

Convio Charter Program
Background and Frequently Asked Questions
June 17, 2008

Background: Almost two years ago, Convio embarked on a comprehensive research project into the needs and challenges of the nonprofit community related to their constituent relationship management products, more commonly known as donor databases. Convio's leadership and strategy team had in-depth interviews with hundreds of executives, database administrators, volunteer coordinators, and marketing and development professionals from a diverse cross-section of the nonprofit market. The results of that research clearly indicate that the traditional, proprietary, on-premise donor databases vendors have created a system in which the value proposition is backward. A vendor-oriented system, where the storing and maintenance of data is simply seen as a "cost of doing business" rather than one that can provide new ways to access, share and derive value from an organization's most important constituent information.

That research sparked a project to develop a product that would bring the power of the Internet and everything it represents to the nonprofit constituent relationship management market. The product, code-named Aikido, is designed to meet the modern needs of the nonprofit community as they work to move beyond "donor management" to building stronger constituent relationships and empowering constituent engagement and advocacy across an ever increasing number of channels and technologies. Today, Convio has developed a cost-effective and full-featured solution tailored to the specific needs of the nonprofit community and built on salesforce.com's Force.com Platform.

The Charter Program has been publicly launched to gather additional feedback on the product's functionality and usability. Charter program members have already been involved in the testing and creation of the product and have begun making the software available to their entire organizations after migrating data from legacy systems. The product will be generally available later this year.

FAQ

General Questions

Q) What is Convio announcing today?

A) Convio is publicly announcing the Charter Program for a new product which is code-named Aikido. Clients and partners are participating in the Charter program to provide additional feedback into this powerful new constituent relationship management system built on salesforce.com's Force.com Platform. Charter program members have already been involved in the testing and creation of the product and have begun making the software available to their entire organizations after migrating data from legacy systems. This process will provide additional insight and information as we move closer to general availability.

Q) What is the Charter Program?

A) The Charter Program consists of a number of nonprofits and partners who during our research expressed an immediate need and desire to be among the first to benefit from this new approach to constituent relationships management. We determined that these organizations and their individual champions, combined with the experience and expertise of Convio developers and strategists, as well as experts in development on the Force.com Platform would help us ensure that the new product delivers on the promise of new ways to access, share and derive value from an organization's most important constituent information.

Q) What is the new product?

A) The product, which is code-named Aikido, is a powerful new constituent relationship management system built on salesforce.com's Force.com Platform. The new offering provides nonprofits:

- Feature rich donor management and gift tracking capabilities, as well as advocacy and volunteer management features,
- A single view of constituents and better management of all interactions be they online or offline,
- A system built on an open technology platform, Force.com, for greater flexibility and more highly-customizable features,
- An affordable, full featured solution with a pricing structure that matches the operational needs of nonprofits,
- The ability to reduce IT costs and burdens by eliminating the need to invest in and maintain computer and network systems as with traditional providers,
- Access to numerous third-party applications available from the salesforce.com AppExchange marketplace,
- Access to a large, diverse set of salesforce.com partners and Convio Fusion partners who provide a wide range of consulting, implementation and other services, and
- Simplified application programming interfaces (APIs) that allow data to be shared real-time with other systems, including Convio's suite of online fundraising, advocacy and marketing applications.

This product is bringing the power of the Internet and everything it represents to the nonprofit CRM market: Openness, customization, SaaS, a true, modern understanding of multi-channel relationships, and a more customer-centric licensing model.

Q) Is the product available today?

A) At this time the product is available only through the Charter Program. The product will be made generally available in the second half of 2008. At that time nonprofits will also experience a new, faster, easier way to evaluate, select and get started with their constituent relationship management system. Nonprofit organizations or leaders that are interested in learning more can follow the progress of the Charter Program by signing up at www.convio.com/crm.

Q) Why did you announce the Charter Program before the product is generally available?

A) We wanted to be as transparent as possible about our plans as we expect that the use of the product would generate interest from the marketplace and we felt that it was important to let nonprofits considering other options know that there was a better solution coming soon. Since we expect the product to be disruptive to the marketplace, we wanted to help educate the market on the value of the SaaS and PaaS models, get additional market feedback for our generally available product, and continue to listen and respond to the needs of the market with innovative technologies and approaches.

Q) What will this new product cost?

A) We have not yet disclosed pricing, but we can tell you that the product will create an affordable, full featured solution with a pricing structure that matches the operational needs of nonprofits. Nonprofits have told us they are tired of high fees and on-going maintenance costs – Aikido is set up to address that in a stark manner with nonprofits being the beneficiary. In addition, the product will help nonprofits reduce IT costs and burdens by eliminating the need to invest in and maintain computer and network systems as with traditional providers.

Q) How is the product designed for the nonprofit market?

A) For the past two years we have researched the needs and challenges that nonprofits face in accessing, sharing and deriving value from their most important constituent information. With this offering, Convio delivers a full featured, more affordable solution that meets the constituent relationship management needs of nonprofits while recognizing and addressing several key elements we heard from the market:

- 1) constituent management is a multi-channel endeavor,
- 2) organizations are managing more constituencies and channels than ever before,
- 3) nonprofits need more openness from their donor database/constituent management systems so that they integrate easily with leading online constituent relationship management tools like Convio's,
- 4) nonprofits need affordable, full featured solutions that have a pricing structure that matches their operational needs, and
- 5) organizations need scalability and flexibility, while at the same time reducing the IT costs, burdens and headaches of the legacy approach.

Q) Is this a response to Blackbaud's announced acquisition of Kintera?

A) Not at all. Nine years ago, we pioneered the use of Software-as-a-Service (SaaS) to help nonprofits build relationships and drive results using the Internet. Even then it was clear that these donor databases were never designed to access data through the Internet or work with today's modern applications and technologies. As the world changed and the database vendors stayed closed and proprietary, the complaints from clients and the community related to the lack of innovation, interoperability and choice grew. Nearly two years ago, Convio embarked on a comprehensive research project into the needs and challenges the market faced and from that research Project Aikido was created.

Technology/Implementation Questions

Q) Why is this different than legacy, on-premise donor databases?

A) There are many ways. This product was developed with nonprofits from the Internet up. As such it was developed to meet the modern, multi-channel needs of nonprofit organizations and integrate with the Internet and new technologies. It is built on the Force.com Platform from salesforce.com and delivered via the Web through the Software-as-a-Service (SaaS) model. In addition to using the Internet for secure, anytime-anywhere access, the SaaS model gives nonprofits the ability to reduce IT costs and burdens by eliminating the need to invest in and maintain computer and network systems as with traditional providers. With this offering nonprofits can manage all constituent relationships and is flexible so that they can track all types of interactions that meet the unique needs of each organization. Unlike traditional, on-premise databases, Aikido is built to provide new ways to access, share and derive value from an organization's most important constituent information, rather than simply store and maintain data. The combination of Convio's network of Fusion Partners and the rapidly growing community of salesforce.com developers makes it easier to translate nonprofit ideas and needs into deployed applications in less time. It is an open platform with simplified application programming interfaces (APIs) that allow data to be shared real-time with other systems, including Convio's suite of online fundraising, advocacy and marketing applications.

Q) What is the Force.com Platform?

A) The Force.com Platform-as-a-Service gives ISVs and corporate IT departments a comprehensive set of tools and application services to build any business application and run it in the cloud on the salesforce.com infrastructure. Force.com is being used to build everything from departmental applications – like project management and approval tracking – to large scale, business critical applications processing thousands of transactions per second – like financials and contract management. This breakthrough concept is making companies radically more successful by letting them translate their ideas into deployed applications in record time. Force.com was created by salesforce.com, the market and technology leader in Software-as-a-Service (SaaS) and Platform-as-a-Service (PaaS) with more than 43,600 customers.

Q) In the press release section on Force.com, it mentions “running in a cloud”; what does that mean?

A) The concept of cloud computing has evolved and taken shape rapidly in the past 18 months. Some analysts firms believe that within 5 years, nearly 90 percent of business applications will be delivered via cloud computing. One of the simplest definitions we found was by Galen Gruman, Eric Knorr in an article titled, “What cloud computing really means,” in the April 07, 2008, issue of *InfoWorld*. They defined cloud computing as: “a way to increase capacity or add capabilities on the fly without investing in new infrastructure, training new personnel, or licensing new software. Cloud computing encompasses any subscription-based or pay-per-use service that, in real time over the Internet, extends IT's existing capabilities.”

Q) How is this new product different from the salesforce.com nonprofit template?

A) The product is a powerful new constituent relationship management system built on salesforce.com's Force.com Platform. The new offering is designed specifically for nonprofits providing feature rich donor management and gift tracking capabilities, as well as advocacy and volunteer management features; a single view of constituents and better management of all interactions be they online or offline; and, greater flexibility and more highly customizable features. The Nonprofit Template has leveraged the standard salesforce features which were designed for sales automation, and modified them to more closely match the terminology of nonprofits. This product is built from the Internet up to support the modern needs of nonprofits.

Q) Convio has traditionally been database agnostic supporting interoperability with hundreds of different databases; will Convio continue to support multiple databases now that you have your own?

A) Absolutely. As part of the Convio Open Initiative and our commitment to client success, we will continue to develop connectors and provide data sync services that meet the data integration needs of our clients. With the continuous expansion of the Open Initiative and our Fusion Partner program, we are building a network of developers and partners that will help ensure we continue that commitment. Convio has a dedicated team of staff who has successfully completed more than 200 integration projects with virtually every known constituent database available in our market (including more than 65 with Raiser's Edge, 17 with TeamApproach, 15 using DonorPerfect, 11 with MPower) and dozens of custom database solutions. We applaud the efforts of providers such as MPower who are opening their systems and we renew our challenge to the legacy, on-premise database vendors to help us meet the needs of the market by making their APIs freely available to their customers and technology partners so that nonprofits can benefit from choice and the freedom to select the best applications for their unique needs.

Q) How does this relate to certain niches of the nonprofit market that have been talking about the potential of Open Source?

A) The Force.com Platform is an open development platform for business applications providing an integrated set of tools and application services that organizations can use to build applications and run them. Salesforce.com has more than 43,600 customers, millions of users and a massive community of developers, integrators and consultants which provides a network to create, support and maintain applications and foster innovation that meets the needs of the nonprofit community on the Force.com Platform. Because our product is an open application supported by a broad network it will easily integrate with leading online constituent relationship management offerings such as Convio or Open Source applications that some nonprofits are running. The network of partners and the on-going investment by salesforce.com, Convio and thousands of developers creates rapid innovation, training and support options and technical certification programs that might not accompany Open Source offerings. We expect that some organizations might stay with or select Open Source offerings, but being open we will integrate with those applications to meet the unique needs of those nonprofits.

Q) What do you mean by "take it or leave it era" of legacy donor databases?

A) In the past, nonprofits that purchased legacy donor databases typically bought a

proprietary system that did not integrate well with other software purchased by the nonprofit and locked the organization into the roadmap of the vendor. Primarily products that were never intended to work with the Internet or other new technologies. By buying or “taking it” from the vendor, nonprofit organizations have been forced to “leave” choice, interoperability and innovation behind. With the new product there are virtually no limits to the types of constituents and interactions tracked in the database. Nonprofits do not need to wait for the next "golf" module or "entertainer" type of record to be supported. They are free to extend their CRM to meet their specific needs by leveraging the growing list of products available via AppExchange, employ one of the hundreds of capable partners willing to develop custom services, or take advantage of the incredibly easy-to-use and powerful customization tools and put their capable IT resources to work on designing value added applications themselves.

Q) What is the difference between this new product and Convio’s other products?

A) This product is an entirely new, open, Web-based constituent relationship management system for tracking all constituent interactions across all channels, online and offline. Built on salesforce.com’s Force.com Platform, the product offers an on-demand solution that easily integrates with Convio’s online constituent relationship management suite to provide powerful tools that help nonprofits focus on their mission, fundraising, advocacy and communications results instead of managing and maintaining software and technology. The new product is and can be used as a standalone solution for a nonprofit’s database needs. Because it is built on an open platform, it will more easily integrate with other applications and technologies.

Q) When can we expect to know the final name of the product?

A) Soon. Since we will truly offer a better solution and by-pass the vendor-oriented business model that has handcuffed nonprofits, we are testing names that capture the essence of a product that is bringing the power of the Internet and everything it represents to the nonprofit CRM market.