Blackbaud and Microsoft Expand Partnership with an Integrated Cloud Initiative for Nonprofits

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Introduce first phase of initiative with jointly-developed Nonprofit Resource Management; addresses needs of nonprofits focused on humanitarian aid and relief

CHARLESTON, S.C., Oct. 10, 2018 /PRNewswire/ -- Blackbaud (Nasdaq: BLKB), the world's leading cloud software company powering social good, and Microsoft Corp. (Nasdaq: MSFT), today announced they are jointly investing in an Integrated Cloud Initiative for Nonprofits™, which will accelerate cloud innovation in areas that address critical market needs across the mission lifecycle. As part of this initiative, the companies introduced their first jointly-developed solution set: Nonprofit Resource Management™, a purpose-built resource management suite optimized for the complex and differentiated needs of nonprofits.



Announcing the Integrated Cloud Initiative for Nonprofits

In 2017, Blackbaud and Microsoft announced an expanded partnership to digitally transform the nonprofit space, which features a three-point commitment: deeper integration between Microsoft and Blackbaud solutions; joint sector leadership initiatives that make innovation, research and best practices more accessible to nonprofits around the world; and a commitment to pursuing best-in-class nonprofit cloud solutions that bring together the best of both companies' innovation. Blackbaud and Microsoft have driven significant progress toward their shared goals over the past year and said they intend to go even bigger with the announcement of the Integrated Cloud Initiative for Nonprofits.

"The Integrated Cloud Initiative for Nonprofits will accelerate nonprofit digital transformation to empower them to make an even bigger impact in the world," said Justin Spelhaug, general manager, Microsoft Tech for Social Impact. "Over the past 12 months, Microsoft and Blackbaud have prioritized building product integrations in high-impact areas defined by nonprofits and partnered with NetHope as founding partners of The Center for the Digital Nonprofit. We've listened to the nonprofit community and are committed to building integrated solutions that work together and help these change-making organizations unleash the power of data in ways the market has not yet seen."

The Integrated Cloud Initiative for Nonprofits will deliver interoperable, performance-enhancing solutions that address needs across the mission lifecycle—from raising resources to delivering programs, managing operations and measuring outcomes. The two companies will combine the power of Blackbaud's industry-leading nonprofit solutions with innovative, jointly-developed and delivered cloud capabilities built on Microsoft Dynamics 365 that leverage the Common Data Model for Nonprofits and Blackbaud's Intelligence for Good™— all backed by Microsoft Azure.

Introducing Nonprofit Resource Management, Jointly Developed by Blackbaud and Microsoft

According to the Global Humanitarian Overview 2018, more than 134 million people across the world need humanitarian assistance and protection—with just 97 million targeted to receive aid. At the same time, financial requirements to deliver is over $25.3 billion, with only $10.5 billion of that funded. The report adds that "humanitarian agencies are committed to becoming more effective, efficient and cost-effective in order to respond faster to crises and in ways more attuned to the needs of those they are trying to help." Yet today, nonprofits focused on humanitarian aid and assistance must operate without purpose-built technology to manage the complexities of distributing resources to the front lines at the right time.

Blackbaud and Microsoft's first jointly developed solution suite, Nonprofit Resource Management (NRM), addresses this need. From managing the distribution of material goods to financial and human capital distribution, NRM will help nonprofits ensure accurate and efficient distribution of resources and integrates across core business processes.

"We're in an unprecedented era of humanitarian need, and it's becoming more costly and complex to respond due to global conflicts, natural disasters,

and localized challenges," said Jay Odell, president and general manager, Blackbaud Nonprofit Solutions. "For nonprofits, particularly in the relief and aid space, the ability to effectively source, track, distribute and measure the impact of physical goods is a critical part of delivering their mission. Whether it's urgently needed medical supplies, disaster response equipment, or essential needs like food and clothing, every dollar saved, and every supply more efficiently distributed has the power to transform and save lives. We're proud to partner with Microsoft to introduce Nonprofit Resource Management in response to this need."

NRM, which will be sold through both companies' partner and sales channels, works seamlessly with Blackbaud's flagship fundraising and other Blackbaud nonprofit solutions, providing a connected experience across the mission lifecycle. This integrated innovation offers an unprecedented solution to help nonprofits address the $14 billion funding gap for humanitarian aid, and to improve effectiveness for the over 97 million targeted to receive aid because it creates connected, intelligence-powered system to raise funds and gifts-in-kind, effectively manage and distribute resources, measure effectiveness, and improve over time.

The NRM solution suite is presently in development in collaboration with early adopters. The first capability set, Goods Distribution, will be released summer 2019, with program design and others to follow.

"NetHope, with its 57 nonprofit member organizations and The Center for the Digital Nonprofit, is committed to helping its members—in partnership with tech companies—do good better," saidLauren Woodman, chief executive officer of NetHope. "The Nonprofit Resource Management suite and the Common Data Model for Nonprofits are two exciting initiatives that are addressing how organizations digitally transform to deliver far greater impact. This offers promise for the global nonprofit sector and more importantly, the world."

Nonprofit Resource Management Outcomes

Until now, nonprofits have not had a true resource management solution designed specifically for their unique needs, nor one that provides visibility into the unique patterns and practices of resource distribution. They rely on cumbersome spreadsheets, homegrown solutions, or antiquated tools to track inventory management on gifts-in-kind and goods distribution—resulting in lost time, wasted resources, vulnerability to fraud, and underutilized human and physical capital. NRM provides the industry's first solution designed to address these critical needs, enabling nonprofits to:

- **Work more efficiently** with integrated automated workflows that eliminate silos and manual processes
- **Understand and communicate end-to-end impact** by connecting fund and product donations with inventory management, delivery and outcomes
- **Increase transparency, accountability and ROI for distributed goods** with an end-to-end line of sight—from sourcing to distribution of goods—reducing waste, fraud and misdirected items
- **Improve connectivity of work teams and field locations** to ensure optimal alignment and response times between areas of need and distribution
- **Automate the analysis, alignment and assignment of urgent needs** to available goods to ensure rapid response in time of urgency or disaster

"The Integrated Cloud Initiative for Nonprofits extends our joint commitment to help nonprofit organizations achieve loftier outcomes and improve the communities and issues they serve," said Kevin McDearis, chief products officer at Blackbaud. "Nonprofit Resource Management will transform the way the sector captures and distributes resources to address the ever-increasing need and add value to the social economy. Combining Blackbaud's industry expertise and pace of innovation with Microsoft Dynamics 365 and the Common Data Model for Nonprofits will allow us to jointly and rapidly deliver solutions that propel nonprofits forward in a very significant way."

Learn more about Microsoft's Technology for Social Impact Group here. For more information on Nonprofit Resource Management, visit here.

Click to tweet: #nptech news today at #bbcon: @Blackbaud and @Microsoft take partnership to the next level with Integrated Cloud Initiative for #Nonprofits; phase one is jointly-developed Nonprofit Resource Management https://blkb.co/msftbbcon18

About Microsoft
Microsoft (Nasdaq "MSFT" @microsoft) is the leading platform and productivity company for the mobile-first, cloud-first world, and its mission is to empower every person and every organization on the planet to achieve more.

About Blackbaud
Blackbaud (NASDAQ: BLKB) is the world's leading cloud software company powering social good. Serving the entire social good community —nonprofits, foundations, companies, education institutions, healthcare organizations and individual change agents—Blackbaud connects and empowers organizations to increase their impact through cloud software, services, expertise, and data intelligence. The Blackbaud portfolio is tailored to the unique needs of vertical markets, with solutions for fundraising and CRM, marketing, advocacy, peer-to-peer fundraising, corporate social responsibility, school management, ticketing, grantmaking, financial management, payment processing, and analytics. Serving the industry for more than three decades, Blackbaud is headquartered in Charleston, South Carolina and has operations in the United States, Australia, Canada and the United Kingdom. For more information, visit www.blackbaud.com.

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Forward-looking Statements

Except for historical information, all of the statements, expectations, and assumptions contained in this news release are forward-looking statements that involve a number of risks and uncertainties, including statements regarding expected benefits of products and product features. Although Blackbaud attempts to be accurate in making these forward-looking statements, it is possible that future circumstances might differ from the assumptions on which such statements are based. In addition, other important factors that could cause results to differ materially include the following: general economic risks; uncertainty regarding increased business and renewals from existing customers; continued success in sales growth; management of integration of acquired companies and other risks associated with acquisitions; risks associated with successful implementation of multiple integrated software products; the ability to attract and retain key personnel; risks associated with management of growth; lengthy sales and implementation cycles, particularly in larger organization; technological changes that make our products and services less competitive; and the other risk factors set forth from time to time in the SEC filings for Blackbaud, copies of which are available free of charge at the SEC's website at www.sec.gov or upon request from Blackbaud's investor relations department. All Blackbaud product names appearing herein are trademarks or registered trademarks of Blackbaud, Inc.



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