

Trends in Grants Management Software and Services

BY MARTIN B. SCHNEIDERMAN

Here's an updated look at the commercial providers of grants management software and services and how this field is changing since I wrote "Grants Management Software Moves to the Web" in the July/August 2000 issue of *Foundation News & Commentary* (available online at www.foundationnews.org/CME/article.cfm?ID=354).

Vendor Transience

Over the last decade, there has been a consistent trend of fewer vendors in this specialized market. Since 2000, Orcatec and Digital Footbridge have gone out of business and Philanthropic Systems reports it will continue to support their existing clients but will no longer seek new foundation business.

On the other hand, Foundation Source, the newest entrant to the field, is growing quickly. They differentiate themselves by offering a service bureau solution targeted to small private foundations, financial institutions, financial advisors, attorneys and CPAs.

Expanding Market Share

In 2001, MicroEdge, a wholly-owned subsidiary of Advent Software, acquired NPO Solutions, a company that specializes in systems and services for community foundations. Since then, the two companies have gained almost 400 new clients and now support about 88 percent of the U.S. market of users of commercial software and services. MicroEdge has 123 clients based outside the United States, in ten countries, with distributors in the United Kingdom and Australia.

Preliminary findings from the Technology Affinity Group/Council on Foundations 2003 Information Technology Survey indicate a similar breakdown. Among the 277 responses received as of April 9, 2003, 55—20 percent—do not use grants management software or services. Here's the breakdown of the 222 that do:

- 49 percent—MicroEdge GIFTS (the software of 70 percent of the private foundation respondents)
- 21 percent—NPO Solutions FIMS (all respondents are community foundations)
- 18 percent—Custom-designed or developed in-house (respondents dispersed among foundation types and asset sizes)
- 6 percent—All other commercial
- 3 percent—Bromelkamp Pearl
- 2 percent—NPO Solutions Foundation Power (all but

one respondent is a community foundation)

- 1 percent—CyberGrants (all respondents are corporate grantmakers).

Windows, Web and Macs

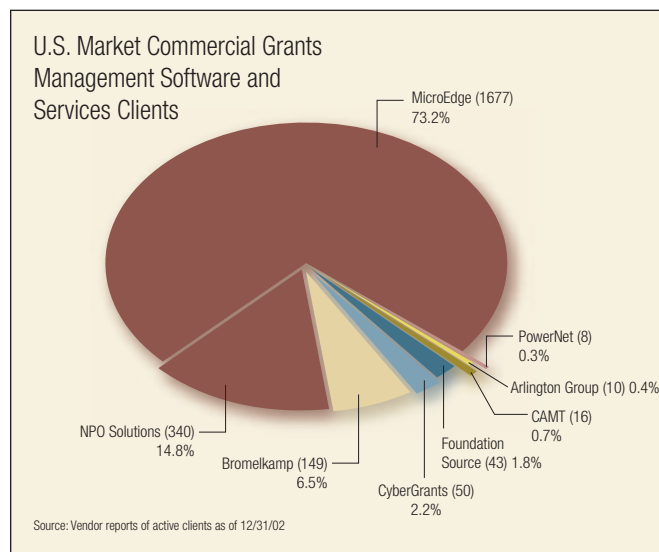
All current commercial applications have been developed using two basic technologies:

1. *Microsoft Windows-based*—Bromelkamp's Pearl products and PowerNet's PowerOFFICE (which also uses Lotus Notes, a workgroup program);
2. *Browser-based*—Arlington Group's Easygrants™; CAMT's eGRANT™; CyberGrants; and Foundation Source.

As well, there are hybrid applications that have both a Windows and a web interface—MicroEdge's GIFTS and MyGIFTS suite and NPO Solutions' FIMS—FoundationPower products with Advisor Xpress.

Today, the Windows-based and hybrid systems provide a higher degree of seamless interoperability—that is, the ability to work automatically with popular office suite applications—than the web-only products and services. We're likely to see improved office suite interoperability as web-based grants management systems continue to mature. The next release of Microsoft Office in mid-2003 will facilitate this.

PowerNet is the only vendor that currently offers a product that can be installed on an Apple Macintosh (Mac) computer. Mac users can also operate all of the other vendors' web-based systems through a web browser.



Commercial Grants Management Software and Service Providers—2003

VENDOR (Year of first PC grant software or service)	NUMBER OF ACTIVE CLIENTS*	CURRENT STAFF	TYPES OF CLIENTS*	CURRENTLY AVAILABLE AND SUPPORTED PRODUCTS/SERVICES	ANNOUNCED PRODUCTS/SERVICES (Due to Ship in 2003)	INTERNET-ENABLED CAPABILITIES	ASP SERVICE	OPERATING SYSTEM/BROWSER/DATABASE
Arlington Group, Inc. (1995) 703/893-9353 x117 www.arigroup.com info@arigroup.com 6707 Old Dominion Drive Suite 350 McLean, VA 22101	10 Easygrants™ clients	15 staff dedicated to Easygrants 20 staff total	Corporate, Family, Operating and Private foundations Research organizations	Easygrants Modules: • Application • Award • Progress Reports • Grants Management • Survey/Measurement • PDQueue™	<ul style="list-style-type: none"> • Easygrants™, (Easygrants Sharp) • New Easygrants™ (natural) Workflow Module 	Easygrants—Online application submission, supplemental file uploads, online review and collaboration, progress report submission, grants management, survey and measurement, query and reporting tool. Will also fully web-enable collaboration throughout the eGrants process PDQueue—Enables grantmakers to collect and share highly formatted narrative and graphical grant-related documents in PDF, Excel and MS Word format	Yes (optional)	Easygrants is a browser-based client that requires IE v4 or later, Netscape Navigator v4 or later on Windows, Mac, Sun and Linux workstation platforms Easygrants is a Microsoft .Net application with SQL Server on the backend
Bromeikamp Company (1979) 800/290-9087 www.bromeikamp.com 106 East 24th Street Minneapolis, MN 55404	150 clients (1 Intl.)	10 staff	Community, Corporate, Family, Operating and Private foundations Government grantmaking agencies	<ul style="list-style-type: none"> • First Pearl • Community Pearl • Pearl • eGRANT™, eGRANT Jr. • FundWeb • Pearl Geocoder • Pearl Web Reporter • Pearl Web Collector • Pearl ASP 	<ul style="list-style-type: none"> • Pearl NCOA (Updates using National Change of Address database) • Pearl ACH (Automated Clearing House for direct deposit of checks) • Pearl Outlook (Synchronization with Outlook/Exchange) 	Pearl is accessible via the web using Terminal Server or Citrix Metaframe eGRANT™ and eGRANT Jr., electronic grant application/progress tracking Integration with e-mail, web browsing, FTP uploading to web products, GuideStar.org Charity Check, Mapquest.com	Yes (optional) via Windows Terminal Server or Citrix Server	Windows 95/98/NT/2000/XP Microsoft Access versions 97/2000/XP
Center for Arts Management and Technology CAMT (1997) www.egrant.org 412/268-3695 Pittsburgh, PA	16 clients	8 staff	Federal, County, State Governments Private foundations	<ul style="list-style-type: none"> • eGRANT • Peer Review Module • Grant Tracking Module • eGRANT Jr. • Custom website and data base development • Artist Registry • Arts Job Bank • Web Hosting • FundWeb 	<ul style="list-style-type: none"> • A non-linear, adaptive version of eGRANT 	Custom online grant application and administration	Yes (optional) but none to date	Windows 95/98/NT/2000 IE v4 or later, Navigator v3 or later MS SQL Cold Fusion Oracle
CyberGrants (1999) 978/824-0300 www.cybergrants.com Two Dundee Park Andover, MA 01810	50+ clients	24 staff	Corporate, Family, Operating and Private foundations Government grantmaking agencies	<ul style="list-style-type: none"> • CyberGrants (ASP Grants Management, Matching Gifts, Volunteerism, Disaster Relief, United Way service) 	<ul style="list-style-type: none"> • Fully customizable and automated grants measurement capability • Additions and enhancements to automated reporting capabilities • Creation of 'engines' to facilitate data feeds to accounts payable and other legacy systems • Enhancements to online applications capabilities 	Fully web-based grants management, administration, online applications, automatic 501(c)(3) verifications, workflow, reporting and communications	Yes (almost all) Local installations also available	Netscape 4 or Microsoft Internet Explorer 4.0 or higher Oracle database on all supported platforms
Foundation Source (2001) 800/839-0054 www.foundationsource.com 20 Glover Ave., 3rd Floor Norwalk, CT 06850	43 clients	25 staff	Private foundations Financial institutions (banks and investment companies) Individual financial advisors Attorneys/CPAs	<ul style="list-style-type: none"> • Foundation structure and online ASP services for administration and grantmaking, compliance monitoring, family collaboration and expert advice 	<ul style="list-style-type: none"> • Proposal tracking and approval • Online grant applications • Grant recommendation module • Emergency assistance and hardship grants • Automatic financial advisor notification • Private foundation websites 	Web-enabled online system and service for foundation documents, transaction history, charity research, grantmaking, family collaboration	Yes (all clients)	Internet Explorer 5.0 or later, Netscape v4.7 or later—all require 128-bit encryption

<p>MicroEdge (1985) 800/899-0890 x300 www.microedge.com 619 West 54th St., 10th Floor New York, NY 10019</p> <p>Distributors in the UK and Australia</p> <p>Subsidiary of Advent Software www.advent.com NASDAQ - ADS</p>	<p>1800+ (123 Intl.)</p>	<p>83 staff</p>	<p>Community, Corporate, Family, Operating, Private foundations</p> <p>Financial institutions</p> <p>Attorneys/CPAs</p> <p>Service bureaus</p> <p>Government grantmaking agencies</p>	<ul style="list-style-type: none"> • GIFTS v5.1 • Essential GIFTS v5.0 • MyGIFTS v1.0 • Internet Grant Application Module (IGAM) v2.0 • GIFTS Document Manager Module • GIFTS Budget Module • GIFTS Customizer Module • Matching GIFTS • Volunteer GIFTS • Reviewers Module • Check Writer Module • Consolidation Module 	<ul style="list-style-type: none"> • ReviewerConnect v1.0 • MyGIFTS v2.0 • Major GIFTS 6.0 release by year-end 	<p>GIFTS offers hot-linked web addresses that auto-launch applications, auto-link to GuideStar and Revenue Canada, one-step HTML export of all queries and reports, automated e-mail transmission of single and batch messages</p> <p>MyGIFTS provides a web browser interface to GIFTS data.</p> <p>IGAM web-based grant application with eligibility quiz has auto-verification of IRS nonprofit status</p> <p>GIFTS is supported running on Citrix MetaFrame XP thin client technology</p>	<p>No</p>	<p>Windows 98/98ME/NT/2000/XP</p> <p>Available in: Microsoft Access Microsoft SQL Server (v6.5, v7.0, 2000) Oracle server (v8.17)</p> <p>Web Grant Application: IE v5.5 or Navigator v4.7 or later</p>
<p>NPO Solutions (1993) 603/224-3400 860/567-0192 www.nposolutions.com</p> <p>89 North State St. Concord, NH 03301</p> <p>261 School Ave., Suite 350 Excelsior, MN 55331-1932</p> <p>Subsidiary of Advent Software</p>	<p>350+ clients (10 Intl.)</p>	<p>40 staff</p>	<p>Community (primary to date), Family and Private foundations</p> <p>Religious and university endowments</p>	<ul style="list-style-type: none"> • Foundation Information Management Systems (FIMS™) • FoundationPower™ (FP) • Advisor Xpress (with Suggestion Central) • Host*Net (an ASP solution) • Safety*Net • Donor Relations Module • Field Maker • Gifts stocks 	<ul style="list-style-type: none"> • Internet Grant Application Module (IGAM) • Donor-Advised Fund (DAF) 	<p>FIMS and Foundation Power offer hot-linked e-mail, web addresses that auto-launch applications, and automated mail merge e-mail transmission of single or batch messages</p> <p>Advisor Xpress allows FIMS and FP users to securely publish gift, grant and fund information for online access by authorized donors</p> <p>Suggestion Central (part of the Advisor Xpress Suite and integrated with FIMS and FP) enables authorized donors of advised funds to perform grantee research and make grant suggestions online</p> <p>Host*Net provides FIMS and FP clients with an outsourced ASP solution using Citrix MetaFrame technology</p> <p>Safety*Net is an emergency hosting solution that provides secure access via the Internet</p>	<p>Yes (optional) via Citrix Server</p>	<p>Windows 98/NT/2000/XP</p> <p>FIMS—Progress</p> <p>FoundationPower—Sybase</p>
<p>PowerNet/PowerOffice Software Systems (1984) 888/262-5130 www.powergrant.net</p> <p>Suite 199, 205 9 Ave. SE Calgary, Alberta T2G 0R3 CANADA</p>	<p>42 clients (34 Canada, 8 USA)</p>	<p>5 staff</p>	<p>Community, Corporate, Family and Private foundations</p>	<ul style="list-style-type: none"> • PowerOFFICE for Grantmakers • PowerPEOPLE Contact & Relationship Management with integrated calendar and e-mail • PowerOFFICE for Fundraisers 	<ul style="list-style-type: none"> • None reported 	<p>Web-based grant application</p> <p>All files accessible and updatable via Internet</p>	<p>Yes (about 30%)</p>	<p>Windows 98/98ME/NT/2000/XP</p> <p>Macintosh System 10 and later</p> <p>Lotus Notes v5.0 or later</p>

* Number of active clients who are using the company's grantmaking products and services in a production environment as of 12/31/02.

Customization vs. Flexibility

In recent years, there has been little development of new custom systems, because of their high cost, long development cycles and the lack of requisite expertise among developers. Such systems have also proven difficult to support when there's developer or foundation staff turnover. Vendors report that since custom systems can't be sold to other clients, they're not profitable for the seller over the long term.

Most foundations' information processing needs are more similar than different. Thus, most prefer to use full-featured commercial systems that are flexible, support links to third-party applications, data and services, have a modular design and share a common set of core functions that can be enhanced, extended and personalized. Such adaptable functionality permits clients to receive ongoing support and upgrades, including improved, and even new, capabilities.

Key Differences

Don't assume any of these systems will do everything you need it to do. Here are some things to look for in the application:

- Ease of use
- Interoperability with desktop applications (i.e., word processing, spreadsheets, e-mail)
- Flexible ad hoc queries and report writing
- Number and format of standard reports
- Workflow and document management
 - Contact and reviewer management
 - Online grant applications
 - Web interfaces and remote access
 - Supported links to other systems
 - Customization (how much is possible, how it's done and by whom)
 - Quality of training plus user and

technical documentation

- Provider's financial stability
- Licensing terms and costs.

System Interfacing

Some grantmaking organizations with special needs require systems that have two-way links to custom applications and databases. One way to do this is by using an Application Programming Interface (API). Both the Arlington Group and MicroEdge/NPO Solutions have announced plans to develop APIs.

Web Services is an important emerging computer industry standard that will let applications and devices communicate with each other regardless of differences between the programming language or hardware. Microsoft's latest development tool, .NET, supports Web Services, and Arlington Group has used it to develop Easygrants. CAMT will use .NET, too, while MicroEdge/NPO Solutions has announced that their next-generation systems, which will be developed jointly, will be designed using .NET and Web Services.

Application Service Providers

In 1999, CyberGrants was the first Application Service Provider (ASP) to offer foundations the option of a fully hosted solution (providing all of the hardware, software and technical support). In 2003, every vendor, except MicroEdge, now offers an ASP service, while Foundation Source is the sole vendor to offer an ASP-only solution. Currently, there are roughly 100 U.S. foundations—4 percent—using ASPs.

Support and User Groups

All of the companies providing grants management software and services recognize how important it is to provide a high level of technical support services. In addition, those with more than 150 users are supporting independent user groups.

Bromelkamp sponsors user groups "on a regional ad hoc basis." MicroEdge has 15 active regional user groups in the United States and Canada, and NPO Solutions' well-organized FIMS user group solicits feedback and sets priorities for new product features.

Vendor Strategies

Each of the foundation software vendors described their strategic plans for the next two years and identified the most significant enhancements to their products and services. (Be sure to view their detailed responses at www.iaa.com/resources/gmstrategy2003.pdf.) Of particular note is MicroEdge/NPO's commitment to next generation "open systems" that will enable the integration of custom applications and other vendors' products and services.

Collaborations and Partnerships

In the fall of 2002, the Council on Foundations Community Foundations Leadership Team and the Community Foundations of America established a community foundation Technology Steering Committee (TSC) to guide the development of information systems to meet the specialized needs of community foundations.

The TSC has undertaken an unprecedented Community Foundation Technology Initiative, proposing carefully selected improvements to the grants management systems that are now in common use and, at the same time, serving as a catalyst to drive commercial vendor development of the next-generation core system software. The TSC is seeking \$4 million over three years from a syndicate of collaborating foundations to support this project. (For more information about this initiative, visit www.cfamerica.org/page7403.cfm.)

CAMT and Bromelkamp have established a strategic partnership to integrate and sell eGRANT Jr. and FundWeb to clients using the Pearl application.

Foundation Source is working with financial institution partners, including Bank One, TD Waterhouse Institutional Services, and Bear Stearns to provide them with a branded, web-based private foundation solution as part of a wealth management offering.

MicroEdge and IAPPS have partnered to offer integrated web-based grants management solutions, while NPO Solutions has established a strategic partnership with the Merrill Lynch Community Charitable Fund (MLCCF), the Council on Foundations and individual participating community foundations. The MLCCF provides com-

munity foundations that use FIMS and FoundationPower with a donor-advised fund product that will be offered through Merrill Lynch's network of more than 14,000 financial advisors. As well, NPO Solutions has developed a seamless link between their software and Merrill Lynch's secure financial systems.

In the future, we're likely to see more consolidation among commercial software vendors, more capable products and strategic partnerships among information and service providers. Stay tuned. **FNS&C**

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