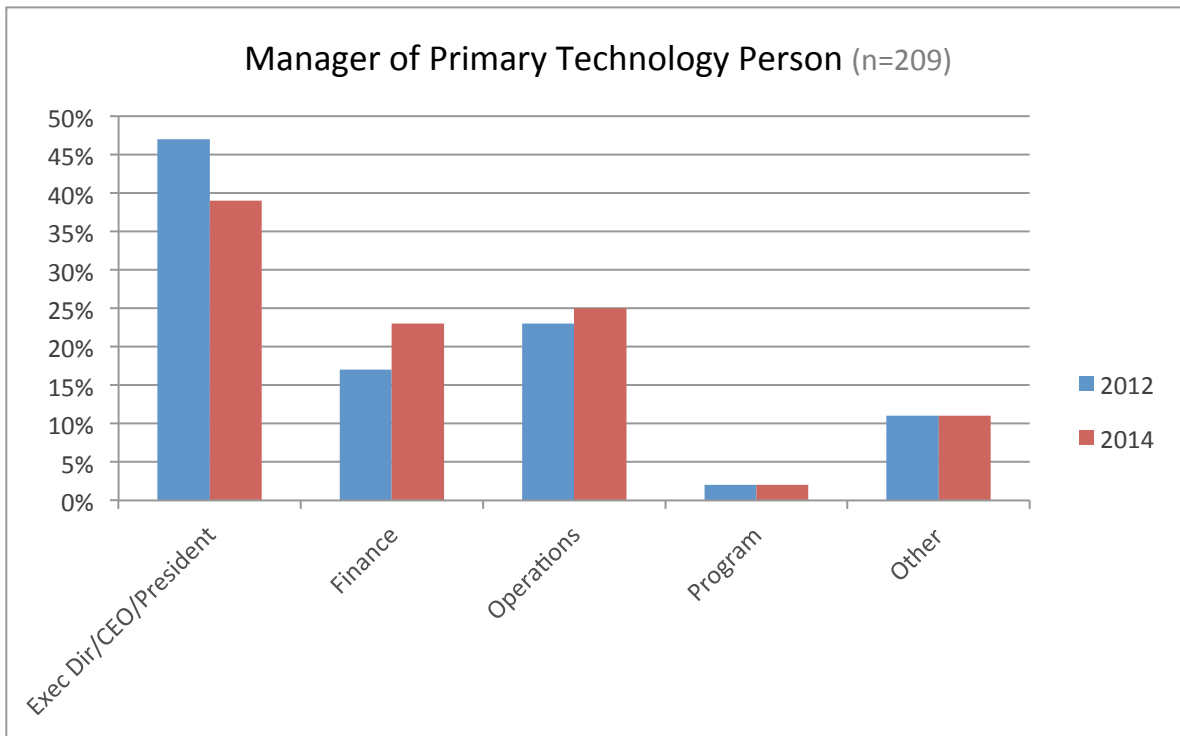
Who Manages the Technology Function?



The survey asked who was the primary position responsible for managing technology, as well as to whom that position reports. A total of 41% of survey respondents reported an in-house technology professional was responsible for managing technology, while 27% reported a technology consultant was responsible. This is an increase of 4% and 5% respectively. Compared to 2012, the number of foundations that reported operations staff was responsible for technology increased by 11% from 6% in 2012 to 17% in 2014.

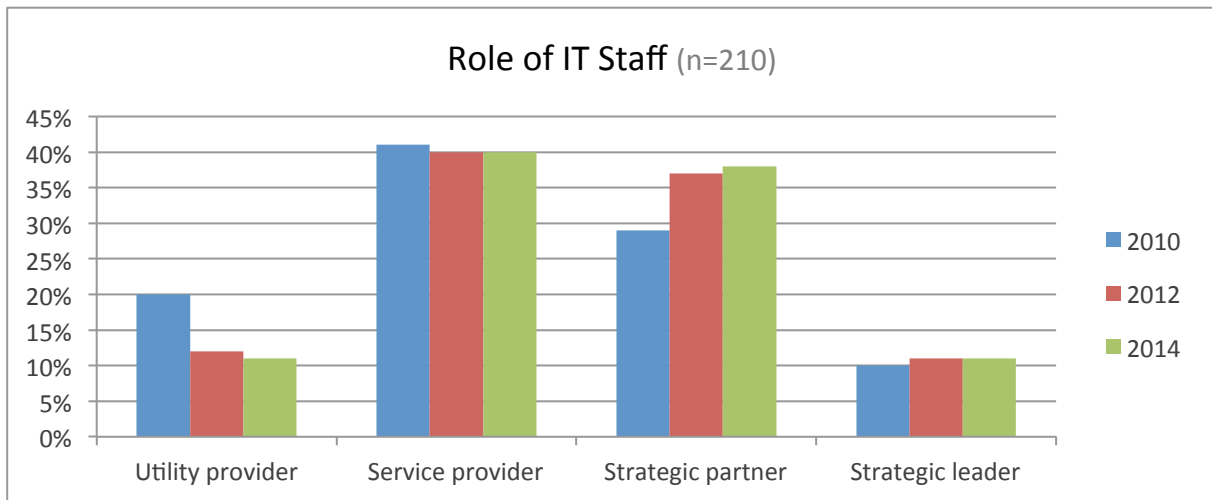
***EDITOR'S NOTE:** Data on who manages the technology function varies greatly by foundation size, so any evaluation of an individual organization's staffing model needs to factor size as a primary criterion in defining a relevant group of peers within the benchmarking tool.*

Where Does the Primary Person Responsible for Technology Report?



The percentage of foundations where the manager of the technology function reports directly to an executive is smaller in 2014 than it was in 2012. When asked to whom the primary person responsible for the technology function reports, 39% indicated an executive, down by 8% from 2012. Conversely, the percentage of those indicating that the person responsible for technology reports to the finance or operations function increased by 8%, from 40% in 2012 to 48% in 2014.

Role of IT Staff

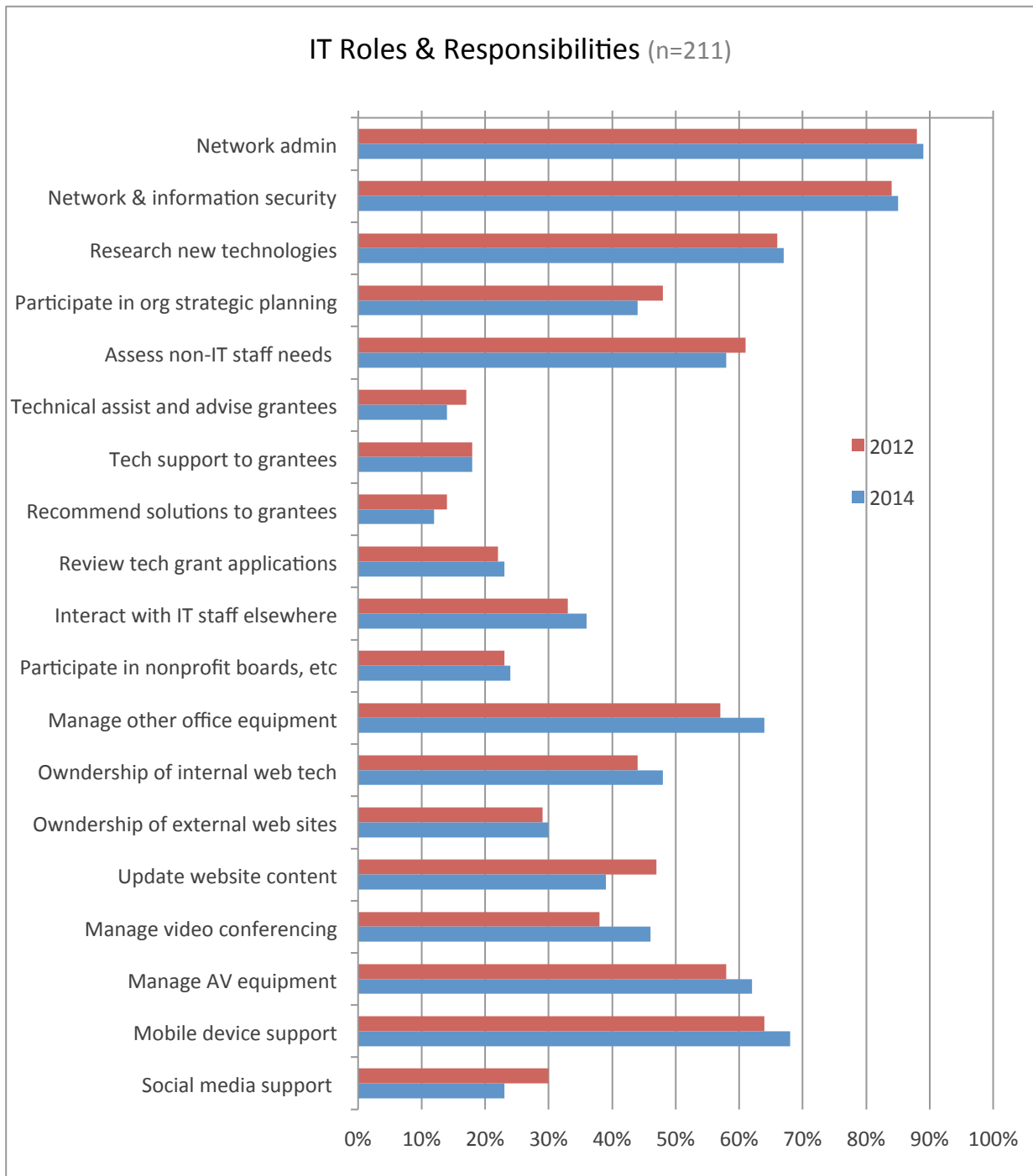


In 2012 we were encouraged by reports on the role of IT staff in each foundation because the data suggested a trend toward the perception of the role of technology staff as more strategic than in previous years. In 2012 for the first time, nearly half of respondents described the role of the technology staff as a strategic partner or member of the foundation leadership team instead of as a utility/service provider.

As you can see from the graph above, there has been no change on this front: 2014 data is almost exactly the same as the 2012 data.

*There has not been any forward progress
with respect to the role of the IT staff person
since 2012.*

Roles and Responsibilities of Technology Staff



The survey response in 2014 suggests no further progress towards strategic activities since 2012—at least as evidenced by the roles and responsibilities of IT staff. In 2014, the number of respondents with responsibilities that signify a strategic role decreased slightly compared with 2012, including participation in organizational strategic planning, assessment of non-IT staff needs, and technical assistance and solution recommendation to grantees. Other strategic indicators increased in 2014,

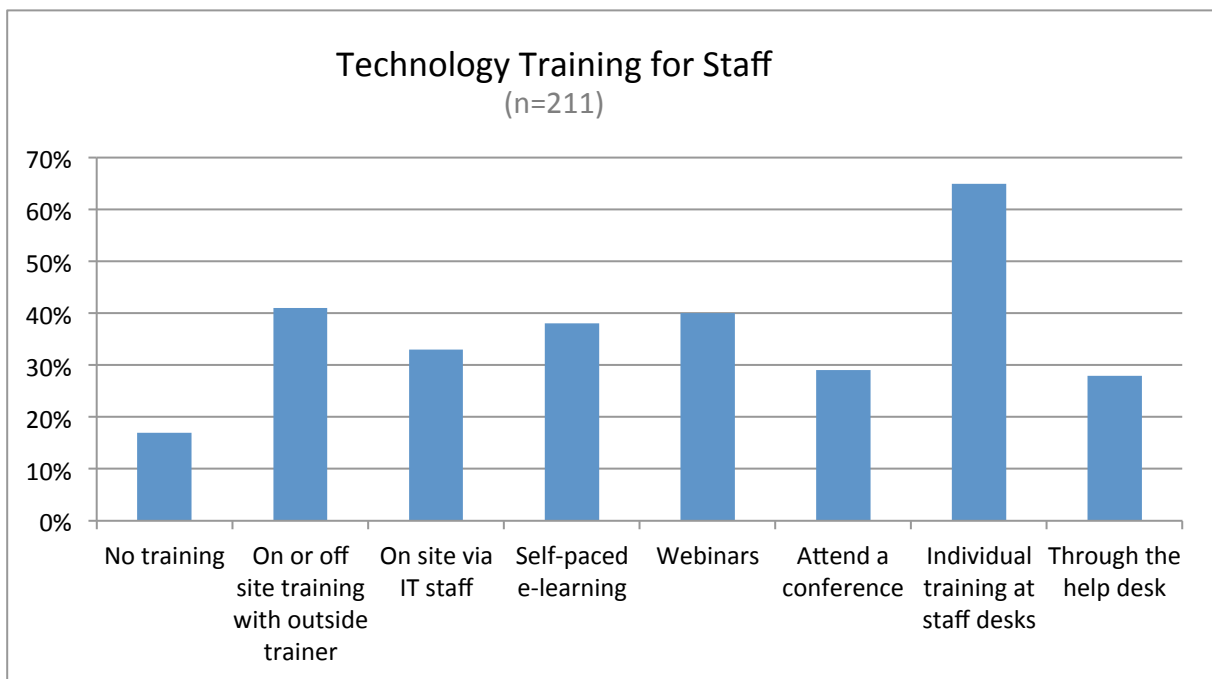
such as inclusion in the review process for technology grant applications, interaction with IT staff from other organizations, and serving on nonprofit boards.

The largest changes in the role of technology staff appear to be more a reflection of the times than a result of the changing role of technology within foundations. Respondents indicated that IT staff are spending more time managing office equipment, overseeing video conferencing and supporting mobile devices, while they are spending less time updating website content and supporting social media.

The traditional core technology responsibilities continue to dominate, with 89% of respondents indicating technology staff is responsible for network administration and 85% indicating technology staff is responsible for network and information security.

Staff Technology Training

83% of respondents indicated they deliver technology training to their foundation's staff.



By far, the most common means of delivering technology training is individual, one-on-one interaction at staff desktops (65%). Approximately 40% of respondents also indicated that their staff training includes on- or offsite training from a third-party, self-paced e-learning and webinars.

Compared to 2012, the use of classroom training (whether led by outside consultants or in-house IT staff) decreased by 8%. Self-paced e-learning also decreased by 8% while individual training at staff desktops increased by 9%.

One-on-one teaching delivered at the desk-side is the most common means cited for delivering technology training to staff, with 65% of respondents indicating this as a current approach.

Technology Staffing Levels

Independent & Family Foundations with Assets > \$1B	Total FTEs	IT Staff	Other Staff with IT Resp.	Consultants with IT Resp.	Full-time IT Staff as % of Total Full-time Staff	Total Assets
Mean (<i>average</i>)	148	9.7	.5	12.9	9.9%	\$5,059,000,000
75th Percentile	115	8	.5	4.1	11%	\$6,323,000,000
50th Percentile (<i>median</i>)	60	3	0	2	8.7%	\$2,275,000,000
25th Percentile	35	1	0	.4	5.6%	\$1,600,000,000
<i>Number of organizations with valid data</i>	25	25	25	25	25	25

Independent & Family Foundations with Assets \$250M to \$1B	Total FTEs	IT Staff	Other Staff with IT Resp.	Consultants with IT Resp.	Full-time IT Staff as % of Total Full-time Staff	Total Assets
Mean (<i>average</i>)	22.4	1.2	.7	1.2	17.1	\$ 535,000,000
75th Percentile	29.5	1.3	1	1	22.2	\$ 714,000,000
50th Percentile (<i>median</i>)	20	1	.3	1	15	\$ 485,000,000
25th Percentile	5	0	0	.8	7.5	\$ 400,000,000
<i>Number of organizations with valid data</i>	37	37	37	37	37	37

Compared to 2012, this year's data reveals that staffing levels are remarkably similar for foundations with assets greater than \$1 billion. The ratio of full-time IT employees as a percentage of total full-time employees is within .5% of the 2012 data in all percentile categories. The only remarkable difference is an increase in the reported average number of consultants. Since the average number of IT staff also increased slightly, this cannot be attributed to re-allocating responsibility from internal staff to outsourced consultants.

***EDITOR'S NOTE:** Data on total staffing levels does not include public charities, public foundations, corporate foundations, private operating foundations and community foundations because they are often staffed very differently depending on mission and grantmaking operations. To eliminate outliers and avoid data misinterpretation, TAG has chosen to report publicly only staffing data from independent and family foundation.*

Organizations are encouraged to run benchmarking reports against relevant comparison groups by foundation type and size to determine peer staffing data

For foundations with assets from \$250 million to \$1 billion, the mean and median number of IT staff increased from a mean of .6 to a mean of 1 and from an average of .88 to an average of 1.2. The ratio of total full-time IT employees as a percentage of total full-time employees also increased by several percentage points in each percentile category.

03

Challenges and Issues Reported

- Overview
- Technology Issues Grantmakers
Are Not Prepared to Address

Challenges and Issues Reported

OVERVIEW

This section examines the issues that challenge grantmakers today, and tracks previously reported issues to see how they have since been addressed.

For the first time since 2005, the primary issue challenging grantmakers is *NOT* the implementation of online grants management systems/online donor information. Instead grantmakers now report that they are most challenged by staffing and training issues, security and the move to the cloud.

TECHNOLOGY ISSUES GRANTMAKERS ARE NOT PREPARED TO ADDRESS

Top Challenges

There were 159 responses to the request to “List the top three technology issues your organization is not currently prepared to address.”

<i>List the top three technology issues your organization is not currently prepared to address.</i>				
	2007 Responses	2010 Responses	2012 Responses	2014 Responses
1	Online grantmaking/ donor services	Online grantmaking/ donor services	Online grantmaking/ donor services	Staffing/training
2	Integration of database to other applications	Social media/social networking	Mobile Computing	Security
3	Expansion and maintenance of web site	Cloud computing	Cloud Computing	Cloud Computing
4	Security	Document/records management	Document mgmt/ electronic workflow	Mobile Computing
5	Cost of new technology	Security	Staffing	Data

For the first time since 2005, online grantmaking was not the primary challenge identified in response to this question, superseded by staffing and training needs. After consistently appearing as the number one challenge for years, online grantmaking didn't even make the top five on this year's list.


A total of 28% of respondents reported staffing issues and training needs as their primary challenge. Specific issues cited included:

- Staffing to support the significant increase in the use of technology throughout the foundation
- Delivering technology training to all staff
- The learning curve for new technologies
- Staff change fatigue and resistance to new software and equipment
- Lack of in-house technical expertise
- Technology planning and expectations of technology not consistent with foundation resources

Security was the second most common issue, with 19% reporting it as a top challenge. Responses ranged from concerns about advanced persistent threats and the vulnerability exploited by the Heartbleed bug, to network security, cloud security, mobile device security, and how to manage a data breach.

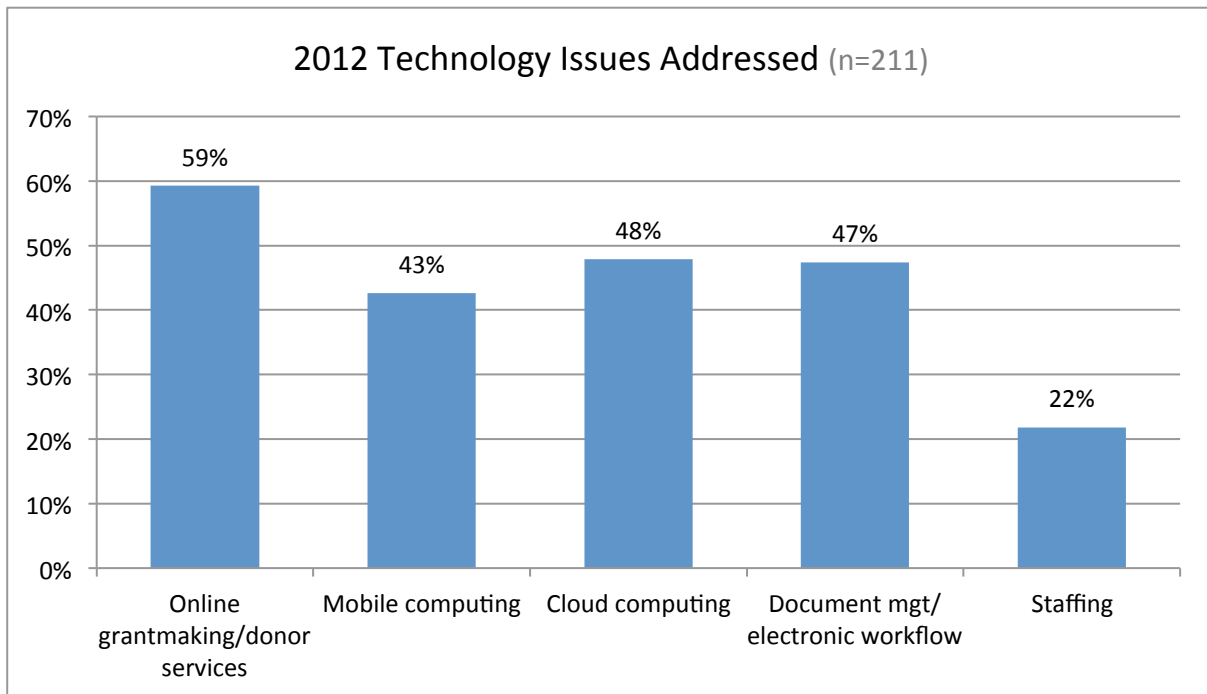
Other top challenges include cloud computing and mobile computing, cited by 18% and 14% respectively, followed by all things data at 13% (e.g., data analysis, data quality, data management, tracking impact and reporting).

As shown in the chart on the previous page, online grantmaking is no longer a challenge and data makes the list for the first time.



For the first time since 2005, staffing issues and training needs have replaced online grantmaking as the primary challenge grantmakers feel least prepared to address.

2012 Issues that Were Addressed



In 2012's survey, we asked the open-ended question, "What are the top three issues your foundation is not currently prepared to address?" In 2014, when we asked, "Has your organization addressed any of these issues in the last two years?" strong progress was reported in all areas with the notable exception of staffing.

As shown by the data, 59% of foundations reported they had addressed online grantmaking/ online donor information, 48% indicated they had addressed cloud computing, 47% indicated they had addressed document management/electronic workflow and 43% reported they had addressed mobile computing. Only 22% of respondents reported they had addressed staffing, which is the number one challenge reported in 2014.

04

Software Applications and Digital Communications

- Overview
- Grants Management
- Business Intelligence
- Social Media and Social Networking


Software Applications and Digital Communications

OVERVIEW

In this section, we look at three broad categories of software applications. First, we take a detailed look at grants management software, then we examine business intelligence software and conclude with a review of social media and social networking solutions.

While software-as-a-service (SaaS) is a strong trend, we do not have a specific section for this because SaaS is included as an attribute in each of the individual software categories.

We have also included information about cloud-based software in the Infrastructure-Cloud section.



74% of foundations use at least some cloud-based software-as-a-service (SaaS).

GRANTS MANAGEMENT

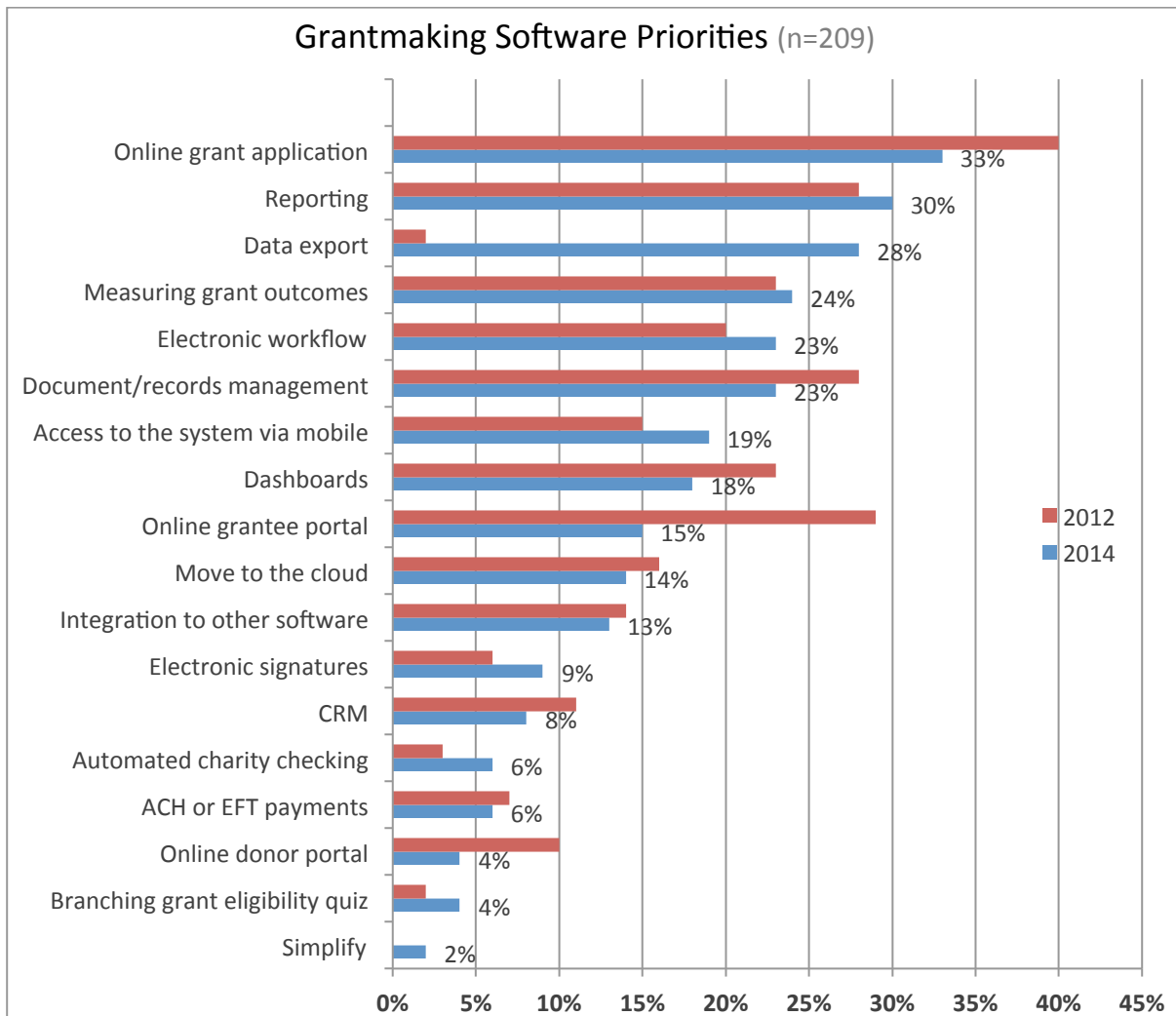
Overview

Implementing an online grant application continues to be the highest priority for 33% of respondents, down from 40% in 2012.

The following section inspects in detail several aspects of grants management software, including individual foundation's priorities for improving their grants management solution, descriptive attributes of their grantmaking process, satisfaction with their grants management software/service, changes in software since 2012 and products currently used for grants management and online grant applications.

Top Three Priorities for Grants Management Software

We received 585 total responses from 209 respondents to the question, "What are your top 3 grants management software priorities?" The chart below depicts 2012 and 2014 responses, and is sorted highest to lowest, based on the percentage of 2014 responses.



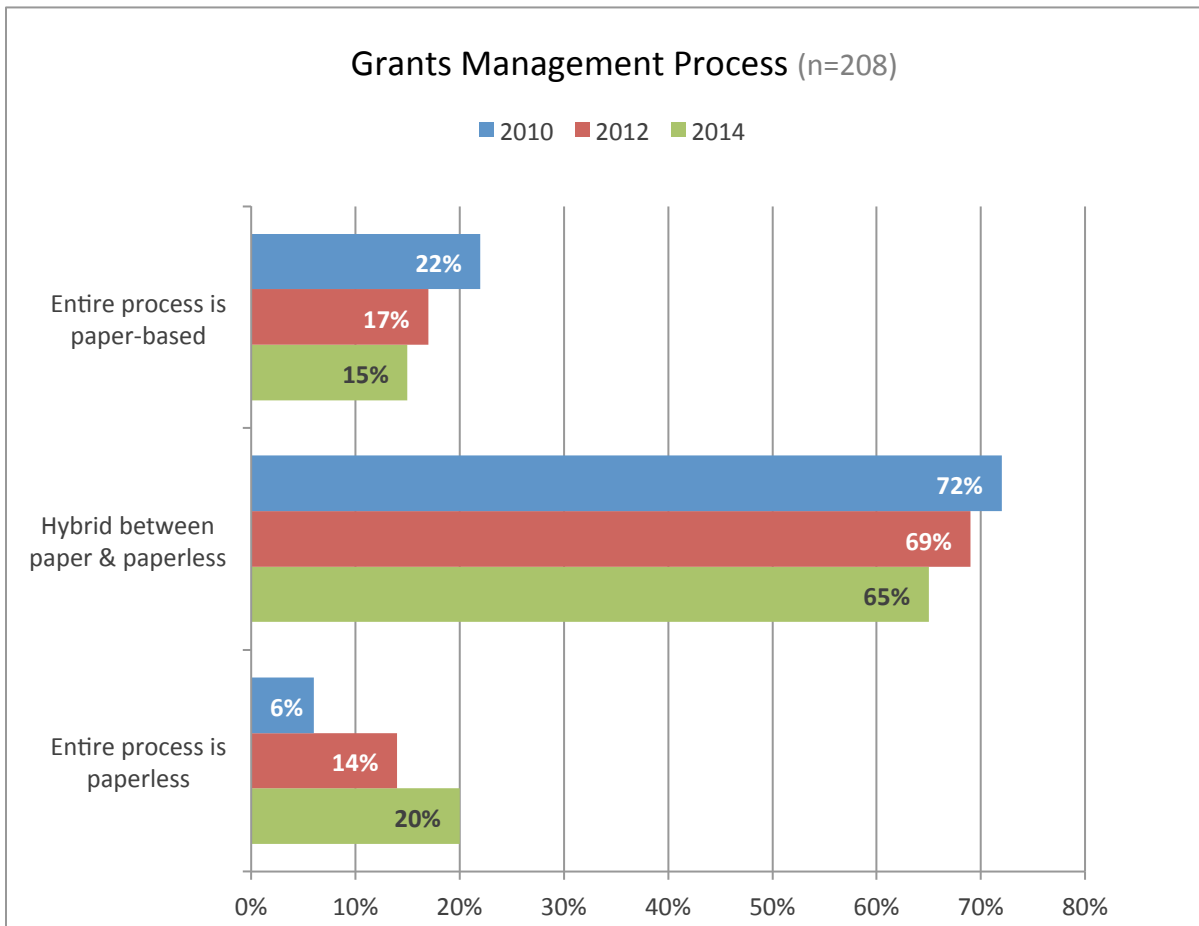
Implementing an online grant application continues to be the highest priority for grants management software as reported by grantmakers in 2014. However, the number of organizations with this priority has decreased from 40% in 2012 to 33% in 2014. In 2012, the second highest priority was an online grantee portal and that has dropped much further down the list, with only 15% of grantmakers still listing this as a top priority in 2014.

Reporting, along with measuring grant outcomes, is the second highest priority for respondents, with 30% indicating better reporting and 24% indicating measuring outcomes as top priorities. Also closely related, the third highest priority was exporting data, with 28% of respondents indicating this as a priority. Data export is a relatively new priority for grantmakers; less than 5% reported this as a priority in 2012.

Rounding out the top priorities are document/records management and electronic workflow, each with 23%.

Grants Management Process

As foundations continue to implement online grant applications, electronic workflow and document management software, they are slowly transitioning away from a paper-based grants management process towards a grantmaking process that is virtually paperless.



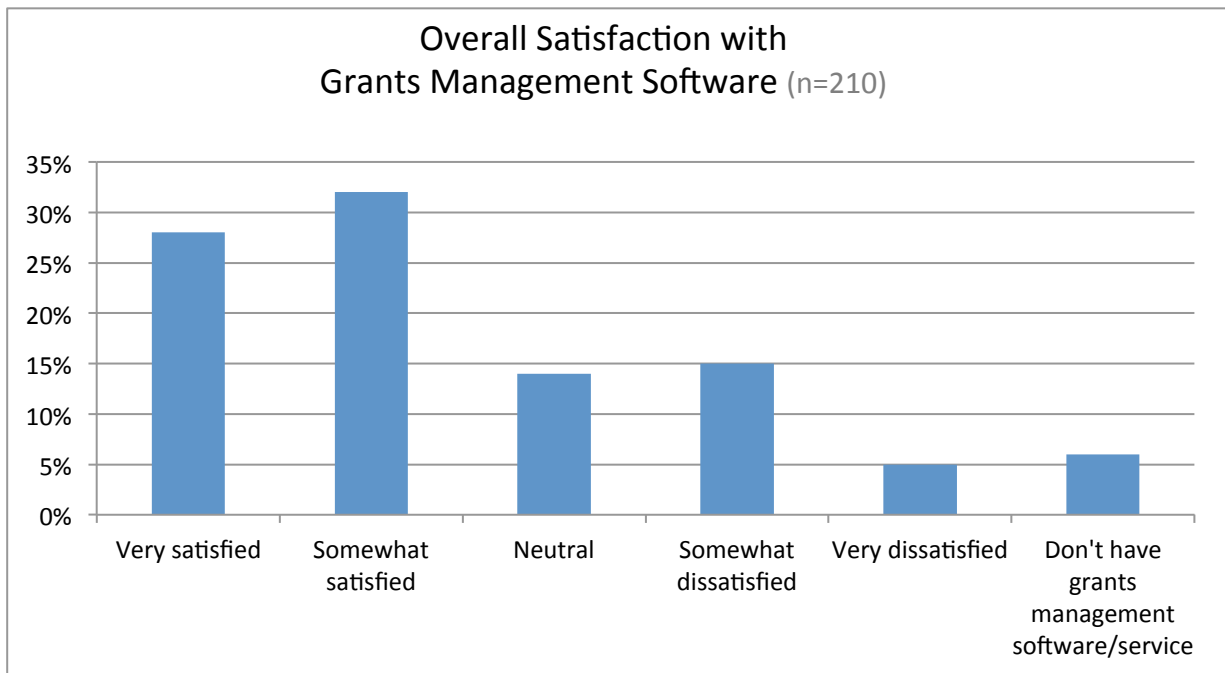
As you can see from the data above, there is very gradual progress being made. The majority of foundations (65%) continue to describe their grants management process as a hybrid between paper and paperless. This is a decrease of 4% since 2012.

20% of foundations reported they have a completely paperless grants process, up 6% since 2012.

Similarly, 15% indicated their entire process is paper-based, down 2% since 2012.

Overall Satisfaction with Grants Management Software/Service

A total of 61% of respondents reported they were either “very satisfied” or “somewhat satisfied” with their grants management software, while only 20% reported they were either “very dissatisfied” or “somewhat dissatisfied” with their grants management software.



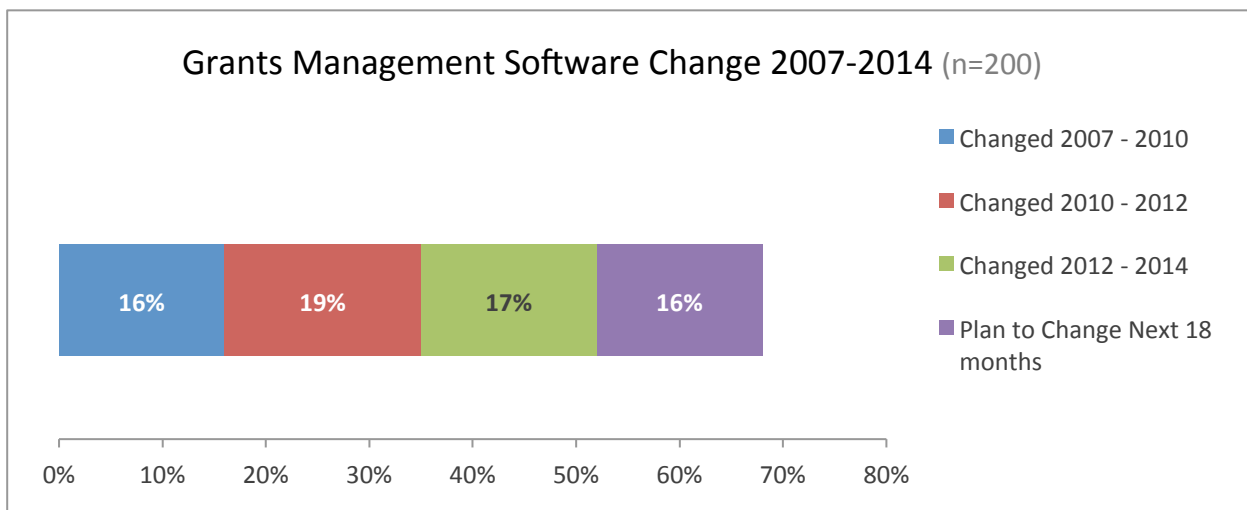
This year, the survey also asked specific follow-up questions to gauge how satisfied grantmakers are with the customer support, implementation and training services they receive from their grants management software/service vendor. In general, customer service from the grants management software vendors received high marks, with the majority of respondents agreeing or strongly agreeing that it was easy to reach someone with a particular problem and that the person reached was able to solve their problem. They also agreed that the question was usually resolved within 24 hours.

With respect to implementation, the responses were slightly less positive but still the majority of respondents agreed or strongly agreed that the software implementation went according to schedule and budget, the vendor representatives were knowledgeable and the system delivered on promises made by the vendor during the sales phase. The only problem identified in the survey responses was the lack of timely resolution on large implementation issues.

Respondents also gave high marks to the grants management software vendors with respect to training. Again, the majority of respondents agreed or strongly agreed that the training provided by vendors was relevant, generally helpful and of a quality that justifies any additional expense.

Has Software Changed?

When combining the responses from the 2010 and 2012 surveys with the results from 2014, just over half of all respondents reported that they had replaced—or had plans to replace—their grantmaking software.



From 2007 to 2010, 16% of foundations reported that they had migrated to new or different grantmaking software. In 2012, 19% of respondents indicated their grantmaking system vendor had changed since 2010. In 2014, 17% of respondents indicated they had replaced grantmaking software since 2012 and another 16% indicated they plan to change their grantmaking software within the next 18 months.

This means more than 50% of foundations will have replaced their grants management software in a five-year time span, and that a total of 68% of foundations will have replaced their grants management software/service between 2007 and 2015.

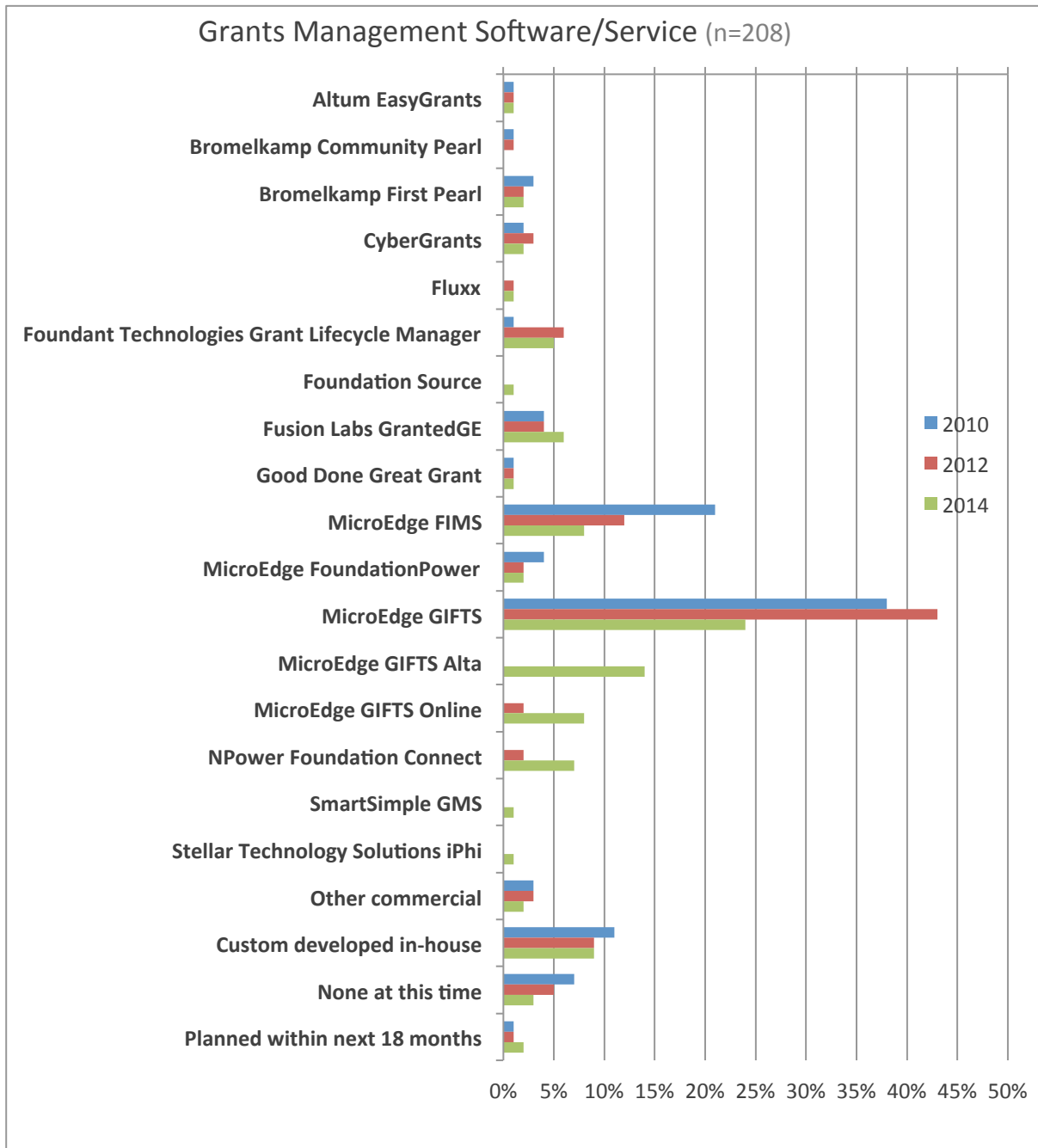
So what software are foundations using in 2014? The following two charts depict the grants management software/service and online grant application software currently in use by survey respondents in 2014.

More than 50% of foundations will have replaced their grants management software in a five-year time span; 68% of foundations will have replaced their grants management software/service between 2007 and 2015.

Grants Management Software/Service

The chart below includes only those grants management software/services that were reported in use in any one of the years 2010, 2012 or 2014. Of course, there are numerous other grants management software/service vendors to consider.

EDITOR'S NOTE: For a comprehensive list of vendors, please refer to *A Consumer's Guide to Grants Management Systems* published in November 2013 and available on the web at www.tagtech.org, www.gmnetwork.org, and www.idealware.org.



Of the survey respondents who have grants management software (including custom developed software), 59% reported they use one of the MicroEdge grants management software products or services. This compares to 63% of the survey respondents in 2012, 69% in 2010 and 70% in 2007.

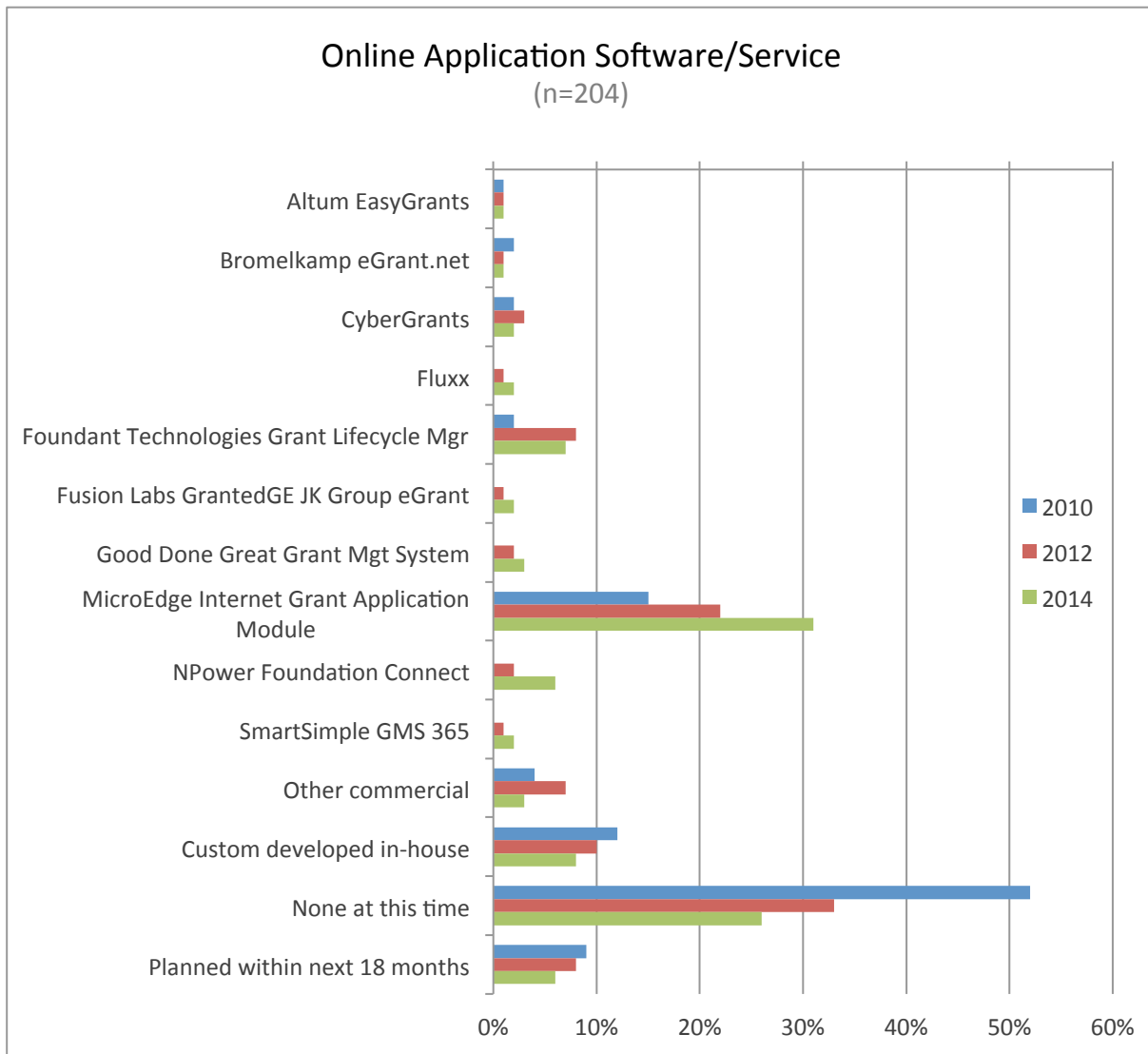
Of the 180 foundations reporting they use commercial grants management software in 2014, 116 (or 64% of respondents) report using a MicroEdge product. This compares to 70% of the survey respondents using commercial grants management software that reported using a MicroEdge product in 2012, 79% in 2010 and 87% in 2007.

A total of 8% of survey respondents using commercial grants management software reported using MicroEdge FIMS in 2014 compared to 12% of respondents in 2012. The percentage of respondents that reported using MicroEdge *GIFTS*, *GIFTS Online* or *GIFTS Alta*—remained steady, with 53% of all respondents using commercial grants management software indicating they use one of the *MicroEdge GIFTS* products. This compares to 53% of respondents using commercial grants management software indicating use of one of the *MicroEdge GIFTS* products in 2012.

New vendors and products continue to emerge and are being adopted slowly by foundations. The most widely used new products reported in the survey include Foundant Technologies *Grant Lifecycle Manager*, Fusion Labs *GE/Spectrum* and roundCorner *FoundationConnect* (formerly owned by NPower).

The percentage of respondents that reported using MicroEdge GIFTS, GIFTS Online or GIFTS Alta—remained steady, with 53% of all respondents using commercial grants management software indicating they use one of the MicroEdge GIFTS products.

Online Grant Application Software



The chart above shows only the online application software/services that were reported as in use in any one of the years 2010, 2012 or 2014. As with grants management software and service, there are myriad other online grant application software and service vendors to consider.

More than two-thirds of survey respondents (68%) reported they have an online grant application, up from 59% of respondents reporting they had such an online grant application in 2012.

There were 204 responses submitted, with 115 respondents reporting use of commercial products. Of the commercial products reported, the most popular include MicroEdge *IGAM* used by 55% of survey respondents, Foundant *Grant Lifecycle Manager* used by 12% of respondents and Npower (now roundCorner) *Foundation Connect* used by 11% of respondents. Compared to 2012, the use of these products by survey respondents changed as follows: MicroEdge *IGAM* increased by 11%, Foundant *Grant Lifecycle Manager* decreased by 5% and Npower (now roundCorner) *Foundation Connect* increased by 7%.

For both grants management software and online applications, there continues to be a high percentage of large foundations reporting that they have built custom software applications because commercial products don't meet their foundation's specific needs. For online grant application software/services, the percentage decreased from 12% in 2010 to 10% in 2012 and then to 8% in 2014—but this is still significant when compared to the spread of market share across the many commercial products included by respondents.

BUSINESS INTELLIGENCE

Overview

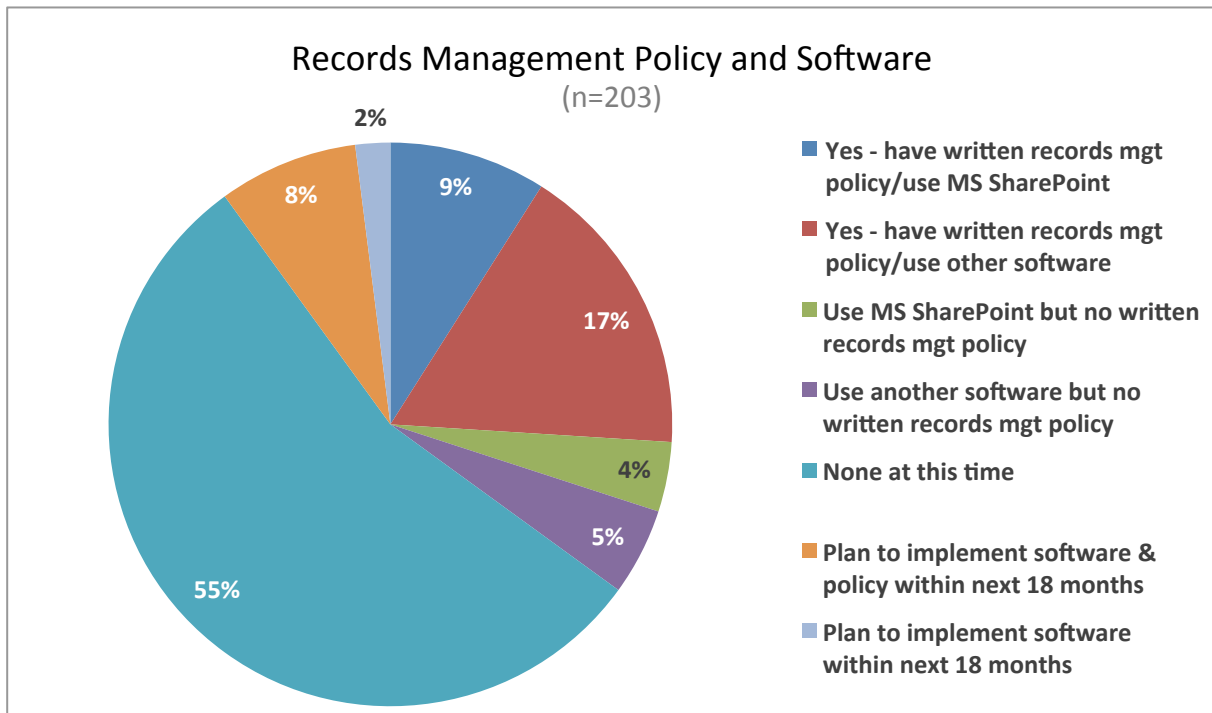
In 2012, the use of dashboards and score cards for tracking grantee outcomes and operational performance was identified as an emerging trend for foundations. In 2014, data and business intelligence is a major concern as many foundations try to determine what data they have, how long to keep it, how to interpret it and how to share it (both internally and externally).

Foundations are also using online information services to share data between systems and to access data from trusted sources.

This section looks at whether or not foundations have records management policies and software in place, how they are using dashboards to present information, and what data and information sources foundations are using to generate these dashboards.

Records Management Policy and Software

The majority of foundations (55%) reported that they have neither a written policy nor relevant software in place for records management.

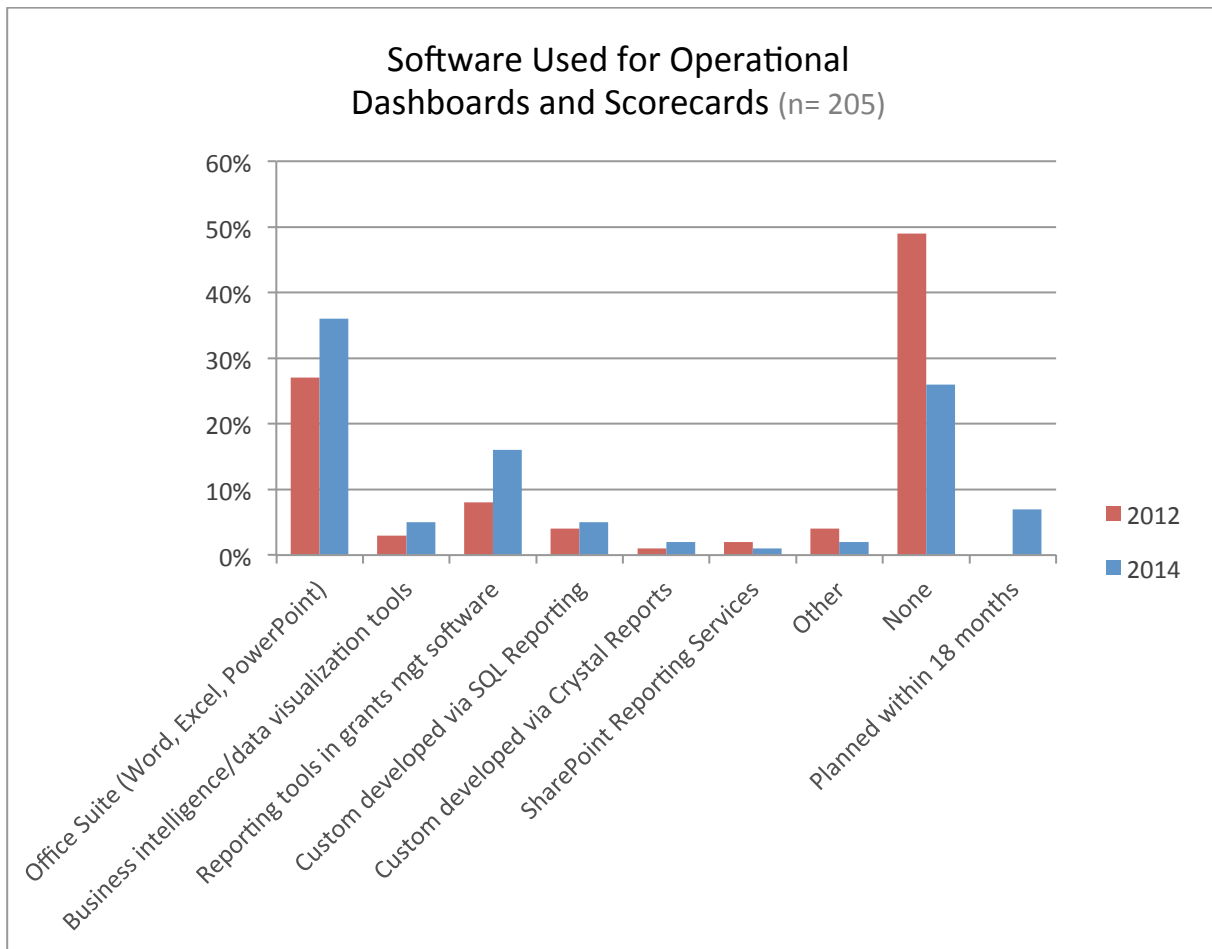


Only 26% of foundations reported having a published records-management policy and records management software. An additional 9% reported that although they have records management software, they do not have a corresponding published policy.

Software Used for Operational Dashboards

There is a large increase reported since 2012 in the use of operational dashboards and scorecards, and a small decrease in the use of programmatic dashboards.

The use of operational dashboards increased from 16% in 2012 to 67% in 2014, while the use of programmatic dashboards decreased from 57% in 2012 to 53% in 2014.



Most foundations are using simple tools such as Microsoft's *Office* suite to generate their dashboards, but some respondents are using sophisticated data visualization and reporting tools, including some that have been custom developed.

Overall, more than two-thirds of respondents (67%) indicate they have an operational dashboard or scorecard, while another 7% plan to implement one within the next 18 months. In 2012, only 51% of respondents reported having an operational dashboard or scorecard.

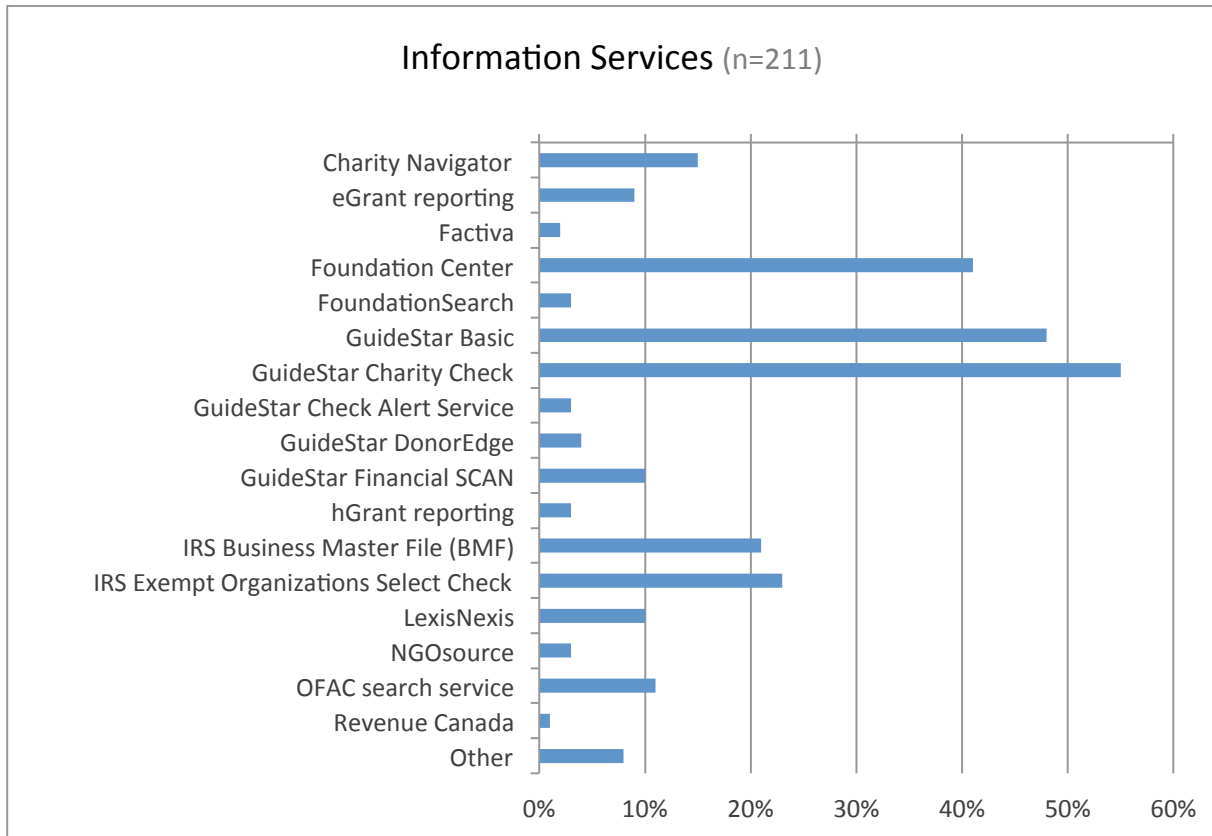
In 2014 more than half of respondents (51%) indicated they have a programmatic dashboard or scorecard, with another 10% planning to implement one within the next 18 months. In 2012, there were 57% of respondents that reported having a programmatic dashboard or score card.

It appears that most foundations use the same tool for tracking both operational and programmatic data and grantee outcomes. The primary tool being used for this is Microsoft's *Office* suite, with 54% of those with dashboards/scorecards reporting they use Microsoft Office. The next most common way dashboards/scorecards are generated is via native functionality in the foundation's grants management system. Other tools reported in use to create dashboards and scorecards include business intelligence and data visualization tools, custom output using *SQL Reporting* or *Crystal Reports* and *SharePoint Reporting Services*.

The 2014 survey also asked a question about what business intelligence and analytics platform products the foundation uses or plans to use. Of the respondents, 57% indicated their foundation had no plans to use business intelligence or analytics software. Within the 42% of respondents that indicated they use a business intelligence and analytics platform, 43% reported they use Microsoft. The other most popular products being used included *Tableau* (21%), *SAP* (8%) and *GivingData* (7%).

Information Services

The majority of survey respondents are using at least one information service.



Foundations are using these primarily to ensure the organizations they are funding have appropriate tax status. As you can see from the data above, the most popular information services are GuideStar Basic and GuideStar Charity Check, followed closely by the Foundation Center.

SOCIAL MEDIA AND SOCIAL NETWORKING

Overview

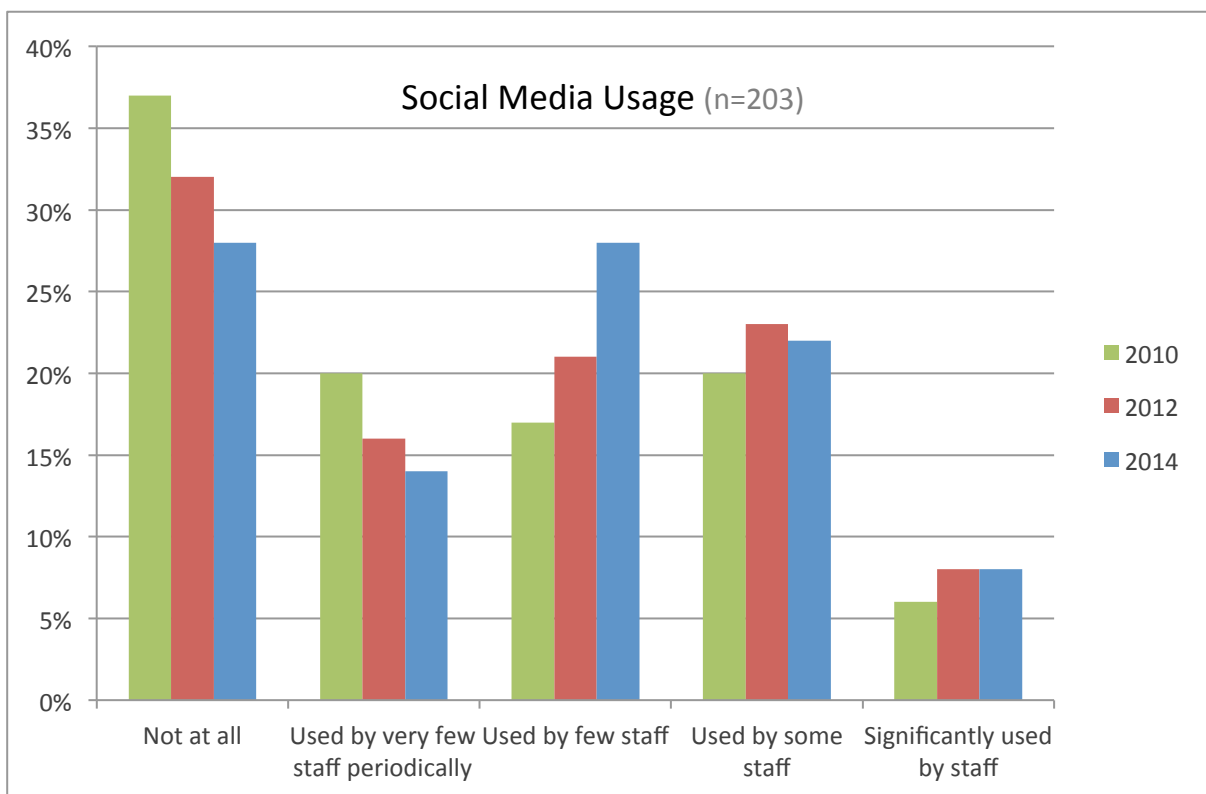
Social media tools are currently not widely used by foundation staff, with only 8% of respondents indicating they are used significantly by staff. There was much discussion about social media and social networking in 2010, but since then most foundations appear to dabble in social media only to a limited extent.

The data indicates a slight increase in the use of social media tools, and about half of foundations include major social media sites like *Facebook* in their digital communications strategy.

The ubiquity of social media usage in today's society, particularly among younger generations, begs the question of who foundations view as their target audiences as well as the question of whether or not those audiences are being reached through traditional communication channels. As younger generations age, foundations will need to step up their usage of social media in order to reach them.

Social Media/Social Networking Usage

Social media continues to be a challenge for many foundations, with 28% of respondents indicating they don't use social media at all.

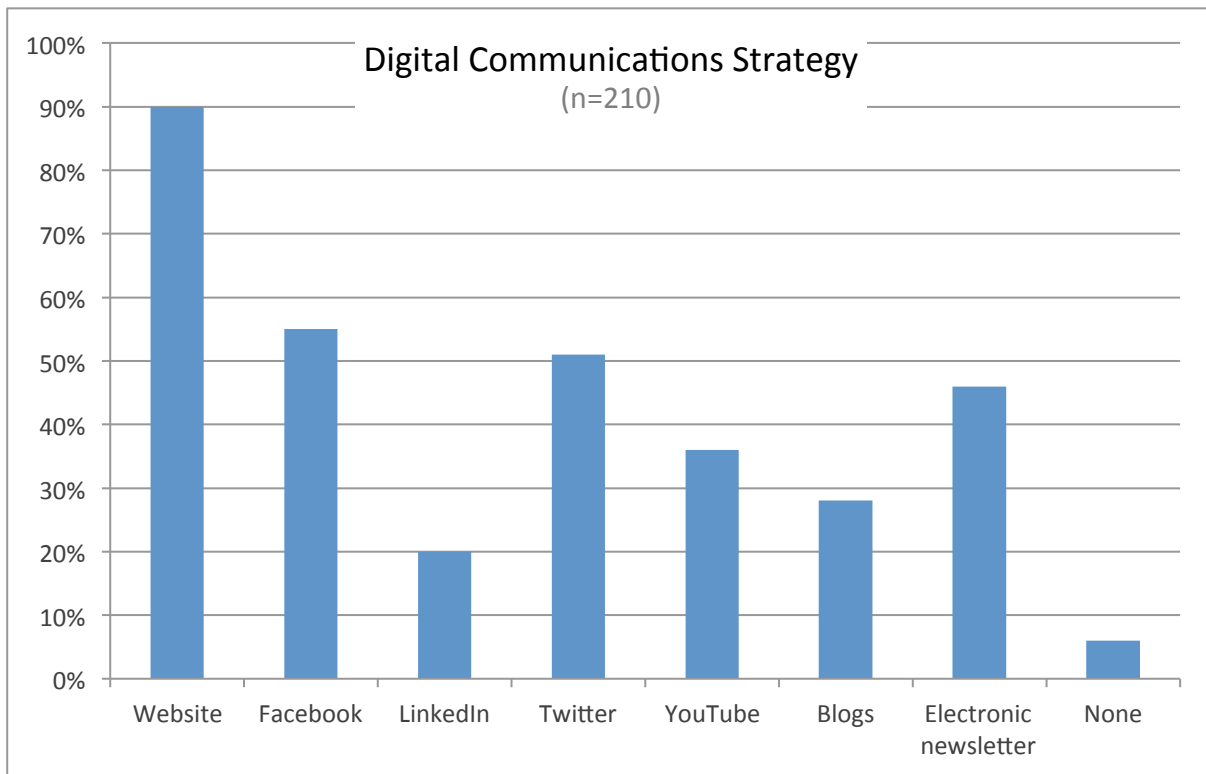


This compares to 2012 when 32% reported no use of social media at all. Only 8% of foundations reported social media is used significantly by their staff, and this number is unchanged since 2012. The remaining respondents indicate some or few of their staff use social media.

The three main reasons foundations cited as obstacles in the use of social media include concerns about its appropriateness for foundation communications, lack of interest, and staff time constraints. Other reasons included resistance from management, concerns about lack of control and concerns about security. These reasons are consistent with those expressed in 2010 and 2012.

Primary Components of Digital Communications Strategy

When asked about the individual components of the foundation's digital communications strategy, responses indicate a wide gap between the number of foundations with an organizational web site and the number using social media.



As shown in the data above, 90% of respondents confirmed that a web site is part of their digital communications strategy, while only 55% reported use of *Facebook* and only 51% indicated using *Twitter*. The use of other popular social media sites, such as *YouTube* and *LinkedIn*, were cited by about one-third and one-fifth of respondents respectively.

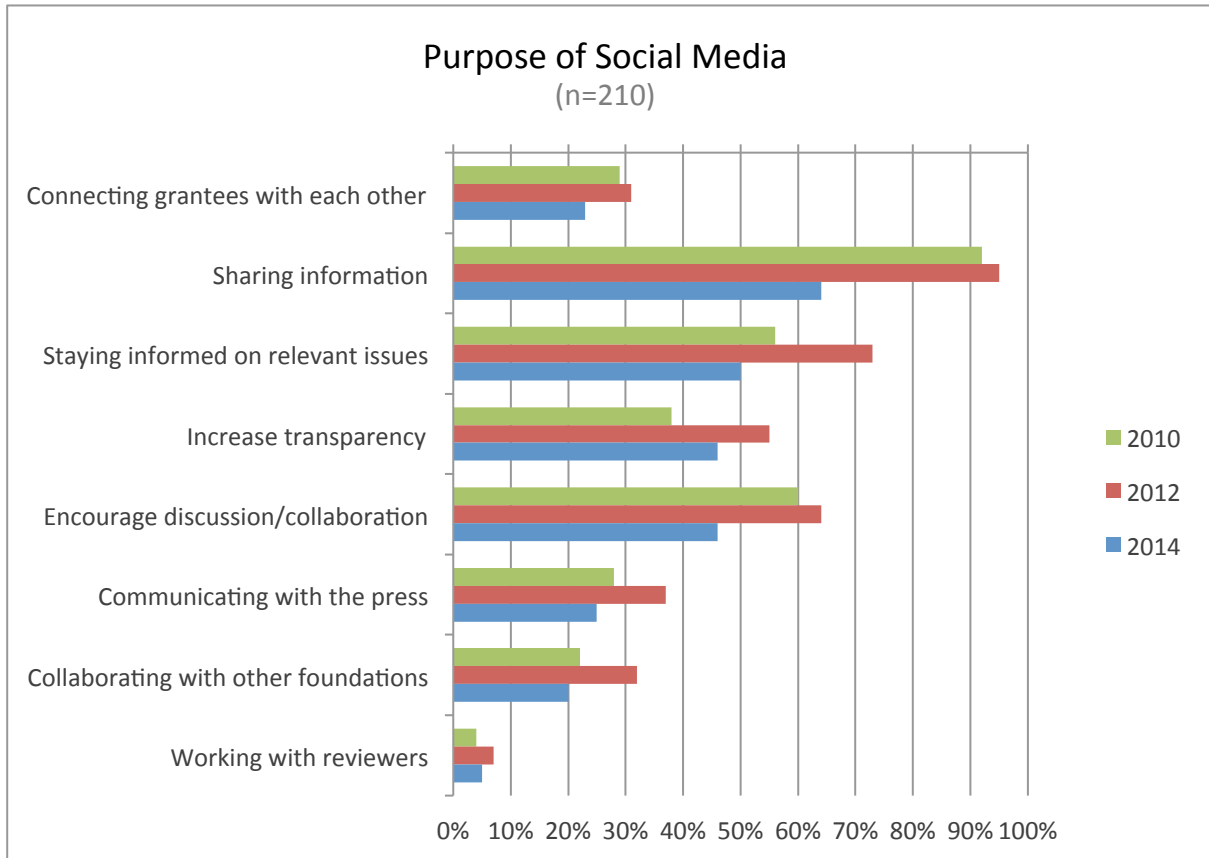
It is surprising that less than half of respondents (46%) reported publishing an electronic newsletter, and only 28% reported the organizational use of blogs.

In a separate question about blogging, the data indicated a higher usage of blogging, with 17% reporting foundation staff posts to other organizations' blogs, 28% reporting foundation staff posts to its own blog (on its web site) and 17% reporting that foundation staff posts to an organizational blog that is maintained separately from the foundation's web site.

Foundations' use of social media sites continues to mirror the usage of the general public in terms of which sites are favored. *Facebook* is the most common site used, followed by *Twitter*, *YouTube* and *LinkedIn*. Other sites beginning to see use by foundations include *Google+* and *Flickr* as well as *Instagram*, *Pinterest*, *Tumblr* and *Yammer*.

Purpose of Social Media

The main reasons driving foundation use of social media continue to be sharing information, staying informed on relevant issues and encouraging discussion and/or collaboration.



Most foundations are not currently using social media to connect grantees with each other, to increase transparency, to communicate with the press, collaborate with other foundations, or to work with reviewers.

05

Infrastructure

- Overview
- Cloud Computing
- Consumerization and Mobile Computing
- Security

Infrastructure

OVERVIEW

This Infrastructure section covers three distinct but related areas. First we look at cloud computing and the impact it has had on the foundation's computing environment and network infrastructure. Then we consider the impact the proliferation of mobile devices has had on the foundation and lastly we discuss security.

CLOUD COMPUTING

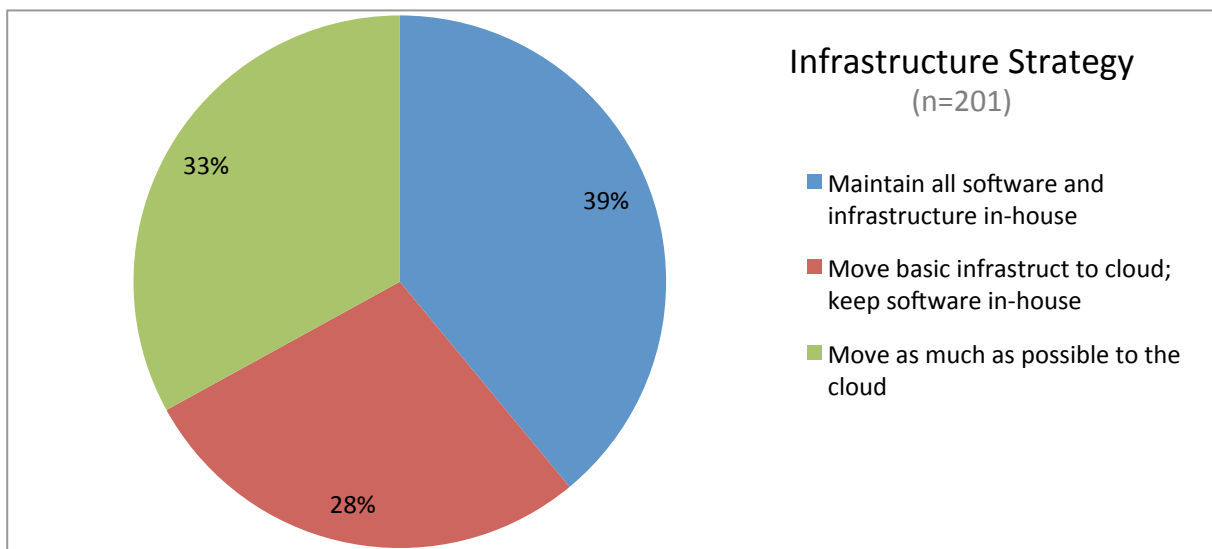
Overview

Cloud computing was again cited as one of the top five issues foundations feel unprepared to face. Based on the data, 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 have access to software anywhere at any time is appealing and cost-effective for a foundation's infrastructure and technical support.

This section looks at foundation's infrastructure strategy, use of the cloud and its impact on the foundation's infrastructure, including the rate of server replacement and the increased Internet bandwidth required to support cloud-based applications.

Infrastructure Strategy

Foundations are moving to the cloud, and infrastructure is rapidly moving off-site.



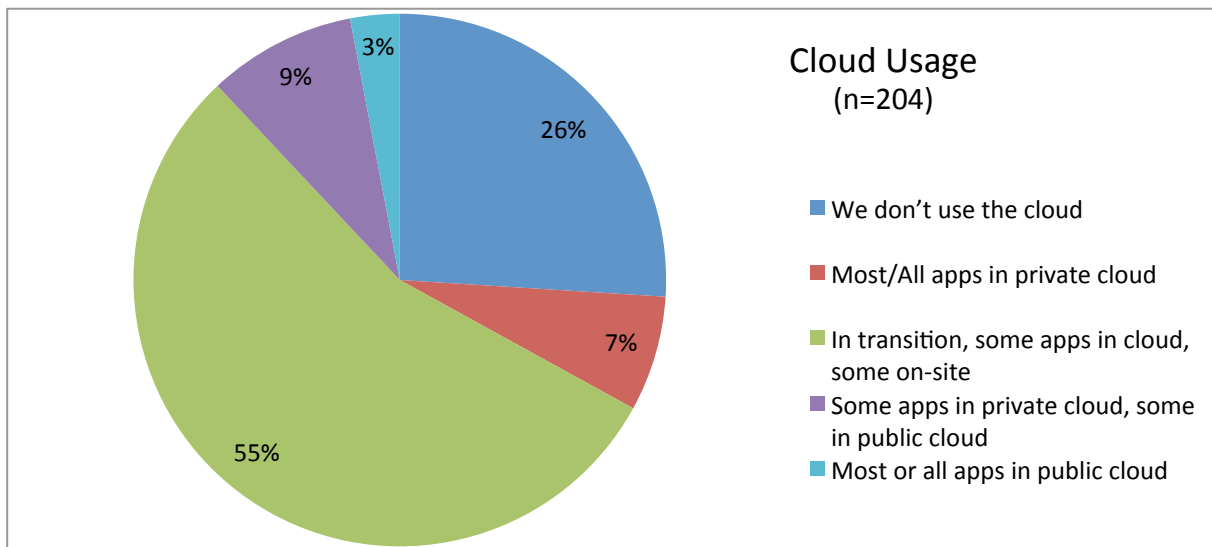
One third of respondents (33%) indicated they are moving as much as possible to the cloud while another 28% reported they were moving basic infrastructure to the cloud and keeping software in-house.

This compares in 2012 to only 18% of respondents that described their infrastructure environment as including servers off-site, while 82% described their network infrastructure environment as having servers (physical or virtual) on-site.

As they move software to the cloud, there is less reason to have physical servers on-site so this trend makes good sense for foundations.

Cloud Usage

Nearly three-quarters of survey respondents (74%) reported they currently use cloud-based software. A total of 19% of respondents indicated all of their software was in the cloud but the majority of respondents (55%) reported mixed use of cloud-based and on-site applications.



The most common use cases for the cloud include off-premise storage (e.g., *Dropbox*, *Box*, *Google Drive* and *Amazon S3*) as well as software-as-a-service (SaaS) such as *Salesforce*, *ZenDesk* and *Office 365*. Less common uses include infrastructure-as-a-service (IaaS) from providers like *Rackspace*, *AT&T*, *FireHost*, *IBM* and *HP VMware*, and platform-as-a-service (PaaS) offerings like *Azure*, *NetSuite*, *NationBuilder*, *Amazon Web Services* and *Google App Engine*.

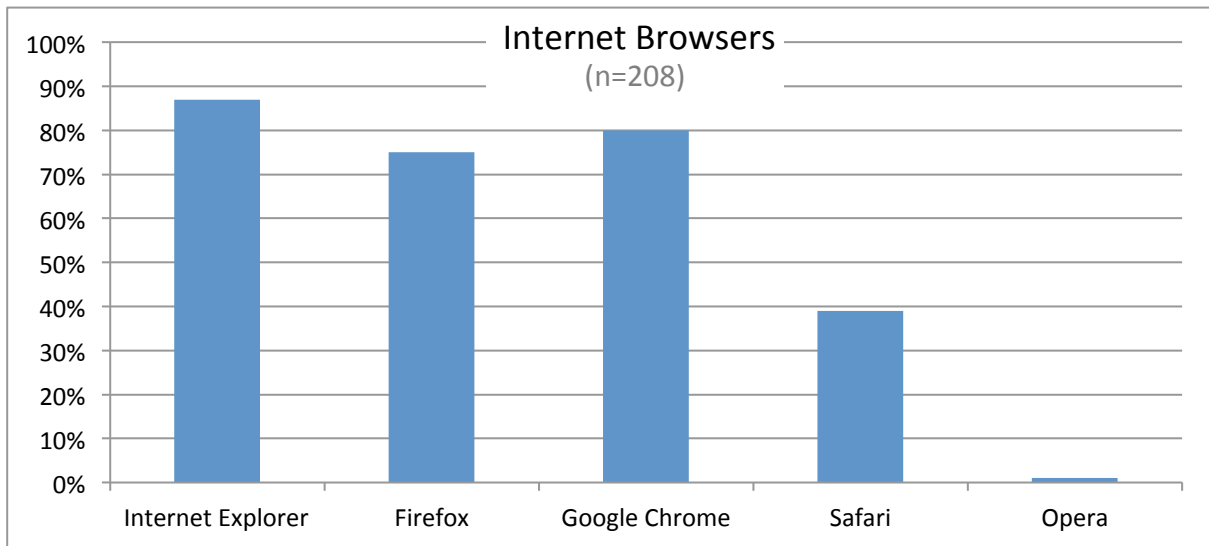
In 2012, the survey asked which types of cloud-based software were then in use. In 2014, this question was eliminated and the relevant cloud-based software products were integrated as possible options for each individual software category.

EDITOR'S NOTE: To see specific cloud-based software products in use in 2014, please refer to the data for each software category.

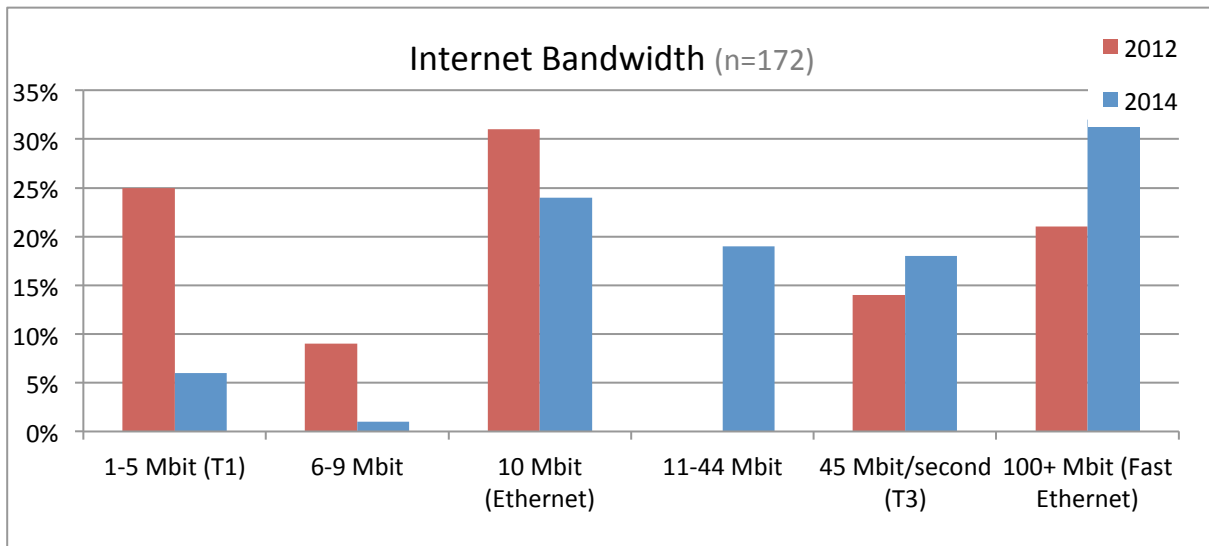
When asked which office application suite(s) are currently in regular use at the foundation, 23% of respondents reported Microsoft *Office 365* and 17% reported *Google Applications*. Foundations use of cloud-based file sharing services includes *Dropbox* (48%), *SharePoint* (30%) and *Google Drive* (20%).

Internet Access and Bandwidth

Responding foundations indicated that they currently support multiple browsers for staff.



The data depicted above reveals that *Internet Explorer* no longer stands alone as the browser standard—foundations are reporting support of *Firefox* and *Google Chrome* almost as frequently as *Internet Explorer*.



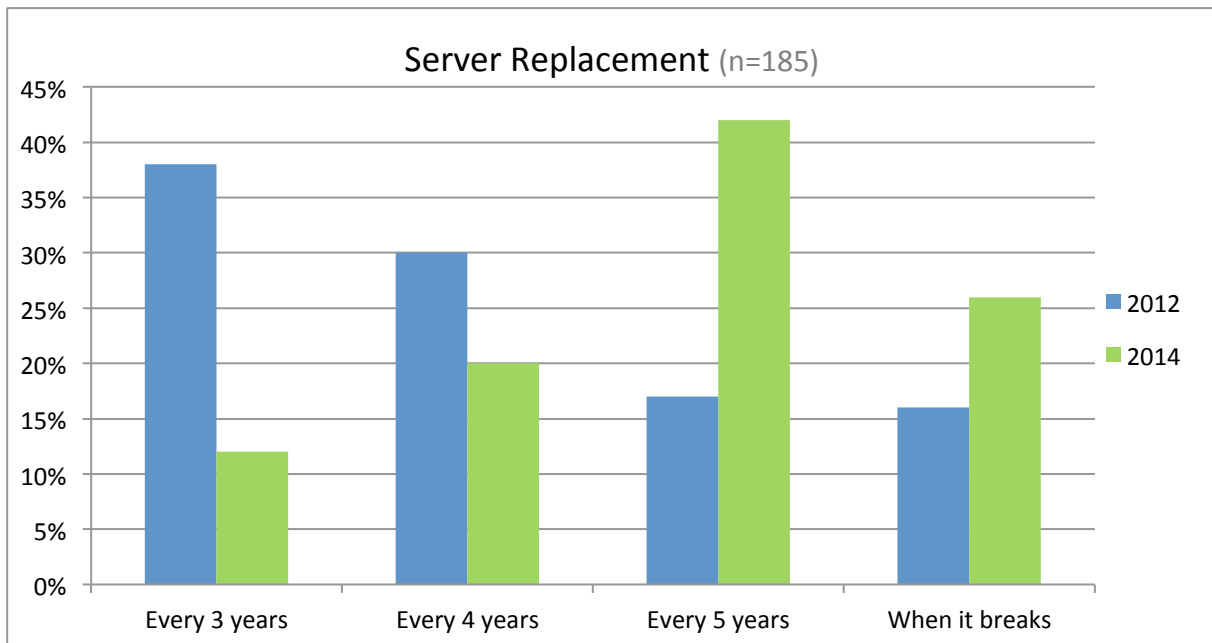
Not surprising given the increase in adoption of cloud-based solutions, foundations are using more Internet bandwidth in 2014 than in 2012. The use of faster bandwidths increased while the use of slower bandwidth’s decreased, with the most common speed reported (32%) being 100+Mbit.

The survey also asked foundations whether they had to increase their Internet bandwidth due to the use of cloud services. A total of 31% of respondents indicated “yes,” 49% indicated “no” and 20% reported no use of cloud services. This compares to 2012 when 18% of respondents indicated “yes,” 42% indicated “no” and 42% reported no use of cloud services.

When asked if they had redundant backup for the foundation's Internet connection, 49% indicated they had redundant backup today with another 7% planning to implement it within the next 18 months.

Server Replacements

Finally, with respect to infrastructure, the move to the cloud seems to be having a positive impact on the rate at which foundations need to replace their servers.



The data indicates foundations are keeping servers longer. In previous years, it was common for foundations to report keeping a server for not more than four years (and sometimes only three years) before replacement; in 2014, 42% of foundations reported they are keeping servers for five years while 26% reported keeping servers until they break beyond repair.

CONSUMERIZATION AND MOBILE COMPUTING

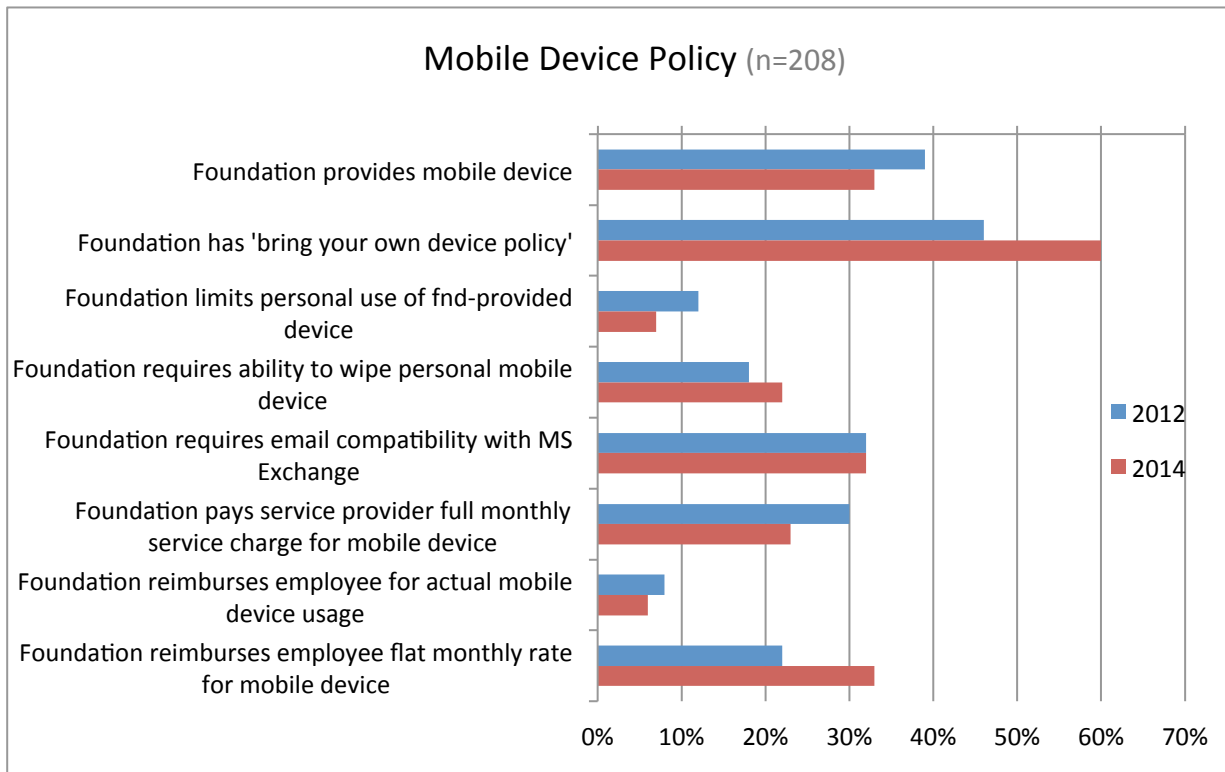
Overview

Mobile computing was once again one of the top five challenges reported by foundations. Deciding whether or not to provide devices to staff, defining which devices to allow and/or determining how to reimburse staff for ongoing usage of a personal device all present continuing challenges. This is further complicated by the fact that many foundations have adopted bring-your-own-device (BYOD) policies, which means there are more devices than ever for IT staff to support, and by the fact that tablets are increasing in popularity, further complicating mobile device policies and confusing related best practices.

This section examines mobile computing policies, including which devices are supported and which devices are provisioned by the foundation. We also look at tablet software and the use of iPads in the board room.

Mobile Device Policy

The majority of respondents (60%) reported that they currently have a bring-your-own-device (BYOD) policy in place. In 2012, only 46% reported having a BYOD policy.



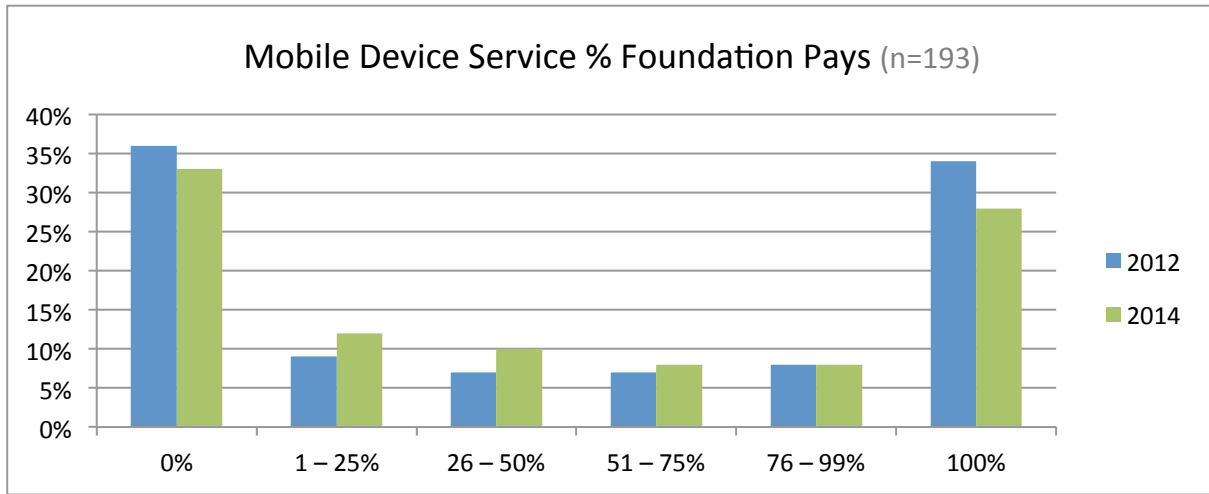
One-third of respondents (33%) reported their foundation still provides a mobile device to staff.

For foundations that have staff bring their own personal device, 32% of respondents (or 53% of those with a BYOD policy in place) require that the device be compatible with Microsoft *Exchange* and 22% (or 36% of those with a BYOD policy in place) require the ability to “wipe” the mobile device if it is lost, removing all organizational and personal data.

With respect to reimbursing staff for usage costs on a personal device, the trend is to pay a flat monthly rate. Since 2012, more foundations are reimbursing mobile device costs based on a flat monthly rate and fewer foundations are reimbursing costs based on actual mobile device charges.

Less than one-quarter of foundations (23%) reimburses staff for the full monthly service charge on a personal mobile device, which is down 7% since 2012. One-third of foundations (33%) reported reimbursing with a flat monthly rate, up 8% since 2012.

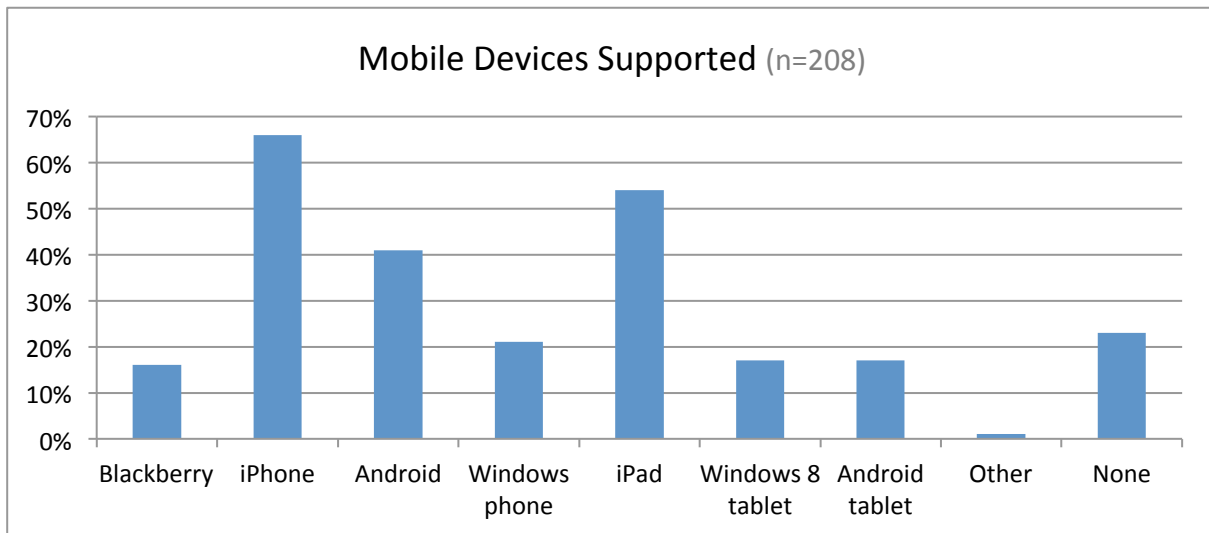
Percentage of Foundation Reimbursement for Mobile Devices



When asked what percentage of the ongoing service the foundation pays for, the responses continue to vary greatly from 33% who indicated none to 28% who indicated they pay the complete cost of the device and its usage.

Mobile Devices Supported

Gone are the days when the IT department could constrain choice with respect to mobile devices for staff. That simpler time has passed when staff all used the same devices and this has forced IT staff to become more broadly conversant with the variety of devices and software available to the consumer outside of the foundation. The increase in BYOD policies and the proliferation of consumer products has led to increased mobile use, greater variety in devices and a much more complicated landscape for foundation IT staff to support.

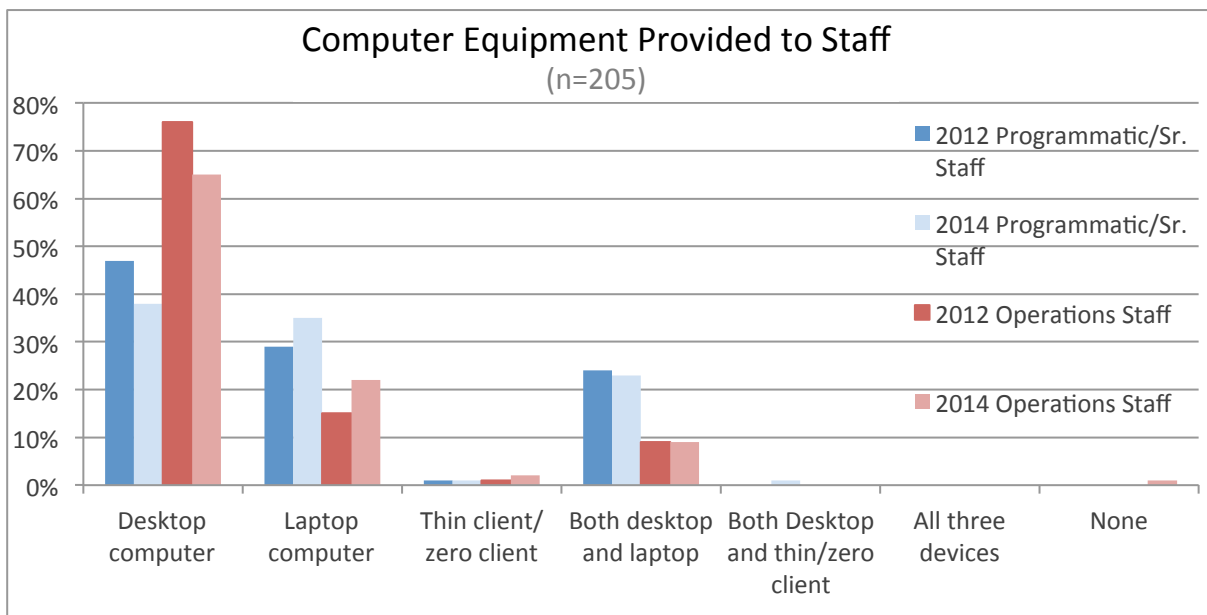
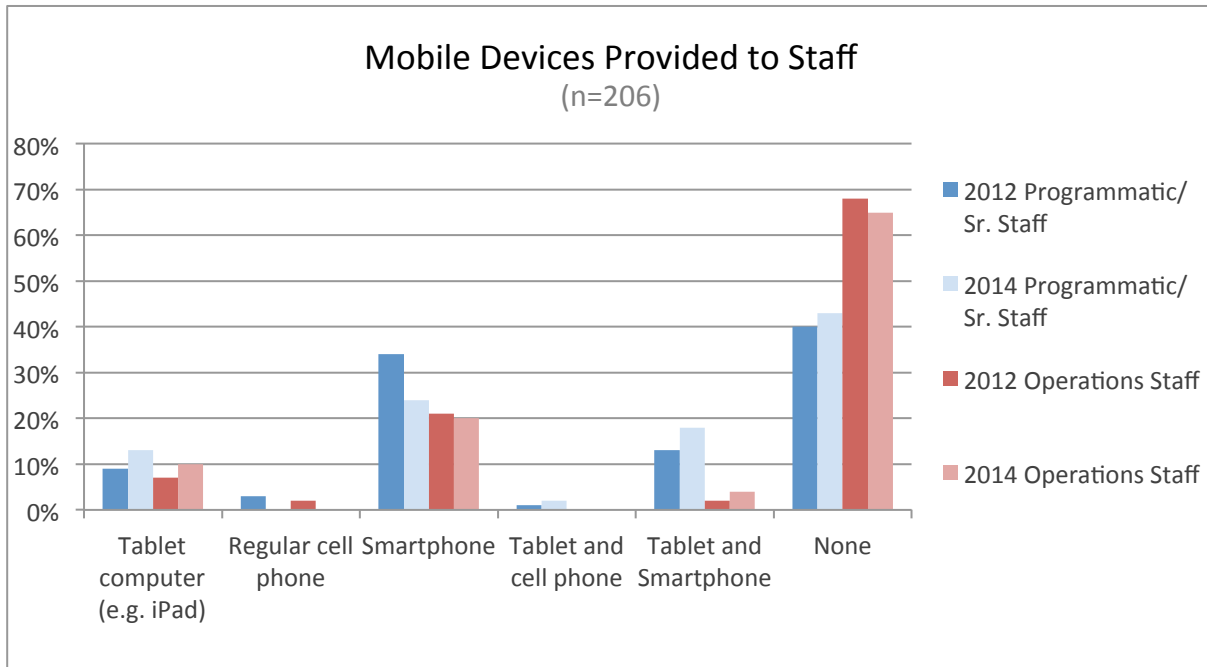


As you can see from the data above, the iPhone and iPad are the most popular devices supported in 2014, followed by the Android, Windows phone, Windows tablet and Android tablet. The Blackberry is now the least popular device supported. While the survey did not specifically ask about specific

models for each product, the downside to any BYOD policy is that it leads to greater variety of mobile equipment and software in use by staff and sets an implicit expectation that any personal device can and will be supported for foundation business.

Devices Provided to Staff

Program staff and senior staff are more likely to receive a mobile device than operations staff. They are also more likely to receive a laptop computer than operations staff. Operations staff is more likely than program staff and senior staff to be provisioned with a desktop computer.



More than half of respondents (57%) indicated they provide a tablet, smartphone or both to program staff and senior executives, compared to only one-third of respondents (34%) that reported providing a tablet, smartphone or both to operations staff. Similarly, 65% of respondents reported they provide a desktop computer to operations staff, compared to 38% of respondents who reported they provide a desktop computer to program and senior staff. An additional 35% of respondents reported they provide laptops to program and senior staff. Only 22% of operations staff is provided with laptops.

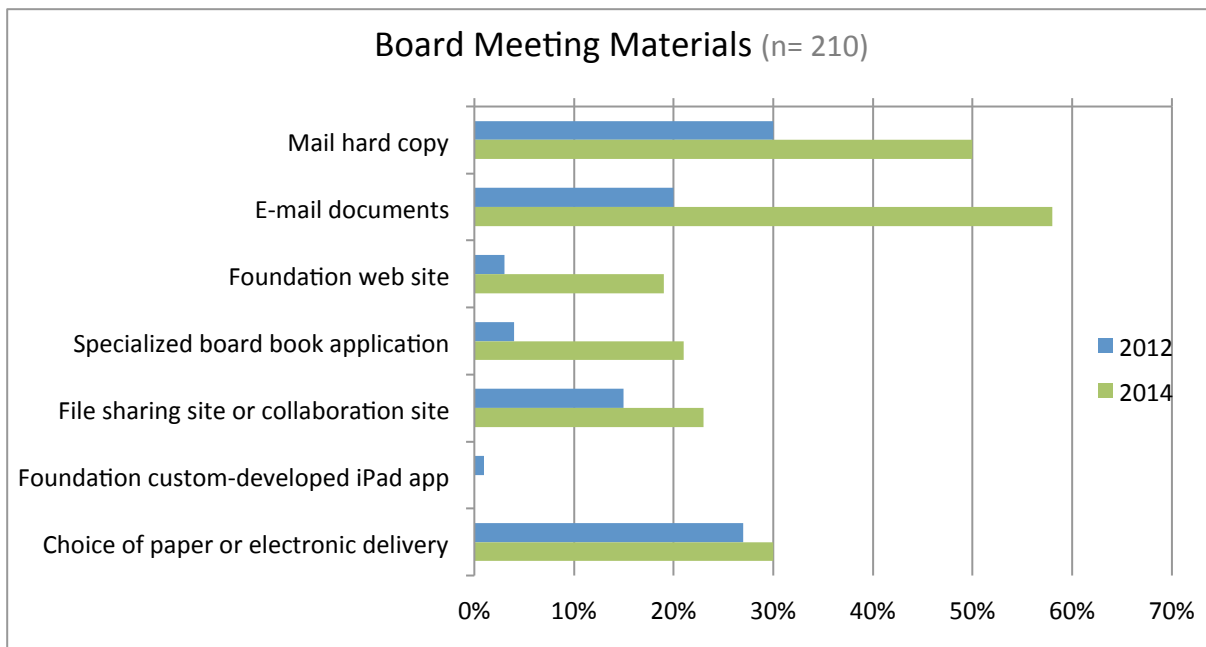
These practices are not surprising, since staff that travel in the course of their work have greater need for mobile devices than staff who work primarily in an office.

Compared to 2012, the percentage of respondents reporting they provide a tablet or tablet and smartphone to program staff increased slightly, while the percentage who reported they provide only a smartphone decreased by 10%. Similarly, the percentage of respondents reporting they provide a tablet or tablet and smartphone to operations staff barely increased while the percentage reporting they provide a smartphone only decreased by 1%.

Compared to 2012, the percentage of respondents reporting they provide a desktop computer to both programmatic and operational staff decreased by 9% and the percentage reporting they provide a laptop or desktop/laptop combination increased.

Board Meeting Materials

In 2012 we reported foundations were quickly moving towards the electronic creation and virtual distribution of board books, streamlining the board book production process, saving time, paper and delivery costs. In 2014, the 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.



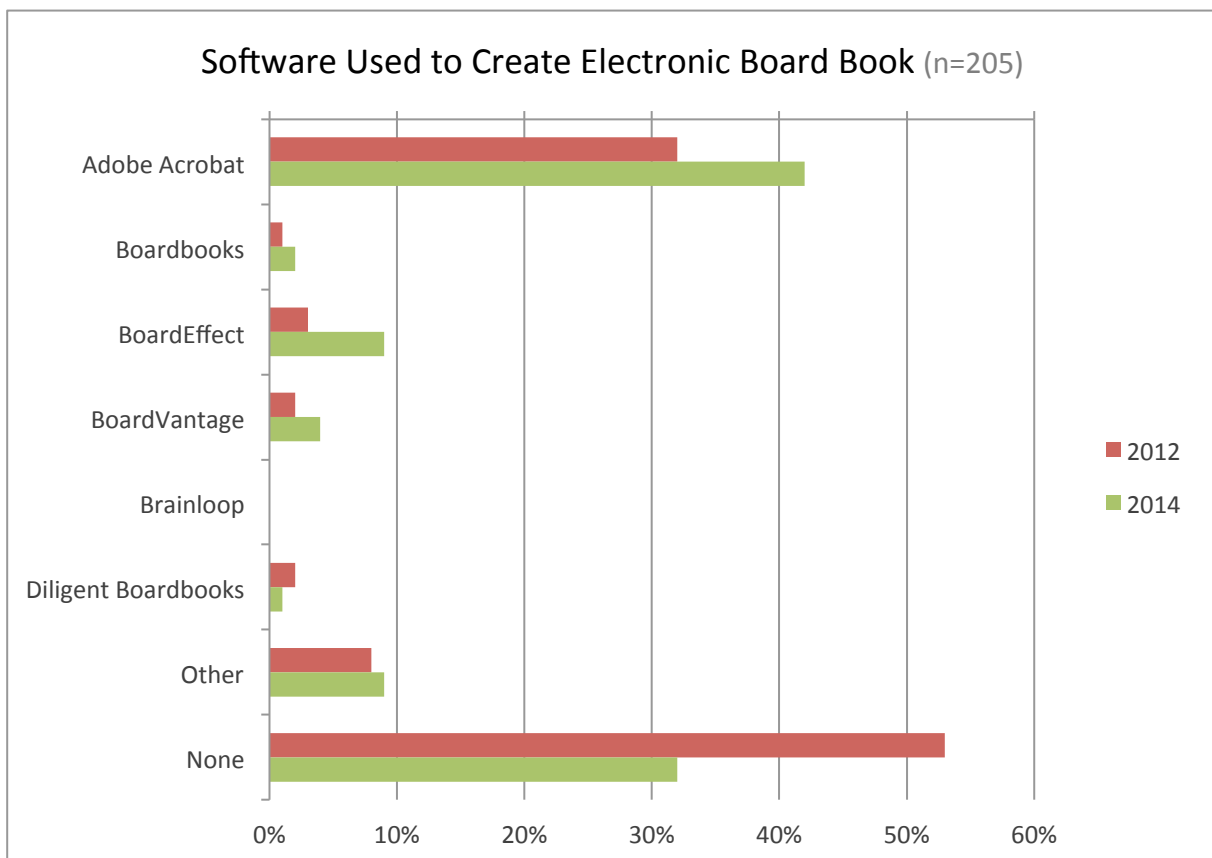
The 2014 data shows an increase in use across all categories of electronic communications, but also indicates an increase in the number of foundations that report they “mail hard copy,” which number increased from 30% of respondents in 2012 to 50% of respondents in 2014. The largest categorical increase was in the number of respondents reporting that they email their board book, with the percentage increasing from 20% in 2012 to 58% in 2014.

Just under one-third of respondents (30%) reported allowing individual board members to choose whether they receive board materials electronically or have them delivered in hard copy.

More than two-thirds (68%) of foundations reported they create an electronic board book.

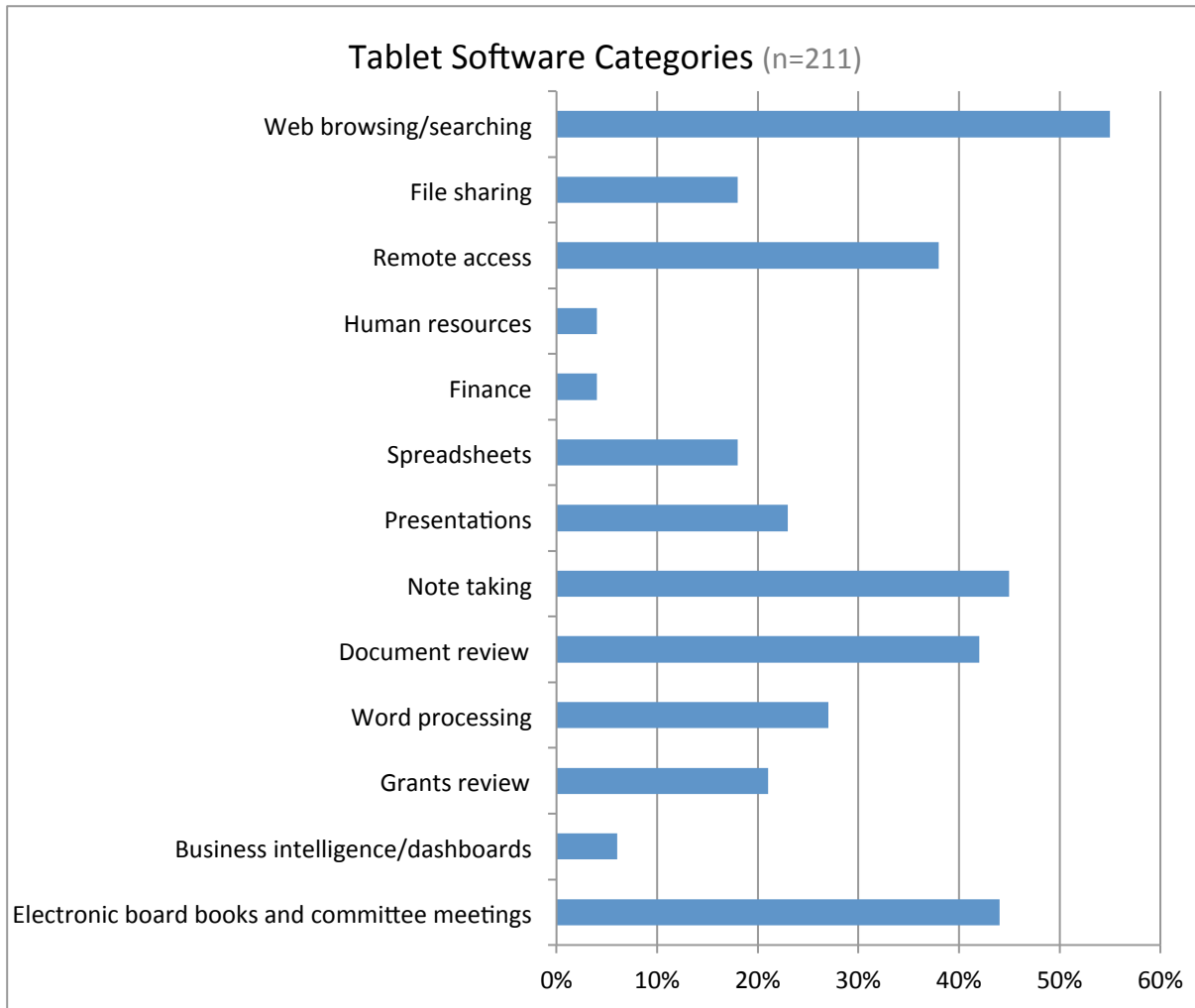
Software Used to Create Electronic Board Books

The advent of electronic board books continues to transform the related production process, with 68% of foundations reporting they now produce their board book electronically. This compares to 47% of respondents who reported producing an electronic board book in 2012.



Consistent with 2012, the most common tool respondents reported using to create an electronic board book is Adobe *Acrobat*, with 42% of respondents reporting this as their current format. Other tools used include *Boardbooks* (2%), *BoardEffect* (9%), *BoardVantage* (4%) and *Diligent Boardbooks* (1%).

Tablet Software



Foundations are using tablets more to consume information rather than to produce it.

The most common use of tablets is for browsing the Web, with more than half of respondents (55%) indicating they use a tablet to access the Internet. Other common uses include taking notes (45%), perusing electronic board materials (44%) and reviewing documents (42%). Enterprise software applications used for human resource management, financial transactions and business intelligence were reported as the least commonly used on tablets.


SECURITY

Overview

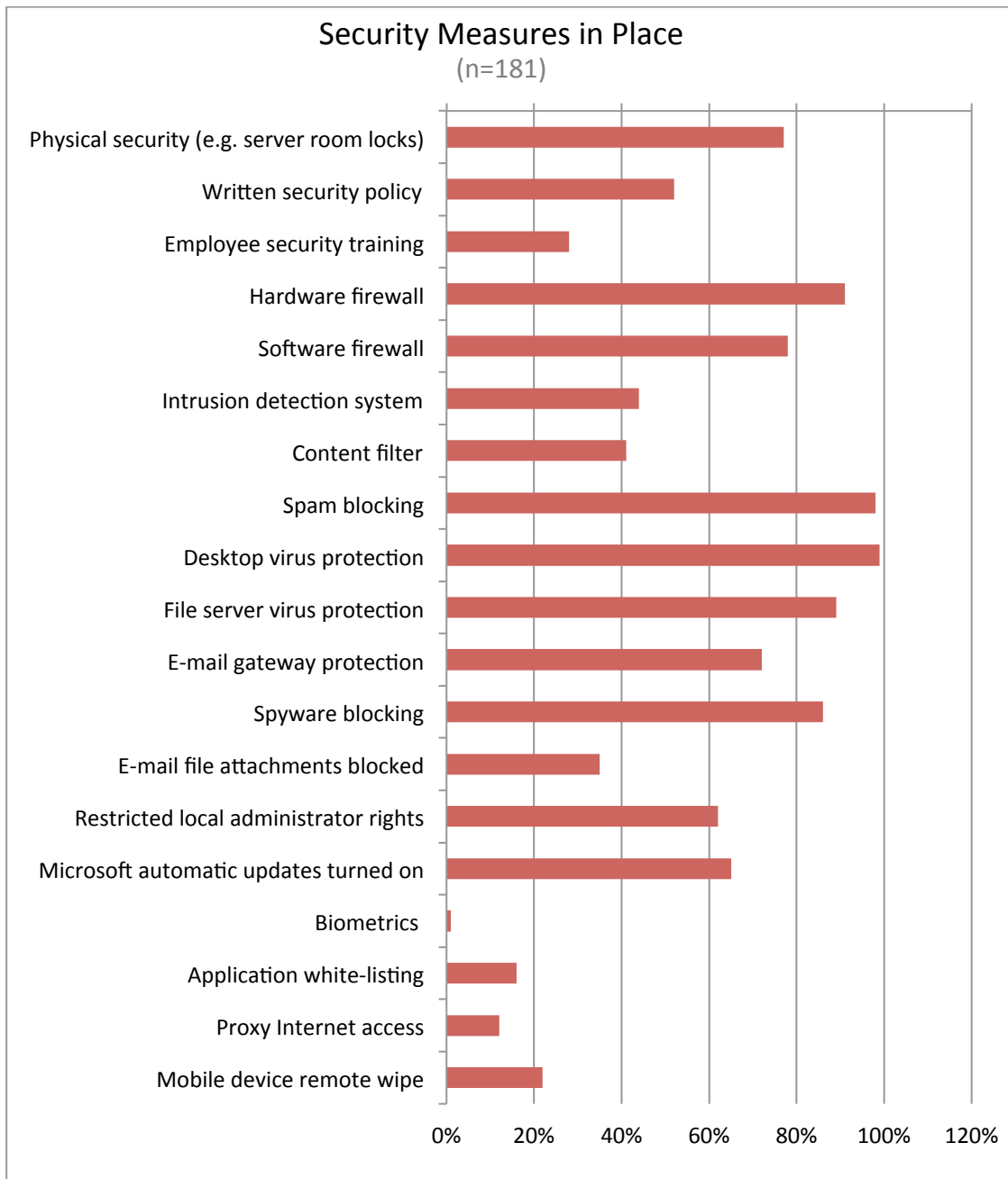
Security was cited as the number two challenge grantmakers feel unprepared to address. While the use of software in the cloud has shifted some of the responsibility for data security from foundations to the cloud service providers, the proliferation of mobile devices and easy-to-install applications has heightened security concerns. Foundations need to remain vigilant of the ongoing threat of viruses, spyware and spam, as well as the increase in number of advanced persistent threats. The complexity of security challenges are particularly difficult for foundations to manage, primarily due to limited in-house technical expertise.

Security Measures in Place

In this section, we look at general security measures foundations currently have in place, wireless network security and mobile security.



Foundations reported security as a major concern—and appear to have fewer security measures in place than they did in 2012.



As you can see from the data above, the majority of foundations have implemented core components to ensure security, with more than 85% of foundations reporting that they have implemented a hardware firewall, spam and spyware blocking, and desktop and server virus protection. In addition, 78% of foundations indicated that they have at least a software firewall, while 77% of respondents indicated they have physical security measures in place. More than half of respondents also indicated they have a published security policy (52%), restricted local administrator rights (62%) and have enabled Microsoft automatic updates (65%).

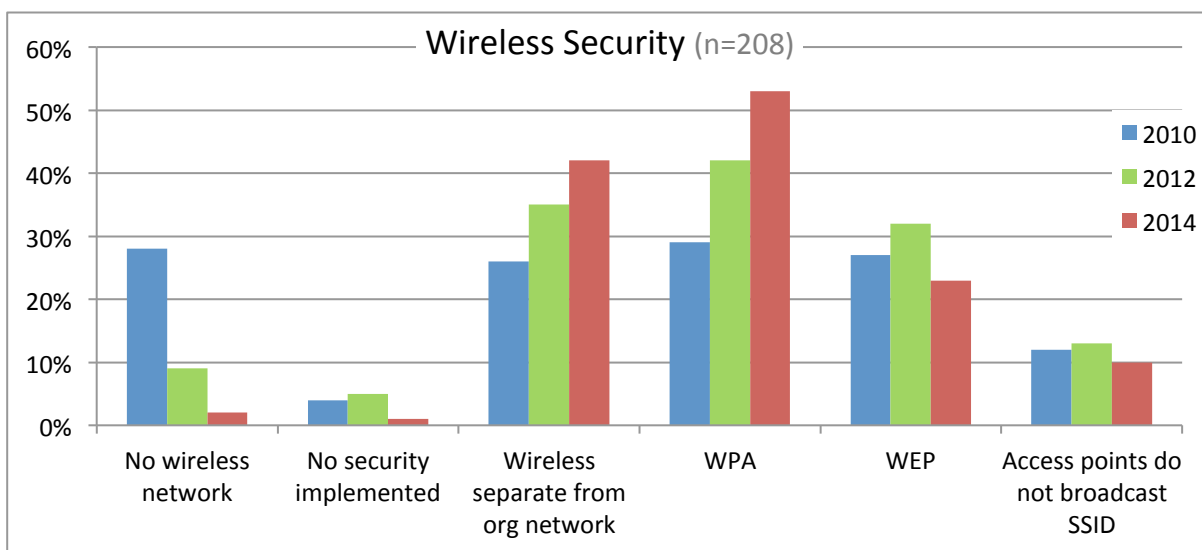
The data appears to indicate that foundations have fewer security measures in place in 2014 than in 2012. However, it is difficult to compare security measures in place in 2012 with those in 2014

because in 2012 there were three possible responses in each security category, but only two for each in 2014.

One explanation for the apparent decrease in the number of foundations with security measures in place from 2012 to 2014 is the impact of the cloud. As foundations move infrastructure and software to the cloud, the security required to protect those systems is shifted to the cloud provider and is no longer the responsibility of the foundation. It is therefore possible that foundations have fewer internal security measures in place in 2014 with no compromise in the rigor of the security in place.

When asked what Internet security software the organization used, the most popular response was *Symantec Norton Internet Security* and *Norton 360*, followed by *Malwarebytes*, *Microsoft Security Essentials* and *McAfee Internet Security*.

Wireless Security

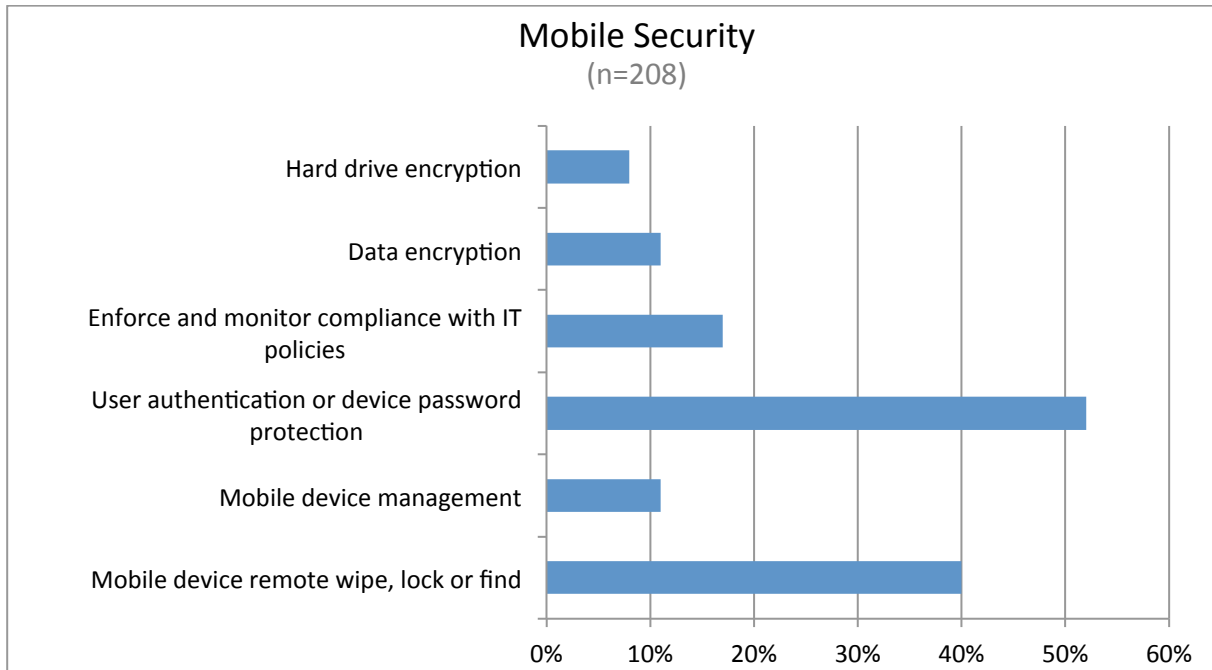


In 2014, only 2% of the respondents indicate they do not have a wireless network. Most foundations have implemented wireless security, with only 1% of respondents with a wireless network reporting that they have no wireless security. For those indicating that their wireless network is separate from their organization's local area network, the implementation of wireless security has increased from 35% to 42%—and from 42% to 53% for those reporting they use Wi-Fi Protected Access (WPA). The percentage of respondents reporting they have Wired Equivalent Privacy (WEP) has decreased from 32% to 23% since 2012, and the percentage of respondents reporting the foundation's access points do not broadcast Service Set Identifiers (SSID) has decreased from 13% to 10%.

WEP is a weak security standard and has been superseded by WPA, so it is encouraging to see foundations are implementing the enhanced WPA security standard for their wireless networks.

Mobile Security Measures

With the exception of user authentication and password protection, the majority of foundations have not implemented mobile security measures.



As you can see from the data above, 52% of respondents indicated they have user authentication/ password protection in place and 40% of foundations indicate they have the ability to wipe a lost or stolen mobile device. The remaining security measures included in the survey are being implemented by less than 20% of respondents.

Mobile device security is an important area for foundations to address as staff becomes more dependent on mobile devices and stores more data on them.