changing the odds

LESSONS LEARNED FROM
THE KRESGE HBCU INITIATIVE

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WRITTEN BY BILLIE SUE SCHULZE

The Kresge Foundation is a national foundation founded in 1924 by Sebastian S. Kresge. It is one of the largest foundations in the United States with assets over $2.9 billion. Through its grant-making programs, The Kresge Foundation seeks to strengthen nonprofit organizations by catalyzing their growth, connecting them to their stakeholders, and challenging greater support through grants.

The Kresge HBCU Initiative was administered in cooperation with the Southern Education Foundation, Inc. This Foundation served as the fiscal agent and provided support for Initiative activities, including the annual learning institute.

Changing the Odds: Lessons Learned from the Kresge HBCU Initiative.

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Kresge HBCU Initiative

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Dedication

This book is dedicated to HBCU advancement professionals who work against the odds to raise awareness and dollars for HBCUs.

As we go to press, two of our grantees have suffered a difficult blow.

We make a special dedication of this book to the men and women in the advancement offices of our two grantees, Dillard University and Xavier University, whose lives will never be the same, following the devastation of Hurricane Katrina.

Acknowledgments

As the program director for the Kresge HBCU Initiative, I was the common thread that ran through the program. It was appropriate for me to write the book, *Changing the Odds: Lessons Learned from the Kresge HBCU Initiative.* Although it is my voice that is used throughout, I must acknowledge the many individuals who helped to put this book together.

Without The Kresge Foundation and the vision and caring of the members of the HBCU Task Force, there would have been no Initiative, and no book. A special thank you must go to task force members John Marshall, president and CEO; Robert Storey, trustee; Elizabeth Sullivan, senior vice president; and Ernie Gutierrez, program director – special initiatives.

In addition to the members of the task force, I also want to thank the Kresge trustees for supporting the Initiative through their support and participation. The Kresge program officers provided insight and experience during our biannual meetings to discuss issues and challenges.

The Southern Education Foundation (SEF) was home to the Initiative since its beginning. Lynn W. Huntley, president of SEF and Elridge W. McMillan, president emeritus, have been constant and stalwart supporters for the entire Initiative and the book. We must also thank other members of the SEF staff, especially Michael Fields, Evelyn Robinson, and Dean Stitt, who were always willing to lend a hand.

Of course, the book would not have been possible without the dedication and hard work of the five grantees. Thank you for sharing your stories and your examples to help others learn from your experiences.

A special thank you must go to the special editorial committee consisting of Angela Getter, TaRessa Stovall, Alice Green Burnette, and Alison Wong. Without their vision, hard questions, rewrites, and researching, the workbook would never have been completed. We also thank Ann Stallard and Jenifer Cooper Melia for designing the graphics and making the book fun to use.

To question, prod, push, and review the materials, we must acknowledge the amazing support of our team of advisors. We have them to thank for keeping us on target. Weeding out redundancies and finding the weak links that kept us from being clear, they faithfully reviewed copy to make certain that you would receive the very best. A special thank you to: Ms. Sandy Ambrozy, Ms. Therese Badon, Ms. Nicole Bell, Ms. Denise Cavanaugh, Ms. LaJuana Chenier, Dr. Johnnetta Cole, Ms. Jacqui Gates, Ms. Judith Jasper Leicht, Mr. Bruce McClintock, and the many others who read and commented on parts of the book.

Thank you to everyone who worked so diligently to make this book possible.

Foreword

The Kresge HBCU Initiative was a five-year, $18 million program created and funded by The Kresge Foundation of Troy, Michigan. The goal: to help five historically black colleges and universities (HBCUs) develop comprehensive advancement programs. The Initiative provided each institution with specialized funding, along with training and technical assistance, to help them develop stronger self-sustaining advancement operations.

The objectives of The Kresge HBCU Initiative were to:

- Support and expand the field of professional advancement officers at HBCUs.
- Ensure the availability of the technology necessary for an effective advancement function.
- Support HBCU presidential leadership as it pertains to the advancement function.
- Help strengthen HBCUs' advancement capabilities relating to alumni relations.
- Enhance the fundraising role and personal giving of trustees and alumni.
- Increase the role and financial support of African American donors generally.

SELECTION

Selection was a competitive process with 52 HBCUs responding to the initial RFP. Twelve semi-finalists were selected to receive an organizational assessment prepared by an advancement consultant. From that group, five were selected to participate in the Initiative and seven were given a one-time grant of $100,000. The final grantees were **Bethune-Cookman College, Dillard University, Johnson C. Smith University, Meharry Medical College, and Xavier University.** The additional seven semi-finalists were Alcorn State University, Claflin University, Fisk University, Morgan State University, Oakwood College, Voorhees College, and Wilberforce University.

PROGRAM COMPONENTS

The Kresge HBCU Initiative provided the following types of support to improve advancement operations at the five grantee institutions:

- Each grantee received a grant averaging $2 million over five years to enhance staffing, technology, and programming.
- The grantees received intensive training, technical assistance, and access to nationally recognized consultants.
- Unrestricted bonus grants totaling up to $25,000 per year were awarded to the institutions as they achieved their annual benchmarks. A one-time, $100,000 challenge grant could be earned by achieving a special major milestone.
- Emerging leaders from each grantee were provided additional training, mentoring, and shadowing opportunities.
- An annual Learning Institute was held each year for advancement professionals. Four of the Learning Institutes were open to advancement professionals from all HBCUs.
- Grantees were given an opportunity to benchmark with a similar institution with a successful advancement program.

INITIATIVE RESULTS

The grantee institutions experienced many challenges, including difficulty in recruiting and retaining experienced staff members, significant turnover of vice presidents, and other difficulties related to a start-up operation. Despite these challenges, the Initiative made a significant difference at each of the grantee institutions.

At the end of the Initiative, the five grantees have greatly increased the amount of money they raise from private sources such as alumni, trustees, and individuals. In addition, each grantee now has a comprehensive advancement program with adequate staffing, greatly improved technology, standard policies and procedures, and an ongoing and continuous program of prospect cultivation.

The Kresge HBCU Initiative was an ambitious program designed to build and support improved fundraising efforts at HBCUs. The success of the grantees provides many lessons for other HBCUs. This book provides an opportunity for other HBCUs to learn from their efforts.

Dr. Norman Francis, president of Xavier University in New Orleans and one of the grantee presidents, summed it up, “We knew that we needed to step up our advancement efforts, but we had no idea of how to do it. The timing of the Initiative was perfect for us. Now we are ready to go forward in ways we never could have imagined before. Today, the faculty and administrators see opportunities they didn’t see before, because prior to the Kresge Initiative, we had no way to raise the money. It’s a new ball game for Xavier.”

"It must be remembered that there is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage than the creation of a new system."

– Niccolo Machiavelli

INTRODUCTION

changing the odds

There are so many good books written about institutional advancement that at first it seemed redundant to write another. However, after gathering and reviewing the lessons we learned from the Kresge HBCU Initiative, we realized that our experiences could be helpful to other HBCUs, and perhaps to other small, liberal arts and special mission institutions as well.

Although we used commonly accepted advancement principles and practices, we often had to tweak and figure out how to implement them, given each grantee's unique environment, constituencies, strengths, and weaknesses. As a result of these efforts, each of the five grantees greatly improved its advancement program, and today all five are well-positioned to continue to increase private gifts in the years ahead.

The result is this workbook, which shares our grantees' challenges, growth, and successes as they figured out how to adapt best advancement practices to their institutions and survive in the newly competitive environment in which HBCUs find themselves today.

For generations, HBCUs survived – and many thrived – in an environment with few opportunities for private philanthropy. Today, most of the historical sources of private gifts to HBCUs no longer have specific initiatives for HBCUs. More significantly, HBCUs are now competing with "mainstream" institutions, which have greater resources and stronger histories of philanthropic relationships with their constituents.

However, this book is much more than simply a story about the five Kresge HBCU Initiative grantees and how they learned to raise more money. We designed it to share real-life experiences and examples that you can put to use in your advancement efforts.

For generations, HBCUs survived – and many thrived – in an environment with few opportunities for private philanthropy.

We hope that HBCU advancement professionals find what they need to either build a program from scratch or enhance their current program. We hope that HBCU presidents and trustees will find encouragement and guidance to invest in their advancement programs, knowing some of the problems and pitfalls that may influence outcomes. It is our goal to provide a realistic picture of how long it will take to see real and sustained progress. We also hope that consultants and others who work with HBCUs will benefit from the experience of those in the Initiative.

IS THERE A DIFFERENCE FOR AN HBCU?

One major purpose of the Initiative was to determine whether HBCUs could increase their ability to raise private funds using commonly accepted advancement practices, if given sufficient resources, training, and technical assistance to transform their advancement programs.

In 1997, Dr. Johnnetta B. Cole, then president of Spelman College, was invited to meet with the Kresge trustees. At that time she was asked how Spelman had accomplished their 1992–96 campaign goal by raising over $113.8 million. She replied that it took a serious commitment of resources to fund the advancement program and find the appropriate staff to lead the efforts. The Spelman Campaign was a success thanks largely to increased gifts from alumnae and other African American donors. The question for the Initiative was: Could a similar model work for other HBCUs?

In designing the Initiative, we knew that each grantee institution would have to adapt what it learned from us to their unique environment and constituency base. In the process of implementing the five grant programs, it quickly became evident that there were many factors that had an impact on the implementation of a traditional advancement program at HBCUs. Many of the factors that hampered our progress were not about advancement, but related directly to the dynamics of change, leadership, and starting a program that was designed to be transformative.

This workbook examines the process of building an advancement program from a systems perspective. We explore the factors that influence outcomes from a holistic point of view. By looking at the total environment, we see how all of the interacting elements at our institutions work together either to make our efforts successful, or to keep us from achieving our goals. Our experiences with the Initiative taught us that the process of changing the operation of one part of an institution affects other parts of the institution as well.

There is no question that institutional advancement is a messy and difficult business, influenced by many factors, including overall institutional culture, human dynamics, and the ability of a donor prospect to decide whether or not to give. The experiences of our grantees confirm the fact that there really are no shortcuts in this field. You cannot suddenly expect to double your gift income simply because you now have adequate staff and are taking the prescribed steps and making the "right" moves. You must consistently and comprehensively build relationships with donors, always involving them in the vision, mission, and future of the institution. That takes time and a major commitment from everyone involved: the staff, the president, and the trustees. It is equally vital for the entire institution to fully embrace the concept of relationship-building, and commit to a strategy that makes it an ongoing priority.

HOW TO USE THIS BOOK

This workbook was designed as a reference tool for everyone involved in HBCU advancement. There are charts, examples, and stories, as well as tools that have helped our grantees, that we hope will give you an occasional "Eureka!" moment, while both challenging and validating where you are in your institution's advancement program.

By sharing some of the pitfalls that we have overcome, we hope to help you avoid the same mistakes. This book does not provide a comprehensive approach to advancement; in fact, there are vital areas such as public relations and government relations that we have not addressed in depth, despite their importance. Instead, we have focused on those areas of particular challenge that we have had to adapt in some way to meet our needs.

The findings that we share here reflect the progress made by our grantees and are hopefully relevant to your advancement efforts. I sincerely hope this book helps you to write your own story of advancement success.

Billie Sue Schulze
Program Director

ABOUT THE AUTHOR

Billie Sue Schulze has been raising money for higher education for over 35 years. She started her fundraising career as a volunteer solicitor for Stephens College, her alma mater. As a volunteer, Ms. Schulze worked with a number of diverse non-profit organizations in St. Louis, Missouri. When several of those organizations lost federal funding during the Reagan administration, she developed an effective fundraising model to help them not only survive, but thrive. These successes led to her career as a professional fundraiser, where her innovative approach to fundraising is based on a marketing approach.

Ms. Schulze served as vice chancellor for university relations for the University of Missouri – St. Louis where she developed the University's first fundraising program. Under her leadership, private giving increased by 1200% and the University was repositioned as a major resource for the community.

In 1992, she joined Johnnetta B. Cole at Spelman College, serving as the vice president for institutional advancement where she was responsible for directing the successful Spelman Campaign that raised $113.8 million. After leaving Spelman, she worked as an independent advancement consultant with a diverse clientele including Howard University, Agnes Scott College, Gallaudet University, Hollins University, Jackson State University, Morgan State University, Stephens College, Wesleyan College, A Better Chance, the National Council of Negro Women, and others.

From 1999–2005, Ms. Schulze served as the program director for The Kresge HBCU Initiative, a five-year, $18 million program that helped five selected historically black colleges and universities develop comprehensive advancement programs.

"Resisting change is as futile as resisting weather, and change is our weather now. It is that constant and that unpredictable. Leaders live in it, and so do organizations. There is much organizations can do to make the process easier."

– Warren Bennis
On Becoming a Leader

CHAPTER 1

leadership and change

At one of the first Learning Institutes, noted author and expert on change, Daryl R. Conner, described how leaders respond in times of great change. He told of a television story he had seen about the survivor of an explosion on an oil-drilling platform in the North Sea off the coast of Scotland.

In the middle of the night, the crew was awakened by a huge explosion that engulfed the entire platform in flames. One of the few survivors described how he ran from his quarters and leaped 15 stories into the frigid waters of the North Sea. He knew the temperature of the water would kill him in less than 20 minutes unless he was rescued.

When asked why he risked his life to jump into the dangerous waters, he replied that "it was either jump or fry." He knew that leaping might kill him, but if he stayed on the platform, he would surely die.

Most colleges and universities, and certainly most HBCUs, face the dilemma of the burning platform each day. In our rapidly changing world, leaders have no choice but to "leap from the burning platform" because the cost of maintaining the status quo has become too high to do otherwise.

Our grantees exemplified this principle. "Meharry Medical College was committed to changing from an institution that provided medical education to one that provides leadership on health care disparities with world-class researchers," President John E. Maupin, Jr. said. "This couldn't happen without the necessary resources. We knew that if we didn't make the necessary changes to our advancement operation, we wouldn't be in existence in ten years. We knew we needed to change, but we didn't know which changes to make. We had a well-meaning staff, systems with shortcomings, isolated silos of activity, and we were still using the 'charity' model to raise money. [With the Kresge grant], we had to start from scratch and undo the negative things before we could embrace the positive changes that would make this happen."

Dr. Norman Francis, president of Xavier University said, "We knew that we needed to step up our advancement efforts, but we had no idea of how to do it. The timing of the Initiative was perfect for us."

Each grantee knew it needed to change the way it was doing business to build a more effective means of raising the capital needed to assure its future vitality. But each grantee had to determine the level of urgency of that need. Although all of the grantees accomplished their goals, those that embraced a sense of urgency not only had quicker success, but they were also able to use that success to bolster progress in other areas. Change requires the type of resolve characterized by the burning platform dilemma, but too often this urgency is lost in the struggle to cope with day-to-day issues, problems, and priorities.

PAIN AND REMEDY

"Only through the efforts of those who hold positions of formal or informal influence – leaders – can outdated methods of change be cast aside and new behaviors and procedures embraced."

– Daryl R. Conner
Managing at the Speed of Change

In his book, *Managing at the Speed of Change,* Daryl Conner writes that there are two prerequisites for major organizational change: pain and remedy. The pain is caused by having enough information to justify changing from business as usual, and the remedy is having an accessible alternative that can solve the problem. The Kresge HBCU Initiative provided that option for our five grantees. What can you learn from their experiences to help you implement change?

The first step is to acknowledge that you have the "pain" of not raising the private resources you need to stay in business, much less accomplish your goals and aspirations. The second step is to make an institutional commitment to invest the time and resources necessary to build advancement capacity. In the past, many HBCU presidents faced these challenges alone. The grantee presidents learned that to be effective they had to step into the role of leading a team of key administrators and inspiring the trustees to work hand in hand with them. The president and trustees must provide the leadership needed to ensure that the changes take place and that they are sustained.

Early in the Initiative, many presidents and trustees underestimated the power of the status quo. They assumed that everyone wanted to participate in the "extreme makeover" of their advancement operations, but instead they discovered a variety of resistance techniques. There were many reasons for the resistance. Some people had been in their positions for so long that they were unwilling to change. Others were skeptical of the suggested changes. This was especially difficult to understand since they had had some success previously – after all, they had been awarded one of the Kresge HBCU Initiative grants!

Leadership is essential to institutional advancement at every level, particularly in environments of evolution and change.

It also proved easier for the presidents to say that the institution needed to change than it was to accomplish that change. Often the presidents were hampered in their efforts by long-standing traditions and expectations. The difficulty for many in finding a vice president that they could trust and work closely with slowed their progress. It took time to build the trust necessary for the changes to be established.

"One reason that Dillard University progressed quickly in the Initiative is that we didn't have an ongoing program in place when we started," explained Dr. Michael Lomax, former president. "While other grantees had to help staff members change from the old way of doing things to a new way, we embraced every training opportunity and every new way of doing things, and quickly adapted from there."

Bethune-Cookman College faced a different hurdle. "One of the most significant challenges for Bethune-Cookman was to acknowledge that we needed to change the way we were doing things before we could be successful," said Dr. Trudie K. Reed, president. "This was difficult, because we thought we were having success before the grant. It was essential for us to raise our sights."

Leadership is essential to institutional advancement at every level, particularly in environments of evolution and change. The president must be attentive to what is happening within the advancement operation, and persistent about bringing the entire institution on board in a timely fashion.

Dr. John Maupin used the analogy of a group of travelers embarking on a boat trip. The weather conditions were good, the winds were perfect, but the boat was soon lost at sea.

While one group was diligently rowing, another group was quietly drilling holes in the bottom of the boat. His point was that the president and vice president must maintain sight of the goal at all times, while maintaining constant awareness that there may be saboteurs among them.

THE CHALLENGES OF LEADING CHANGE

"Leaders are those who chance the unconventional, who step forward of the line, doing bold new things with energy, innovation, creativity, and always with sheer courage."

– Randall Robinson

During the grantee selection process, John E. Marshall, III, president of The Kresge Foundation, told the finalists: "Be careful what you wish for. This Initiative will require you to change the way you do business. It will challenge you to think and act in new ways, and it will demand your unwavering attention to the process. But, we have confidence that the five colleges selected have a great motivation to succeed in this transformative process."

Most of the grantee presidents had struggled for years to piece together the resources to build their advancement programs. They could only dream of the good fortune of having funding to build more strategic and comprehensive programs. Finding the necessary funding had seemed to be the answer for so long that it was hard for the grantee presidents to believe that simply getting the money didn't magically make everything fall easily into place. There were many tough struggles ahead, especially when it came to finding experienced advancement professionals to hire.

The most difficult challenge for the presidents was to find a vice president for institutional advancement with both advancement and leadership experience. The new role for the vice president required someone who could set ambitious goals and provide direction for the staff to accomplish those goals. As a result, there was significant turnover in this position. Each time there was a change in vice presidential leadership, the grantee had to struggle to continue moving forward. This leadership vacuum had a profound effect on the ability of several of the grantees to make early progress, but this problem was lessened over time as the depth and experience level of other staff members allowed programs to continue without faltering, even if the vice president left.

It was equally challenging for the vice president to find experienced advancement professionals. Finding one experienced fundraiser can be difficult, but finding sufficient staff to build a complete advancement program proved to be an especially formidable task for all of the grantees. We started the recruitment process by placing a joint advertisement in the *Chronicle of Higher Education* for the 60 new positions created by the grant. Response to the ad was mixed, with some grantees receiving a number of responses and others receiving fewer. Each grantee also recruited locally.

Unfortunately, the applicants did not always have the requisite experience. In that instance, the vice presidents had to decide whether to continue the search or hire an applicant with the appropriate skill sets and "grow their own" advancement staff. The latter required a significant investment in time and training. Often the difficulties were made more difficult

Growing Your Own Fundraisers

- Develop a clear set of expectations for the job.
- Write a realistic job description that acknowledges the level of experience of the new fundraiser, but also has expectations for success.
- Define the skill sets necessary to be successful in the job.
- Hire people with the desired skill sets and pay a realistic salary based on their level of experience (or inexperience).
- Schedule frequent debriefing sessions to hear concerns or frustrations before they cause problems.
- Use weekly or biweekly prospect strategy meetings to provide opportunities for staff to learn from more experienced fundraisers.
- If you do not have anyone with the requisite fundraising experience, you will need to hire a consultant to help train you and your staff, or find a colleague at a neighboring institution to provide shadowing opportunities.
- Don't overload a new fundraiser with additional responsibilities, such as managing homecoming or other events.

for the grantees due to their desire to hire African Americans for the open positions. It was especially difficult to find experienced fundraisers, which meant that almost all of the fundraisers were new to the field when they were hired. This made progress slower because the fundraisers had to learn about their institutions, build relationships with donor prospects, *and* learn the fundraising craft.

Another issue the grantees had to contend with was the problem of integrating the new with the old. This meant adding new programs and new staff members into existing programs. This was extremely difficult for the more established programs, but it wasn't easy for any of the grantees. From observing the difficulty that some of the grantees had with this, we found that it is unlikely that one can make substantial change without bringing in some new staff members. It is far easier to fall back on doing things the old way than it is to persevere with new ideas unless there is a compelling reason, or unless enough people are making the shift to force the change.

Much time was spent developing staff expertise and building a team environment, but those challenges often took their toll. Each team experienced significant staff turnover, and there were often struggles between veteran and new staff members. Equally difficult was the challenge of embracing new concepts and programs. Although each grantee had to deal with different issues, all five of the grantees had to spend significant time in overcoming these personnel challenges. The grantees with fewer turnovers at the vice presidential level made the transition more quickly than those without stable leadership; however, all had made the transition within three years.

Key Lesson: It takes time to make a profound change.

THE ROLE OF THE PRESIDENT

"None of us [grantees] could have anticipated the amount of institutional change that would occur as a result of this Initiative. Each of us had to deal with our own unique issues, but the challenges were very real and required serious commitment from everyone to overcome."

– Dr. Dorothy C. Yancy, President, Johnson C. Smith University

As the most visible "face" of the institution, the president is responsible for ensuring that the institution is properly positioned to raise and receive private resources. While this is a relatively recent requirement for many "mainstream" college presidents, it has always been a primary concern for the presidents of HBCUs. The histories of HBCUs are filled with stories of presidents visiting wealthy philanthropists to request an urgent gift "to save the institution." Less is written or known about the countless hours these presidents spent visiting church congregations and community groups to ask for much-needed support.

Unfortunately, the funding needs for HBCUs have not lessened over time, nor are they projected to diminish. In recent years, their needs have grown due to the increased competition to attract students and raise private dollars. In addition, other forces, such as the need to respond to Title III and accreditation requirements, demand more effective fundraising efforts. Today's president must shift from the urgent need to "save the school" to a more proactive strategy, which requires setting substantive goals and vision for the institution. The president must become a strategic thinker and leader. Both of these roles justify the need for presidents to spend a high percentage of their time on the economic health of their institutions, rather than serving as the academic/spiritual leaders of the past.

It is no longer possible for a charismatic president to attract the necessary funds by simply visiting potential donors. Raising dollars has become a highly complex process that requires a comprehensive and sustained approach to get results. The support of the president is essential to the success of the advancement program. This was especially important in the early days of the Initiative, when the grantee presidents were required to be more "hands-on" than they had been accustomed to being.

It is no longer possible for a charismatic president to attract the necessary funds by simply visiting potential donors. Raising dollars has become a highly complex process that requires a comprehensive and sustained approach to get results.

A critical role for the president was to work with the advancement team in developing systems and processes that worked for the institution and for the president. It was also vital to the successful development of each program that the president have realistic expectations. Each grantee president developed his/her own style in working with the advancement team. Those who worked closely with the team to develop processes were able to be effective more quickly.

Key Factors for Presidents

- Set fundraising priorities and vision.
- Make advancement a priority at your institution.
- Support the staff through the change process.
- Set realistic goals and timelines.
- Work with staff to develop prospect list.
- Meet regularly with chief advancement officer.
- Dedicate at least one to two days a week for prospect cultivation and solicitation.
- Make certain advancement is adequately staffed, with the necessary resources, and that staff get the training they need.

It was also important for the presidents to work with staff in developing the major gift prospect list. In most cases, the presidents had been working with a list of key donor prospects. However, due to his/her many other responsibilities, it was difficult for the president to manage more than a handful of donor prospects at a time. By developing a prospect management program, the president was able to devote more time to meeting face-to-face with potential donors. We found that the prospect management process had to be developed before the president could comfortably release some control over interactions with major donor prospects, especially trustees. (See Chapter 9, "Building A Major Gifts Program.")

The Council for Advancement and Support of Education (CASE) has worked with the Council of Independent Colleges (CIC) to conduct four surveys of the CIC member institutions. The latest survey was completed in 1997–98. In that survey, members reported that over 37 percent of the president's time is spent on fundraising and other advancement efforts. This compares to 24 percent spent on academic matters, 16 percent on student affairs, and 23 percent on financial matters. Clearly today, advancement consumes the largest portion of the president's time.

This was not always the case for our grantees, but we found that the fundraising results for the grantees usually corresponded with the amount of time spent fundraising by the president. No matter how dedicated the staff may be, it still takes the president to close the largest gifts.

TRUSTEE INVOLVEMENT

"The continued and increasing dependency of private higher education upon external support means the getting and giving of funds will take on even greater importance for all colleges – even those institutions that have accumulated significant endowments. This reality brings a special urgency to the board's role in institutional advancement. It is not stretching the truth, looking at the experience of individual institutions, to report that as the board performs, so does the [advancement] program respond."

– J.W. Pocock, *Fund-Raising Leadership*

The president, while the most visible leader of the institution and the advancement program, needs two things to succeed in today's competitive environment: the support of a strong advancement team and the involvement and support of an active board of trustees.

Prior to the launch of the Initiative, the Ayers Survey showed that most HBCUs cited a lack of trustee involvement in giving and raising money as one of its most serious issues. It is well documented that the most successful fundraising programs have strong support from trustees. This has not always been the case for the overwhelming majority of HBCUs.

There are different reasons for this unfortunate fact. It may be due to the lack of alumni or others close to the institution serving on the boards, or it could be due to the way board memberships are constituted. In some cases, HBCUs have a requirement to include a number of church-related members on the board, which could result in a large number of trustees without the financial resources to contribute to the institution's advancement efforts. This issue is made even more difficult for public institutions that work with appointed trustees.

Trustees need to understand the tough and critical factors that hinder the viability of HBCUs. They need to understand their critical roles in assuring the financial viability with and beyond fundraising.

Trustee giving was not considered to be strong for any of the grantees. Some of the problem may have been due to the lack of clear expectations among the trustees regarding their levels of giving. For example, at Dillard University many of the trustees had not been asked to make a gift commitment on an annual basis. To change this, one of the trustees was asked to challenge his colleagues. He offered to match all contributions from other trustees on a one-to-one basis, if 100 percent of the trustees contributed. The advancement staff worked with the board Development Committee to make certain that each member of the board was personally contacted in order for them to achieve full participation. By accomplishing the goal that year, Dillard established a new standard for giving in the years to come.

The lack of trustee involvement could be described in a larger organizational system and structure context. In fact, presidents do not have a great deal of power, given the prerogatives of faculty, the drain of the capital-intensive cost structure of the school, and other pressing problems of today. Trustees need to understand the tough and critical factors that hinder the viability of HBCUs. They need to understand their critical roles in assuring the financial viability with and beyond fundraising.

All of the grantees worked to improve trustee giving with differing successes. The most successful programs spent a significant amount of time in re-educating trustees about the expectation that they would give on a regular basis and at an increased level. In some cases trustees resigned, but in such instances the trustees were replaced with individuals whose expectations were more compatible with the evolving advancement process. This process may take time, but is worth it in the long run.

"As a Board we had been too reliant on the president to make the case for support. That is difficult for a president to do with his board since in effect he is asking his bosses for money. When we stepped up to the plate and started exerting our own personal influence with each other, our trustee giving grew exponentially."

– Dr. Stanley Marshall,
Former Chair of the Board of Trustees
Bethune-Cookman College

At Bethune-Cookman College, several of the trustees served as representatives from the United Methodist Church and often did not have the resources to make substantial gifts. In addition, some of them had fundraising obligations to the church, which meant that they were unable to give or solicit others. In an effort to achieve 100 percent trustee participation and increase trustee gifts, the chair of the board, with the development chair, appealed to the trustees and made it a requirement of membership to make an annual gift. They also set an expected amount for each trustee that was appropriate based on their ability to give. These efforts increased trustee giving in one year from just under $146,000 to over $1 million, with 100 percent participation.

The Role of Trustees

What is the ideal role for trustees in advancement? Here are some steps the grantees took to enhance the roles of their trustees in advancement efforts:

- Revise criteria for board members to ensure that you have a cross-section of trustees, including some whose connections can enhance the advancement efforts.
- Build a strong board with high involvement beyond meetings. The president and staff can involve board members with identifying prospects, setting up cultivation meetings, thanking donors, or reviewing prospect lists.
- Educate the board about the need to adequately fund advancement. Before setting annual or campaign goals, the board must clearly understand which members have contributed in the past, and what it will take to make the campaign succeed.
- Involve the board in adopting a strong case for support, helping them to better understand their roles and responsibilities in advancement and in campaigns.
- Use trustee challenges to motivate them to increase personal giving.
- Provide annual, ongoing education for board members about advancement goals, activities, and expectations.

THE VICE PRESIDENT FOR INSTITUTIONAL ADVANCEMENT

The leadership challenges for the grantee vice presidents were significant and were complicated by the need to accomplish the goals of the grant and greatly increase fundraising results. Turnover at the vice president level was a serious issue for the grantees: over the five and a half years of the grant, there were 18 vice presidents at the five grantee institutions, including four interim appointments. It was clear that this constant turnover was a major factor in terms of the speed with which the new advancement programs were institutionalized, since the grantees with fewer turnovers progressed more quickly. High turnover rates for vice presidents of advancement are a significant problem for all HBCUs. In the years of hosting the annual Learning Institute, we noted that 50 percent of the advancement vice presidents at non-grantee HBCUs changed each year.

There are some important lessons to be learned by studying the pattern of turnover rates at the grantees. Of the 13 vice presidents who left the grantee institutions, three were interim vice presidents, three left for better positions, and seven left for job-related problems – the main one being the lack of experience in managing a comprehensive program. Several vice presidents had difficulty starting new programs in spite of their prior experience at "majority" institutions. Other vice presidents cited the difficulty of dealing with institutional cultures or the lack of infrastructure to support the advancement program, such as computer assistance, fluctuations in human relations, or other campus-related issues.

SELECTING A CHIEF ADVANCEMENT OFFICER

Important lessons emerged from these experiences. In some cases, the selection process used to identify potential vice presidents was faulty or incomplete. Identifying the appropriate candidate is not easy and can lead to selection for the wrong reason. For example, when a president is unclear about the requirements of the job or the skill sets required to manage the complexities of the advancement office, decisions may be made on personality, appearance, and/or presentation abilities.

The role of the vice president for institutional advancement has become much more complex and demanding. To be able to represent the institution well, the chief advancement officer must have experience in all aspects of advancement and possess the management and leadership skills necessary to perform his/her role competently. The grid at the end of this chapter offers a template to help you make your hiring decisions. There is also a sample job description at the end of the chapter for you to use as a model.

The role of the vice president for institutional advancement has become much more complex and demanding.

In many cases, prior to the grants, the vice presidents had served primarily as grant writers, with each area of the overall advancement team working fairly autonomously. It required a great deal of skill on the vice presidents' part to bring the disparate and independently functioning units together in a cohesive team.

It was essential to build processes and procedures and to cross-train staff to eliminate disruptions caused by losing a staff member. Since the grantees built solid processes and procedures and trained staff, the turnover of a vice president has not meant a significant loss of momentum. By building a staff that worked collaboratively, team members have a broader understanding of their roles in the total picture.

Another lesson from the Initiative is the recognition of the importance of providing training for advancement vice presidents in areas other than advancement. Extra help is needed in budgeting and data management, administrative processes, and human resource management. It is critical for the advancement vice president to be a respected member of the campus community and to be able to work hand in hand with the president, trustees, and volunteers.

STAFFING

"…organizations must discover ways of transforming everyday employees into high performers who are their greatest assets."

– Jerry Gilley,
The Performance Challenge

One of the primary issues that we noted prior to developing the Initiative was a serious under-representation of African Americans in the advancement profession. In an effort to address this issue, the Initiative made possible the creation of 60 new advancement positions at the five grantee institutions. Filling these positions was an ongoing challenge. One lesson learned is that, in many cases, HBCUs must "grow our own" development officers. This process works best when there is an experienced president or vice president on board. It is much more difficult when everyone is learning at the same time. Traditional advancement training programs provide excellent basic skills, but without someone to translate these lessons into practical application, the training is often forgotten in the press of everyday deadlines and responsibilities.

To help fill these gaps, we relied on technical assistance from the program director and other advancement consultants. In some cases, consultants filled a vital role in training staff or helping them interpret what they learned from training workshops. Johnson C. Smith University successfully used consultants in several ways. During a vice presidential transition, a consultant was hired to provide ongoing leadership and on-site training and technical assistance for inexperienced fundraisers. On another occasion, local consultants were used to provide training following a significant staff turnover.

As a means of "growing our own" fundraisers, we added a Fellows Program to the Initiative that provided "rising stars" in the advancement field with intensive training in management, leadership, and other advancement functions at each of the grantee institutions. These Fellows received personal mentoring and coaching, but even so, turnover continued to be significant. In following their careers, we noted that although several of the Fellows ultimately chose to leave the advancement field, most stayed in the field but moved to institutions with established programs and more stable environments where they felt they could learn and advance with more assurance. This is an issue that HBCUs must deal with if we intend to "grow our own" fundraisers.

It is increasingly expensive to recruit and orient new staff members, particularly in the advancement area, where development officers are expected to build relationships with constituents to solicit major gifts. Every time a development officer is lost, the progress being made with potential donors is slowed down. The grantees noted a direct correlation between the length of a development officer's tenure and his/her ability to raise significant resources.

Key Lessons:

- **You must "grow your own" fundraisers.**
- **Couple your training with technical assistance to make certain someone with experience can help integrate new methods of advancement.**

How to Build an Advancement Team

- Hire carefully.
- Provide orientation for new staff members.
- Assign a mentor to each new staff member.
- Provide training and on-the-job coaching.
- Encourage each staff member's leadership potential.
- Solve infrastructure issues (credit cards, reimbursements, etc.)
- Develop a culture of execution.
- Provide technical assistance when implementing new programs.
- Develop clearly articulated policies and procedures – preferably with staff input.
- Find creative ways to develop skills such as cross-training or the formation of cross-functional teams.

Tools for You to Use

Here are a few examples that you can use to help you strengthen your own leadership abilities and provide the leadership necessary to help effect change.

BECOMING A BETTER LEADER

Rate yourself as an effective leader. Give yourself a score for each item – 10 is the best and 1 means you need to work on it.

As a leader, I am:

____________ Comfortable with change and can help others deal with uncertainty
____________ Willing to take calculated risks, but never at the expense of people
____________ Aware of my own limitations
____________ Willing to share power, but be there to support others
____________ Aware of what I stand for
____________ Always putting the interests of the team ahead of personal ambition
____________ Positive, upbeat, and optimistic, even when I don't feel like it
____________ Clear about where we need to go, and I have a plan to get there
____________ Always certain to act with the utmost integrity in everything I do
____________ A clear and persuasive communicator

The higher your score the closer you are to achieving the traits of a successful leader. Use the scores to help you identify the areas that you need to work on to become a more effective leader.

ROLE OF FEEDBACK IN LEADERSHIP DEVELOPMENT

How are you really doing with your leadership skills? It is sometimes easy to fool yourself into thinking you are doing a good job. It is essential to receive feedback to help you clearly assess your abilities. Feedback can help you gain an understanding of your leadership style, strengths, and weaknesses. Continual feedback enables you to benchmark progress and refocus efforts. It is important to receive feedback from as many different sources as possible.

Possible sources for feedback:

- Interviews with coworkers
- Performance appraisals
- Personality tests
- Management style assessments
- One-on-one with supervisor
- Employee attitude surveys
- Video sessions

Managing Change

1. List the five things you (and staff) have done to shift to an alumni/major gift focus.
   1.) ______
   2.) ______
   3.) ______
   4.) ______
   5.) ______

2. Identify five blockers to change.
   1.) ______
   2.) ______
   3.) ______
   4.) ______
   5.) ______

3. Name three new changes/strategies you plan to implement to increase alumni participation percentage.
   1.) ______
   2.) ______
   3.) ______

4. What has been your biggest challenge so far in shifting the paradigm?

   ______
   ______
   ______
   ______

5. As you think about the next year, what do you anticipate will be your biggest challenge in meeting your goals?

   ______
   ______
   ______
   ______

6. Five years from now, what do you think will be your biggest challenge in accomplishing your overall goals? ______

   ______
   ______
   ______
   ______

Interview Grid for Advancement Vice President

Core Competencies	No Experience	Some Knowledge	Education or Training	Demonstrated Experience
Fundraising				
Annual Giving				
Major Gift				
Campaign				
Planned Giving				
Advancement				
Public Relations				
Alumni				
Government				
Marketing				
Volunteers				
Financial				
Budgeting				
Managing				
Understanding Financial Reports				
Management				
Managing Staff				
Human Resources				
Higher Education				

Core Competencies	No Experience	Some Knowledge	Education or Training	Demonstrated Experience
Leadership Skills				
Motivation				
Group Dynamics				
Conflict Resolution				
Negotiation				
Change Management				
Planning				
Analysis				
Situational Leadership				
Running a Meeting				
Project Management				
Systems Thinking				
Processes				
Feedback				
Planning and Goal Setting				

JOB DESCRIPTION

VICE PRESIDENT FOR INSTITUTIONAL ADVANCEMENT

The vice president for institutional advancement is responsible for the overall planning, organization, and management of all activities related to fundraising, alumni relations, and communications. A primary focus for the vice president should include the management of the college's major fundraising initiatives, including the capital campaign. The vice president reports directly to the president and supervises a professional staff to assist in achieving the goals of the college.

Specific Duties:

- Design and implement all fundraising initiatives including capital, annual, planned giving, and special projects.
- Oversee and direct all advancement activities, including fundraising, alumni, corporate, foundation, and government relations, and public relations programs, with overall responsibility for staff, program, and budget management.
- Provide overall supervision to all professional and support personnel in the office. The vice president will be responsible for leading the staff in the establishment and meeting of annual goals.
- Provide support to the president in his/her fundraising and external relations activities. Fully prepare the president for involvement in cultivation and solicitation activities for the capital campaign, and ongoing programs, ensuring prudent use of his/her time.
- Work with the president to enhance the involvement of the trustees and other volunteers in the campaign and other cultivation, solicitation, and stewardship of donors.

Duties for functional areas within the Advancement Division:

Fundraising

- Work with the president and trustees to establish annual and capital goals and objectives for the fundraising program.
- Enhance and expand contacts with alumnae and friends both locally and nationally.
- Participate in active cultivation and solicitation of donors.
- Conduct a weekly prospect management meeting to review and assess progress toward goals.
- Develop internal systems to support the fundraising activities, including maintaining complete and accurate gift records.

Communications

- Implement a comprehensive program of external and internal marketing, and oversee publication of all college materials.
- Advise the president and set priorities on matters of external relations.

Alumni Relations

- Expand contacts with alumnae and promote active participation in campus activities.
- Identify and engage alumnae to support the college.

Government Relations

- Expand active cultivation of government contacts to increase funding potential for the college.
- Initiate and supervise the submission of government funding proposals from faculty.

Qualifications

The vice president for institutional advancement should:

- Be an individual of sensitivity, maturity, and enthusiasm with a strong sense of mission and pride in the College and its traditions.
- Have 8–10 years of experience in roles with increasingly responsible experience in advancement, preferably within higher education.
- Recognize the role and importance of alumni relations and communications programs in advancement endeavors.
- Possess outstanding interpersonal skills; exhibit energy and enthusiasm to inspire and motivate donors, volunteers, and staff to achieve the college's goals.
- Demonstrate a creative, goal-oriented approach to advancement and generate appropriate strategies to broaden the base of support of the college.
- Have excellent analytical, communications, and organizational skills.
- Have a proven track record in direct solicitation and management of a significant campaign effort.

A bachelor's degree is required and an advanced degree is desirable.

"What we learned from the Kresge Initiative is how to build a comprehensive program with systems. Fundraising is big business today. A president and his trustees ignore this at their own risk. These are things that a president needs to know. Things don't fall from the sky. In the past, we invested in technology, and we invested in financial aid. Today we must invest in advancement."

– Norman C. Francis, President of Xavier University

CHAPTER 2

a comprehensive approach

The old saying, "It takes money to make money," is accurate when it comes to advancing an institution. One of the questions the Initiative hoped to answer was whether a significant investment in building advancement infrastructure would result in increased giving.

Early in the planning phase, it was decided to invest fully in a few schools rather than to give smaller amounts of money to a larger number of schools. In this way, the grantees were provided enough funding to adequately staff and develop a comprehensive program.

Without a doubt, the single most important lesson learned from the Initiative is that it absolutely pays to invest in historically black colleges and universities. For every dollar Kresge invested in the grantees (an average of $500,000 per school, per year), each grantee increased the amount given by more than that in each year of the grant. By the third year, all of the grantees had increased their private contributions by significantly higher amounts. In most cases, the increase in *unrestricted* giving was at least $500,000 or equal to the amount invested annually.

Each of the grantees benefited from a comprehensive approach to advancement. By combining all facets of advancement into one division, each unit has been able to build on the synergy of the others. Each grantee had a small advancement program in place when it received the Kresge grant, and several of the schools were raising significant grant monies from the government and foundations, but none of the grantees had an ongoing, comprehensive major gift program. The lack of a consistent and ongoing major gift program made it difficult for them to identify, cultivate, and build solid relationships with individuals, including alumni, trustees, faculty, and other major donor prospects.

Without a doubt, the single most important lesson learned from the Initiative is that it absolutely pays to invest in historically black colleges and universities.

The grantees also benefited from a shift in the role and importance of the advancement function to a more prominent position in the life of their institutions. Advancement is now more central to the budgeting and planning cycles and today, the grantees develop their new strategic plans with a much greater understanding of the role that advancement plays in helping to achieve their goals.

HOW TO ORGANIZE

One of the most frequently asked questions is, "What is the best way to organize the advancement office at an HBCU?" Through the work of the Initiative, we found that there were many ways to organize for effectiveness. The design of the office should complement the strengths and weaknesses of the advancement team and work well with the skills of the vice president. There are also other factors to consider such as the size of the alumni base, location, the institution's reach, the level of board support, and how much of the budget is committed to advancement.

Each of the grantees advancement offices is organized differently; however, all five have combined all of their advancement functions into a single unit within their respective institutions. Through the Initiative, we learned that there is an economy of scale and increased productivity when these vital functions are combined.

A challenge for many HBCUs is how to increase fundraising productivity without a large staff. A comprehensive approach is even more critical for a small institution with fewer staff members. If that is the case for you, you will need every member of your staff to focus on the goal of increasing private giving. Although you may not have a separate person for each function, you should make certain that someone is covering the essential roles. There are some successful strategies in other chapters to help you achieve an integrated advancement program with everyone focused on the common goal.

Here are some questions that will help you determine the best structure for your organization:

- Do I need a separate person for each of these responsibilities, or can some of them be combined?
- How do I integrate all of these components into my current organization?
- Which of these responsibilities are already covered by current staff?
- If not, how do I make a case to add staff?
- Can I use current staff with students and volunteers to integrate these important components in our advancement programs?

If you are able to add staff, there are a number of sample organizational charts at the end of this chapter to help you. These examples can also help you build a case to add staff members. From our experience, the most important positions to add are in the major gifts area, since that is the area that has been the least developed at HBCUs. It is also the area with the greatest potential for return on investment. Think of it this way: one gift of $100,000 is equal to 100 gifts of $1,000, and you know how difficult it is to raise gifts of $1,000 in the annual campaign.

Another reason to add a major gift focus is the need to be prepared to complete a capital campaign. From the Ayers Study, we found that 55 percent of HBCUs said that they were either in a campaign, planning a campaign, or had just finished a campaign. Follow-up research showed that many of those campaigns never achieved their goals. The lack of an ongoing major gifts program hampers our ability to build long-term and interactive relationships with alumni, friends, and other donor prospects.

WHAT DOES IT COST TO BUILD AN ADVANCEMENT TEAM?

Without sufficient funds to perform the advancement functions an institution needs, and without at least a reasonable return of gift dollars, the institutional advancement process does not function as it should and will not yield the desired results.”

– Wesley K. Willmer,
A New Look at Managing the Small College Advancement Program

The grantees discovered that it took an investment of between $1.2 and $2 million per year to staff and build a good comprehensive advancement program that includes enough staff to make face-to-face visits with alumni and other donor prospects. However, that cost may be unrealistic for an HBCU whose overall institutional budget is less than $10 million.

Advancement Responsibilities

Communications	
	Marketing
	Public Relations
	Publications
	Special Events
	Web Page
Advancement Services	
	Data Analysis and Reports
	Data Entry
	Gift Entry
	Stewardship
Alumni	
	Programming
	Reunion
	Chapter Development/Association Activity
Annual Giving	
	Reunion
	Phonathon
	Direct Mail
	Internet
Major Gifts	
	Prospect Research
	Corporations/Foundations
	Major Gifts Officer(s) Relationship Builders
	Planned Giving
	Moves Management
Other	
	Government
	Title III
	Grants and Contracts

In the book *A New Look at Managing the Small College Advancement Program* by Wesley K. Willmer, vice president of Wheaton College in Illinois, Mr. Willmer shares a framework for assessing the advancement program at small colleges, defined as having fewer than 2,500 full-time students. This information is particularly relevant, since most of our grantees and most of the private and many public HBCUs fit into that category.

Mr. Willmer writes in the book: "Expected institutional commitment to advancement should include a written long-range plan that includes projected program changes and a long-range budget; from five to nine percent of the total educational and general (E&G) budget should be for advancement; a dollar should be raised for every 25 to 40 cents spent for the advancement process; five to nine professional advancement personnel should be employed, and three to seven supporting staff should be employed."

How do HBCUs compare to this model? The Ayers Study found that the average institutional advancement budget at HBCUs for fiscal year 1996–97 was $536,770, with public HBCUs averaging $388,665 and private HBCUs averaging $595,531. Although the grantees each had invested more than the average, they were still only spending between two to three percent of the institutional budget for advancement prior to the grant.

The five grantees received different amounts of money, based solely on the amount they requested. The grant funds were supplemental, and could not be used as replacement dollars for the existing program. Most of the Kresge grant funds were used to hire new staff, particularly in the major gifts area, but the grantees also used the funds for marketing materials, training, travel, new programs, call centers, technology, and other program enhancements.

TEAM APPROACH

Even with new dollars, none of the grantees have had enough staff or resources to manage all of the things required to increase private giving without using a team approach. For example, at Dillard one of the Fellows designed a creative program that required fundraisers and alumni staff members to work together.

The Development Staff Reunion Representative Program was designed to utilize the entire development staff in assisting the class agents and other alumni leaders with establishing class goals, locating missing alumni, increasing class participation, and identifying major gift donors.

Whether they were collaborating on reunion or working with alumni to increase donations, each grantee gained from staff members working together.

The program was managed by the executive director of alumni relations and annual giving and included biweekly meetings, rating and screening sessions with staff and volunteers, financial goals for each class, specific timelines for achieving goals and program objectives, and targeted mailings that were developed by the staff reunion representative and the class agents. Event publications and promotional pieces were mailed throughout the year to encourage and promote attendance.

Executive Director of Alumni and Kresge Fellow Therese Badon said, "I knew we would not be able to reach our alumni giving goal without the help of all of the staff. The project was a success because it was win-win. The development staff members were able to build relationships with alumni prospects, while we exceeded our reunion giving goal because of the face-to-face activity."

The synergy gained from activities like these has fueled a momentum that will sustain these institutions for a long time. Whether they were collaborating on reunion or working with alumni to increase donations, each grantee gained from staff members working together. By sharing a common goal – to increase private giving to their institution – each unit developed strategies to help further their goals.

Another example of this collaboration was developed at Johnson C. Smith University through their Alumni Leadership Conference. They knew that they must refocus alumni and individual giving programs to a standard method that utilizes peer-to-peer relationships to increase giving. Fundraisers were involved in all aspects of the program and were able to build personal relationships with many major gift prospects.

The grantees learned that it made their job easier and more effective if they worked toward a common goal and focused their activities on outcomes. This is particularly important for HBCUs, since all of the lessons learned from the Initiative demonstrate the need to develop strong relationships with constituents. This cannot be accomplished in isolation.

INSTITUTIONAL COMMITMENT

"To build an advancement program, it takes long range thinking. Do you make the decision to invest today so that in the long term you can raise the dollars you need to build the academic program? We have learned that it takes time to change the culture of giving at our institutions, but if we don't begin these efforts now, we will always remain behind."

– Dr. Dorothy C. Yancy
President, Johnson C. Smith University

There is no question that to remain viable, institutions must invest in building good advancement programs. What does it take to accomplish this? The first step is an investment in building infrastructure in the advancement area, and the second step is for the president and trustees to allow enough time for the staff to gain the necessary skills. It also is essential to build the case for support and develop a culture of giving to your institution.

Building a successful program in today's environment requires an advancement leader with the technical knowledge to maximize productivity and achieve results. Often in the past, the HBCU advancement program has been built from bits of other programs. For example, a faculty member with a history of successful grant-writing or an admissions person who "knows everyone" is recruited to build the advancement program. While this may have worked to varying degrees in the past, it is no longer the case.

The vital business of institutional advancement cannot be relegated to isolated groups or individuals; it must permeate the entire fabric of the institution. The president must make it clear to the entire college community – particularly the leaders in every area – that advancement is a top priority for everyone on campus. Without full institutional commitment to advancement, the program will remain an afterthought rather than reaching its full potential.

Dr. Bettye Parker-Smith, interim president and provost of Dillard University said, "The Kresge Initiative has had an impact on every aspect of the University: from Board development and trustee giving to alumni relations and campus life. Philanthropy – and the impact it has had on the institution – can be seen throughout the campus and in the community."

THE ROLE OF CONSULTANTS

You need the benefit of an outside expert to build an effective advancement program. At the start of the Initiative, we used consultants to conduct organizational assessments of each of the grantees' advancements programs. This provided a good assessment baseline and helped the institutions determine the most effective ways to move their programs forward.

We also utilized consultants as sounding boards, coaches, mentors, and helpers. In addition, each grantee employed consultants for important campaign preparation or expert marketing guidance. Consultants also provided technical assistance in implementing new programs and helped integrate training lessons into the overall culture of each institution. We also used consultants to bridge the change during vice presidential transitions.

While consultants can contribute greatly to advancement success, to be truly effective, they should be used as partners in the enterprise rather than saviors. It is not cost-effective to hire a consultant to conduct an organizational assessment unless you plan to invest in building a strong program. It is a waste of money to hire a consultant to do a feasibility study if you have not yet built a highly functioning advancement program.

"Choose your consultant carefully, matching her/his expertise and experience with your needs. Most importantly, empower your consultant to be totally candid with you at all times," advises Alice Green Burnette, principal of Advancement Solutions and consultant to the Kresge HBCU Initiative.

EVALUATING THE ADVANCEMENT PROGRAM

It is difficult to monitor the effectiveness of the advancement program without an annual evaluation. The Kresge grantees were evaluated each year of the Initiative and required to submit status reports every six months. This close, ongoing scrutiny of program growth and dollars invested, compared to results achieved and return on investment, was the only way to determine whether the programs were on track to reaching their goals.

How can you know whether you have an effective advancement program? We know that it takes investment, it takes time to develop skills, and it takes institutional commitment. Here are some ways to measure your program each year.

Evaluating Your Results

- What is my cost per dollar raised?
- What is the rate of return givers?
- How many new donors did we have this year?
- Did we meet our fundraising goals?
- What is the staff turnover in advancement?
- What were the results of our PR efforts?
- What was the readership of our publications?
- How many alumni did we individually meet with last year?

Developing a comprehensive approach to advancement is essential today. The competition for private giving is fierce and donor prospects have many options for their giving. The Kresge grantees have shown that it pays to invest in advancement, but you must also focus your efforts and work together to accomplish more ambitious goals.

Key Lessons:

- **It requires an investment in staff, training, and technical assistance to build a successful advancement program.**
- **It pays to invest in building advancement capacity at HBCUs.**
- **There is an economy of scale when you combine all of advancement together.**
- **It requires a commitment from the entire institution to ensure advancement success.**

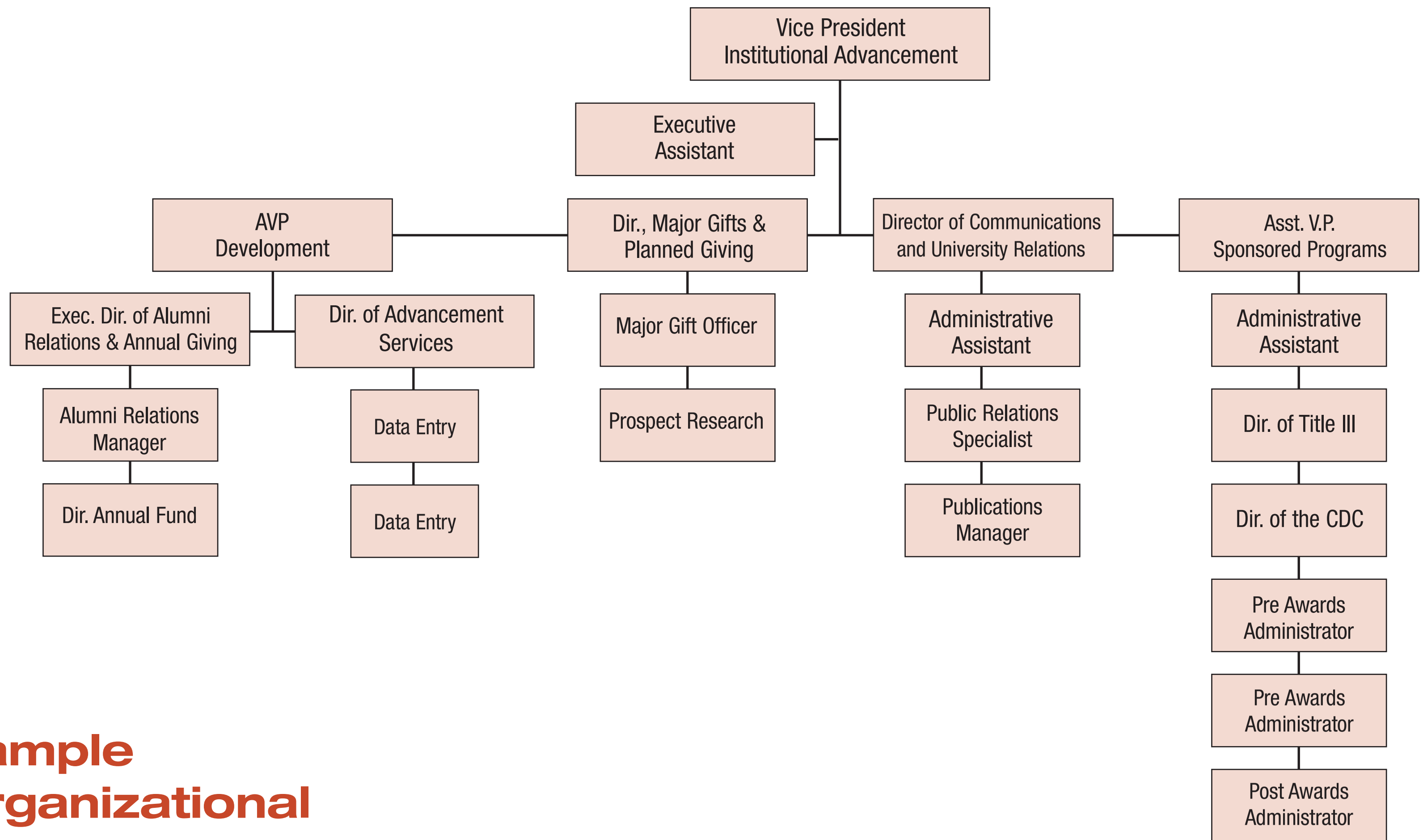
Tools for You to Use

The following was printed in a 1994 *CASE Currents* magazine, but the advice holds true today. You can use this list to help you develop a comprehensive approach to advancement.

11 Elements for Successful Fundraising

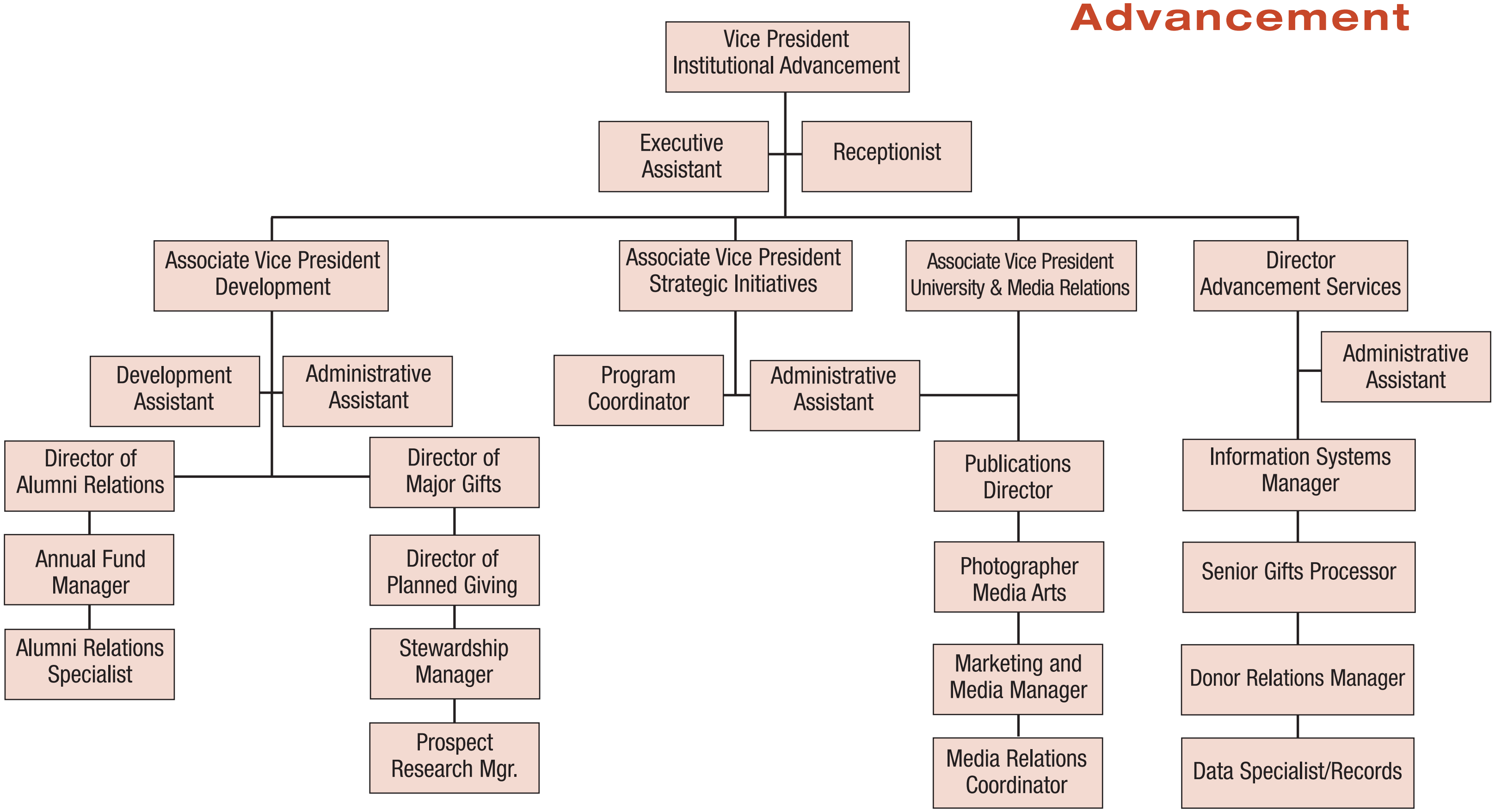
- Resources spent on institutional advancement.
- Organization of institutional activities.
- Having all of the key fundraising functions: annual giving, major gifts, deferred and planned giving, and prospect research/management.
- Active trustee development committee.
- A written case statement.
- Number of solicitation calls.
- Use of outside professional counsel.
- Number of names on mailing list. (Integrity of list.)
- Consistent publications with a high readership, including a newsletter, honor roll of donors, magazine, and president's report.)
- Gift clubs.
- Quality perception of institution, size of endowment, wealth of constituents, location, mission.

Office of Institutional Advancement



Sample Organizational Chart

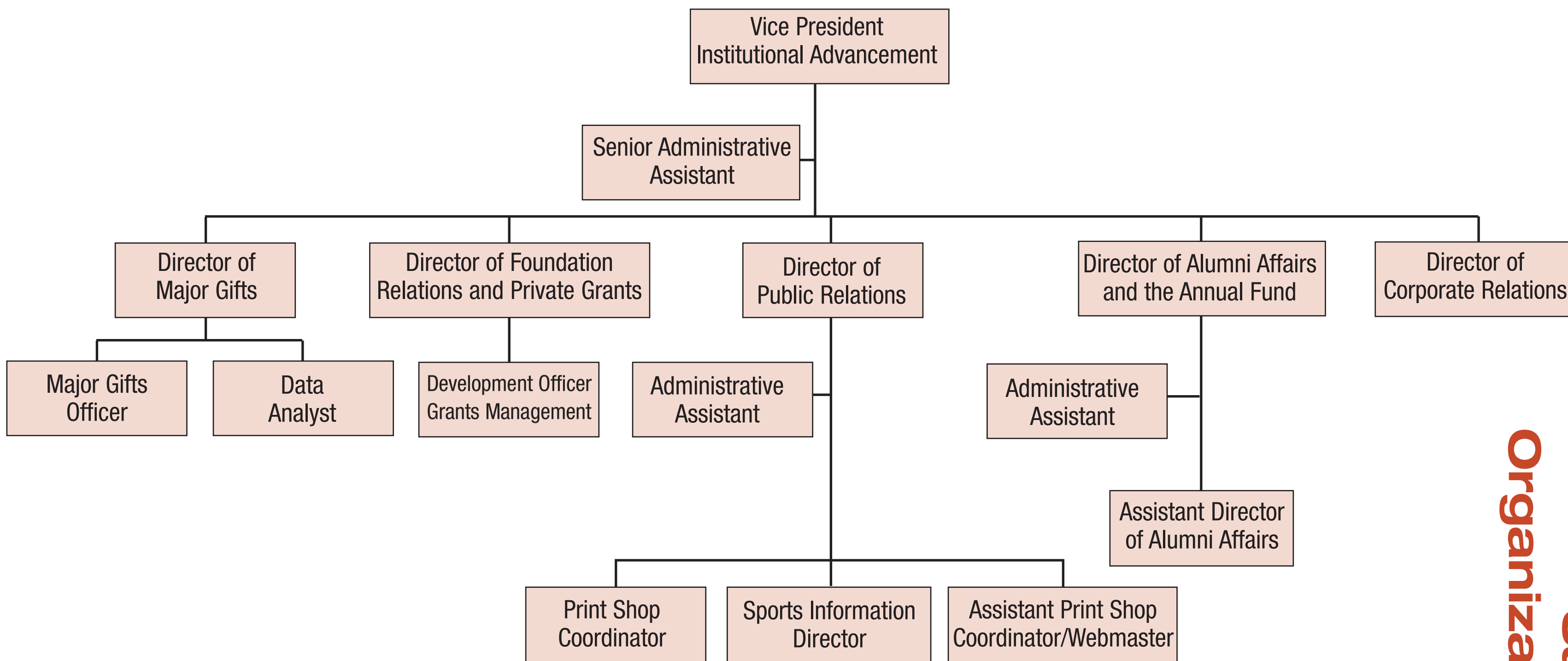
Office of Institutional Advancement



Sample Organizational Chart

Sample Organizational Chart

Institutional Advancement Office



NOTES

"Performance begins with focusing on outcomes instead of activities. In my experience, most people in most organizations...do the reverse. They concentrate their efforts on the pursuit of activities instead of outcomes. As a result, they rarely set or achieve performance results that matter."

– Douglas K. Smith
Make Success Measurable!

CHAPTER 3

focus and execution

Most HBCUs face the pressing and constant need to attract more money. Yet their advancement offices are often too busy with planning events and other activities to focus on raising dollars. The staff is very busy, but is the activity really advancing the institution's priorities? How can you change the focus from activity to productivity?

First, you must determine how to move from day-to-day tasks to a higher level of fundraising. The Kresge HBCU Initiative demonstrated that there is potential for HBCUs to raise more money if they invest in additional staff. However, we also learned that having additional staff isn't enough. Even with new staff, the grantees had to seriously rethink their priorities and reorder responsibilities to focus on raising dollars.

For example, at the beginning of the Initiative, one of the grantees was not showing an increase in fundraising results. With technical assistance, we found that despite additional staff, they were continuing to do the same activities that they had always done, thinking that doing more of the same would raise more dollars. They had to look at the new goals and devise a new action plan to help them accomplish those goals. The key for them was to focus all efforts on the bottom line goals.

CONDUCTING A FUNCTIONAL ANALYSIS

One of the first steps in moving from activity to results is to analyze how staff members spend their time. The grantees were trained to conduct a functional analysis, an exercise

Using Functional Analysis

A possible scenario: *You must craft a strategy to complete a $75 million campaign in four years, without adding any staff. There is currently a single staff member assigned to direct fundraising; the other staff members are busy completing other projects. Your goal: to find out how the staff is currently spending their time, and then free them to focus on the true priority – raising $75 million.*

Step 1: Ask each staff member to track how they spend their time over the next several weeks.

Step 2: When time-tracking is completed, convene teams to discuss the projects for which they are responsible for the next four years.

Step 3: Teams work together to calculate the percentage of time spent on each activity, noting who is assigned to each task. The percentage of all activities must total 100 percent.

Step 4: Analyze the information and identify the trends. For instance, the annual giving team spends 65 percent of its time working with local volunteers to raise $100K per year. While this may seem positive, it leaves the team only 35 percent of its time to work with the alumni giving team that was raising $400K each year.

Another example: *Four staff members are spending over 30 percent of their time working on Homecoming. Although Homecoming is an opportunity to meet and greet alumni, there is no money raised during that time. By changing staff focus from planning events to raising dollars, two people can be freed to become development officers and use their time before and after Homecoming to meet individually with alumni to ask for money.*

Step 5: Conduct a cost benefit analysis to determine how much money is being spent on each activity, including salaries of the director and assistant. In the first example, this cost benefit analysis revealed they were spending over $80K to raise the $100K – not a good return on investment.

that reviews how staff members actually spend their time. It is a fact that jobs evolve over time, until often the work does not reflect the original job description or intent at all. This is particularly true in an organization that has been chronically understaffed, since assignments are given as the need occurs. Sometimes these assignments are continued with little thought about their impact on the original job intent. Grantees also learned how to conduct a cost benefit analysis to determine whether an activity generated enough return on investment to justify its continuation. See the forms in "Tools You Can Use" at the end of this chapter.

HOW TO USE A COST BENEFIT ANALYSIS

There are a number of steps to use in figuring the cost-effectiveness of your strategies. For example: Suppose that you have a group of community volunteers who annually raise dollars from a group of wealthy community people. Without their support, it is unlikely that you would have access to many of the donors to the fund. They raise $100K annually.

AN EXAMPLE:

Expense Budget	$30,000
Annual Fund Manager (half-time)	30,000
Administrative Assistant (half-time)	17,000
Database Manager (quarter of time)	8,750
Total Expenditures	$85,750

Recently, the volunteers have become dissatisfied with the staff assigned to help them and have requested that you assign an additional staff person to assist with their efforts. Currently, the annual fund manager, with the help of her administrative assistant, manages the annual campaign. Additionally, the database manager spends significant time pulling reports and preparing packets. The vice president attends all of the meetings and the president attends all of the annual events. The expense budget allocated to the project is $30K.

If you look at the amount raised versus the amount expended, you have only raised $14,250. Is that enough to justify assigning an additional person to work with them? Clearly, there may be other considerations to the decision process, such as whether you can convert some of the annual donors to major donors? Will the volunteers help with the next campaign? Can the volunteers provide access to some new prospects? All of these factors should be considered in making decisions about allocation of resources, but you should also do this for other programs to determine if they are in fact effectively meeting the goals.

This type of analysis helps determine whether a fundraising event or activity will yield an adequate return. It is much easier to build a case for requesting additional staff or other resources if you have data to draw a correlation between activity and outcome.

BEGIN WITH THE END IN MIND

"No one can be considered a serious manager who allows his/her people to go through the motions of 'doing the job' without first having established and communicated year-end performance targets for the group as a whole, and for each individual."

– Dr. Jeffrey Howard
The Efficacy Center

As part of the planning process, each grantee was required to set five-year fundraising goals, and then design strategies to help them accomplish those goals. To help in the goal-setting efforts, Dr. Jeffrey Howard of The Efficacy Center presented an intense two-day workshop for the senior cabinet officers of each grantee institution. The workshop focused on how to set "stretch" goals, and how to help staff use data to analyze progress toward those goals.

Using what they learned at this workshop, grantees used the following steps to craft a new strategy:

> **Step 1:** Set a performance target that is aligned to institutional targets. Performance targets should be challenging and specific. They should also be measurable and have a deadline. For advancement, the goals should be to set a fundraising goal for annual and capital gifts, as well as a goal for each of your constituencies, such as alumni, trustees, individuals, etc.
>
> **Step 2:** Find the data that will enable you to analyze your progress. For advancement, you should examine past giving by each constituency to determine what has worked and what hasn't worked, who is giving and who is not.
>
> **Step 3:** Determine what your data means. For example, if you learn that alumni who graduated in the past ten years are not giving, you might probe further to check if you have current addresses. The grantees found that young alumni often don't change their addresses with the school for a number of years after graduation. Instead their mail goes to their parents' homes, where the parents read the publications and discard mail solicitations and address updates. You won't find this out because the mail does not come back as undeliverable, and yet it hasn't reached the alumni.
>
> **Step 4:** Develop strategy. Use the data and analysis to set your strategies. Using the same example, you may decide to do a phonathon targeted to young alumni to update addresses, emails, and phone numbers, or organize a group of young alumni to find their classmates.
>
> **Step 5:** Review and analyze the data and adjust strategies every three months.

ACCOUNTABILITY

Learning to focus on activities that yielded the greatest results was central to helping the grantees improve their private fundraising. Knowing that someone was checking to make certain they were following their plans and not being diverted to other campus activities also made a big difference. Mandatory six-month reports helped them stay on task, reminding them that their goals were vital and they were being held accountable for attaining those goals. The grantees were aware that their grant funds were in jeopardy if they did not submit timely reports.

This constant reinforcement played a pivotal role in helping the grantees strip away extraneous activities that were keeping them from reaching their advancement goals. Adrienne Brooks, vice president for institutional advancement at Xavier University, said that "having preset and required goals helped keep pressure on the institution to make advancement a priority."

You can adapt this technique by preparing a thoughtful five-year plan that focuses on your primary objective: to increase private giving. You then project fundraising goals for each of your constituent groups such as alumni, trustees, individuals, corporations, foundations, etc. Once you establish a target baseline, you can determine which strategies are needed to accomplish those goals.

Once you establish a target baseline, you can determine which strategies are needed to accomplish those goals.

For example, if you know one of the reasons alumni don't give is that they are dissatisfied about not receiving any publications, then establishing quality, consistent communications should quickly become a top priority. Perhaps your gift acknowledgment process is slow, causing alumni to complain. Make streamlining the process to reduce response time a priority.

You must be honest about what is working and what isn't. Do you know the underlying factors that influence your results? Even if you believe you know, ask key stakeholders why they are not giving. What you learn will surprise you.

The planning process can be time-consuming, but once you establish effective strategies, monitoring will ensure that your plans are executed. Consistent monitoring reveals whether your strategies are having the desired effect. You cannot afford to wait until the end of the fiscal year to see whether you have met your goals. It is essential to set up a system to determine how you will assess whether a strategy is working, then have a backup plan to use, if needed, to reach your goals.

"One of the legacies of the Kresge Initiative for all of the grantees is a new understanding and appreciation for data and how to use it to set strategy. We no longer do activities hoping that we will reach our fundraising goals. Instead, we set strategic plans to accomplish our goals."

– Ken Westary,
Vice President for Institutional Advancement
Johnson C. Smith University

The planning documents at the end of this chapter helped the grantees manage their various strategies. The Dillard Five-Year Work Plan gives you a template to set strategic direction over a period of years. The Xavier Six-Month Review gives you an example of how the grantees stayed focused on where they were in the process and whether they were on track and on task. If you set up a similar structure and review it every six months with your staff, then report on the status to your president or board advancement committee, you should maintain the focus needed to reach your fundraising goals.

John Donohue, former chief advancement officer at Dillard University, said that the singular focus on "working the plan kept us on task to increase private giving by over 53 percent."

GETTING THINGS DONE

Key Lesson: A culture of execution is essential to reach ambitious goals.

"You need accountability for results – discussed openly and agreed to by those responsible – to get things done and reward the best performers. You need follow-through to ensure the plans are on track."

– Larry Bossidy and Ram Charan
Execution: The Discipline of Getting Things Done

All five of the grantees reached most of their goals and moved their advancement programs to new levels. It is interesting to note that each of the five made progress on different timetables. Several of the grantees made swift progress in hiring staff and implementing new programs. They showed fundraising progress more quickly than the grantees that took a more deliberate pace in filling new positions or adopting new programs.

There was a variety of reasons why it took longer for some of the grantees to make progress. In fact, even those that moved more quickly struggled with some of the same issues. Some of the blockers that had to be overcome before progress could be made included:

- Turnover of the vice president
- Difficulty in finding an experienced vice president
- Not implementing new programs
- Not hiring staff or filling vacant positions
- Unrealistic expectations or expecting immediate results from investment
- Not setting clear goals or priorities
- Difficulty in managing change
- Institutional culture that accepted "the way it has always been"
- Problems with the alumni association
- Poor data
- Infrastructure issues

Dillard University made good progress because they used the Kresge grant to help the entire institution develop a culture of planning, data analysis, and execution of the plan. By emphasizing a new institutional culture of change and execution, Dillard moved quickly to implement their strategies. The results were immediate and lasting. They increased alumni giving from just under $100,000 to over $440,000 in the first year of the Initiative. They won a CASE gold medal for the increase in trustee giving in their second year, and by the third year of the program, they had improved their rankings in *U.S. News and World Report* due to their improved alumni giving.

Key Lesson:
- **Fundraising results are related to the number of staff members with direct fundraising responsibility.**

Prior to the grant, most of the grantees depended solely on the vice president and president for the bulk of fundraising activity. By hiring development officers who could focus full-time on raising money from individuals – particularly alumni – each school greatly increased its private giving. Today, the grantees employ an average of six fundraisers per school who spend most of their time raising dollars. You can determine the number of fundraisers you need by looking at your number of alumni and other donor prospects.

How Many Fundraisers Do You Need?

- You need a prospect manager for every 125–200 major gift prospects.
- Each fundraiser should make at least 20 personal visits per month.

To help increase productivity of fundraisers, Meharry Medical College developed specific requirements and expectations for its fundraisers to help measure productivity. Each fundraiser was given a specific goal for unrestricted gift and grant revenue responsibility. The fundraising goals were used as a basis for evaluating fundraisers' performance. In addition, each fundraiser was expected to raise an amount equal to twice his/her annual compensation (ie., salary, benefits, and share of institutional overhead) and to raise the specific dollar goals established for them annually.

Key Lesson:

- **Benchmark your advancement program with others that raise more money.**

"This form of organizational learning has recently acquired a label: benchmarking, the discipline of measuring yourself against best practices in any function or field, often in industries very different from your own. The label, however, reduces to a technique what surely ought to be an ingrained habit – to aim to be not just good enough, but as good as can be; to look beyond oneself in setting standards for oneself, to shun complacency and the false comforts of talking only to people like oneself."

– Charles Handy
Beyond Certainty

Learning from others is a very beneficial tool to see beyond your comfort zone and expand your horizons and improve your results. Few of the lessons learned from this Initiative are new to successful fundraising programs at "mainstream" colleges and universities. The Kresge HBCU Initiative established a Peer Modeling Program to provide regular opportunities for the grantees to visit and observe firsthand how successful programs operated.

Each grantee selected a peer institution with a successful advancement program that was similar in size of student body, size of institutional budget, number of alumni, and degree programs. None of the grantee institutions found a peer that was comparable in every way, but the interactions provided real-time experiences. We found that in the past, if benchmarking was done at an HBCU, it was based on academic standards, and usually with other HBCUs. By finding institutions that were raising significantly more money, the grantees could observe best practices and readily see how to adapt them to their institutional cultures.

How to Select a Peer for Advancement Benchmarking

- Choose an institution that is similar in:
  - Size of institutional budget
  - Number of alumni
  - Number of students
  - Graduate/professional programs
  - Location (urban/rural)
- Choose an institution that has had good fundraising results by observing:
  - Total raised each year
  - Amount of alumni giving
  - Percentage of alumni giving
  - Campaign success

The grantees used the Peer Modeling Program in a number of ways. In some cases, representatives from the peer institutions visited the grantees to observe their programs and offer suggestions. The most successful use of the programs was the opportunity to visit the peer institution to observe day-to-day activities and to talk privately with various leaders.

One of the more active peer relationships was the one between Johnson C. Smith University and Centre College in Kentucky. Although they had some significant differences in terms of size and budget, they also shared the fact that they are sponsored by the Presbyterian Church. Through the years, a number of the Johnson C. Smith fundraisers, as well as the vice president, visited Centre to learn from its success, particularly in alumni giving. Richard Trollinger, vice president for advancement at Centre, noted, "I don't know if we were able to help Smith, but I know that the relationships we built with staff members from Smith has greatly enriched our own program."

Few of the lessons learned from this Initiative are new to successful fundraising programs at "mainstream" colleges and universities.

Carleton College in Minnesota was the peer for Dillard University. Carleton shared its model for increasing alumni support, including strategies for finding lost alumni. Even after the vice president at Carleton left to become vice president at Macalester College, he remained involved with helping Dillard and participated regularly in the annual Learning Institute.

Key Lessons
- **Focus on raising dollars**
- **Move from activity to results**
- **Set goals, measure progress to goals, analyze data, adjust strategies**
- **Benchmark with others to learn best practices**

Tools for You to Use

Example:

Functional Analysis

Department: ________________ **Number of Staff:** _____________

Function	Who Responsible	% of Time	Comments	Priority
Friends:	Sandra	5		
Review list	Sandra	5		7
Make volunteer assignments	Ethel	6		10
Prepare letters/packets	Sandra/Ethel	5		3
Phone time with Chairs	Sandra	5		1
Meet with Chairs	Sandra	5		
Kickoff	Sandra/Ethel	5		5
CheckPoint meetings	Sandra/Ethel	7		6
Committee lunches	Sandra	5		
Draft and prepare acknowledgments for donors and volunteers	Sandra/Ethel	7		9
Plan end of year celebration	Sandra/Ethel	5		4
Revise prospect list	Sandra/Ethel	6		2
Prepare reports	Ethel	5		8

Example:

Functional Analysis

Department: Annual Giving **Number of Staff: 2**

Function	Who Responsible	% of Time	Comments	Priority
Alumni Fund:				
Draft letters/brochures	Sandra	2		6
Review list	Sandra	5		5
Take to mail house	Ethel	2		4
Phonathon	Sandra/Ethel	2		7
Draft acknowledgments	Sandra	1		8
Administrative	Sandra	20		1
Phones	Ethel	10		2
Correspondence	Ethel	10		3

Daily/Weekly Time Allocation

Name:__________________________ **Department:**_______________________

Function	M	T	W	Th	F	Total

KRESGE HBCU INITIATIVE WORK PLAN

DILLARD UNIVERSITY

Major Goals:

- Create a capable and effective major gifts component in the advancement team consistent with traditional models.
- Establish comprehensive Development Services Program.
- Increase alumni participation from 15 percent to 40 percent.
- Increase private giving by 80 percent by the end of the grant.
- Increase the Advancement Program's capacity for executing a capital campaign.
- Prepare to launch capital campaign.

OBJECTIVES

Develop and strengthen the major gift capacity of the advancement team in preparation for a capital campaign

2000–2001	2001–2002	2002–2003	2003–2004	2004–2005
1. Hire Director Major Gift	1. Increase total gifts by 20%	1. Increase total gifts by 25%	1. Increase total gifts by 30%	1. Increase total gifts by 35%
2. Hire Development Assoc.	2. Hire 2nd Development Field Officer	2. Host a minimum of 2 screening/ rating sessions per quarter	2. Host a minimum of 8 screening/ rating sessions per quarter	2. Host a minimum of 8 screening/ rating sessions per quarter
3. Host a minimum of 6 screening/ rating sessions by 12/31/00 and enter results into Teams 2000 Prospect Management Module (completed 14)	3. Host minimum of one screening/rating session per month and enter results into expanding prospect database	3. Complete 200 personal contacts with major gift prospects	3. Complete 250 personal contacts with major gift prospects	3. Complete 350 personal contacts with major gift prospects
4. Contact 10 major gift prospects by 6/30/00 (completed 20)	4. Complete a minimum of 10 new and 10 existing major gift prospect contacts per month	4. Complete a thorough inventory of the major gift prospect base	4. Determine/ reaffirm "best contacts" and known matches with DU opportunities and gift ratings/ readiness	4. Determine/ reaffirm "best contacts" and known matches with DU opportunities and gift ratings/ readiness
5. Contact 15 additional major gift prospects by 12/31/01 (completed 65)	5. Update the gift opportunity brochure	5. Complete the screening of the entire alumni roster for affluence/ networth	5. Review the entire alumni roster for affluence/ networth	5. Complete a through inventory of the major gift prospect base
6. Revise and publish a gift opportunities brochure for use during personal visits with active major gift donors				

OBJECTIVES

Increase the results of the University's Annual Giving Program

2000–2001	2001–2002	2002–2003	2003–2004	2004–2005
1. Hire Dir. Annual Giving 2. Hire Database Manager 3. Hire Database Clerk 4. Establish a call center 5. Locate 3,000 missing alumni 6. Complete comprehensive profile of parent information and enter into Teams 2000 database by 11/30/00 7. Complete 3 targeted annual fund mailings by 12/31/00 8. Increase face-to-face calls and asks in all donor categories by 20% 9. Activate volunteer program 10. Conduct one meeting with peer modeling institution for best practices session	1. Increase annual giving by 20% 2. Complete 4 targeted mailings (completed 2) 3. Increase # of members in each gift club by 20% 4. Expand each alumni reunion class attendance and giving by 20% over previous year 5. Realize at least $30,000 in parent and student giving 6. Activate phonathon in call center 7. Implement and realize $30,000 via faculty and staff giving program 8. Screen alumni database by 12/31/01 9. Increase face-to-face calls and asks in all donor categories by 20% 10. Increase volunteer pool by 20%	1. Increase annual giving by 30% 2. Complete 4 targeted mailings 3. Increase # of members in each gift club by 30% 4. Increase # of $1,000 donors by 15% 5. Expand each alumni reunion class attendance and giving by 20% over previous year 6. Increase parent and student giving by 20% 7. Expand phonathon to reach "never givers" 8. Increase faculty and staff giving by 20% 9. Publish annual giving donor honor roll (8) 10. Screen alumni database by 12/31/02 11. Increase face-to-face calls and asks in all donor categories by 20% 12. Increase volunteer pool by 20%	1. Increase annual giving by 40% 2. Complete 5 targeted mailings 3. Increase # of members in each gift club by 40% 4. Increase # of $1,000 donors by 25% 5. Expand each alumni reunion class attendance and giving by 20% over previous year 6. Increase parent and student giving by 25% 7. Expand phonathon to reach "never givers" 8. Increase faculty and staff giving by 20% 9. Publish annual giving donor honor roll 10. Screen alumni database by 12/31/03 11. Increase face-to-face calls and asks in all donor categories by 20% 12. Increase volunteer pool by 20%	1. Increase annual giving by 50% 2. Complete 6 targeted mailings 3. Increase # of members in each gift club by 50% 4. Increase # of $1,000 donors by 30% 5. Expand each alumni reunion class attendance and giving by 20% over previous year 6. Increase parent and student giving by 25% 7. Expand phonathon to reach "never givers" 8. Increase faculty and staff giving by 25% 9. Publish annual giving donor honor roll (8) 10. Screen alumni database by 12/31/04 11. Increase face-to-face calls and asks in all donor categories by 20% 12. Increase volunteer pool by 20%

OBJECTIVES

Increase alumni participation

2000–2001	2001–2002	2002–2003	2003–2004	2004–2005
1. Hire Development Field Officer 2. Enhance and use the university website to locate alumni 3. Increase personal contacts with alumni by 20% in New Orleans, Los Angeles, Houston, Baton Rouge, and Dallas 4. Activate chapters in Atlanta, Birmingham, Washington D.C., and Memphis by 12/31/01 5. Execute contract with firm to locate missing alumni 6. Establish class agents for selected classes (completed 58) 7. Conduct phonathon for locating alumni (completed 2) 8. Establish procedures for downloading DU graduates from Registration to Dev. Module	1. Increase personal contacts with alumni by 20% over previous year in New Orleans, Los Angeles, Houston, Baton Rouge, and Dallas 2. Enhance website use for updating alumni records 3. Launch a local membership drive in New Orleans 4. Complete the establishment of class agents 5. Conduct phonathon for locating alumni 6. Activate chapters in New York, Chicago, San Francisco, Boston, and Detroit by 12/31/01 7. Increase chapter membership by at least 10% in all active chapters 8. Continue phonathon for locating missing alumni 9. Download DU graduates from Registration to Dev. Module	1. Increase personal contacts with alumni by 20% in all chapters over previous 2. Activate chapters in Nashville, Jackson, Lafayette, and Cleveland by 12/31/02 3. Launch a local membership drive in New Orleans 4. Host Leadership Society reception 5. Develop an enhanced reunion-giving program 6. Complete 4 chapter visits by 12/31/02 7. Increase chapter membership by at least 10% in all active chapters 8. Conduct phonathon for locating alumni 9. Download DU graduates from Registration to Dev. Module	1. Increase personal contacts with alumni by 20% in all chapters over previous 2. Complete 5 chapter visits by 12/31/03 3. Host 2 Leadership Society receptions 4. Continue to update records in database via CMDS and website 5. Increase chapter membership by at least 10% in all active chapters 6. Conduct phonathon for locating alumni 7. Download DU graduates from Registration to Dev. Module	1. Increase personal contacts with alumni by 20% in all chapters over previous 2. Complete 6 chapter visits by 12/31/04 3. Host 2 Leadership Society receptions 4. Continue to update records in database via CMDS and website 5. Increase chapter membership by at least 10% in all active chapters 6. Conduct phonathon for locating alumni 7. Download DU graduates from Registration to Dev. Module

OBJECTIVES

Increase gift totals in all donor categories

2000–2001	2001–2002	2002–2003	2003–2004	2004–2005
1. Realize the following increases in gifts by donor categories listed below over the previous year: ■ Alumni 20% ■ Trustees 20% ■ Individuals 25% ■ Faculty & Staff 15% ■ Corporations 30% ■ Foundations 25% ■ Parents 15% ■ Students 15% ■ Organizations 10% ■ UNCF 5% ■ Government 10%	1. Realize the following increases in gifts by donor categories listed below over the previous year: ■ Alumni 20% ■ Trustees 20% ■ Individuals 25% ■ Faculty & Staff 15% ■ Corporations 30% ■ Foundations 25% ■ Parents 15% ■ Students 15% ■ Organizations 10% ■ UNCF 5% ■ Government 10% 2. Conduct feasibility study	1. Realize the following increases in gifts by donor categories listed below over the previous year: ■ Alumni 30% ■ Trustees 30% ■ Individuals 25% ■ Faculty & Staff 20% ■ Corporations 30% ■ Foundations 25% ■ Parents 20% ■ Students 20% ■ Organizations 10% ■ UNCF 5% ■ Government 10%	1. Realize the following increases in gifts by donor categories listed below over the previous year: ■ Alumni 40% ■ Trustees 40% ■ Individuals 25% ■ Faculty & Staff 25% ■ Corporations 30% ■ Foundations 25% ■ Parents 25% ■ Students 25% ■ Organizations 10% ■ UNCF 5% ■ Government 10%	1. Realize the following increases in gifts by donor categories listed below over the previous year: ■ Alumni 50% ■ Trustees 50% ■ Individuals 25% ■ Faculty & Staff 25% ■ Corporations 30% ■ Foundations 25% ■ Parents 25% ■ Students 25% ■ Organizations 10% ■ UNCF 5% ■ Government 10%

OBJECTIVES

Implement a comprehensive planned giving program

2000–2001	2001–2002	2002–2003	2003–2004	2004–2005
1. Retain services of Planned Giving consultant 2. Review gift opportunities and update 3. Meet with at least 10 individual prospects 4. Develop marketing program 5. Identity alumni-of-record who have made PG to DU 6. Complete training in PG for Major Gifts director	1. Conduct at least 4 planned giving seminars for select alumni chapters 2. Complete at least 30 planned giving visits with prospects 3. Increase the value of planned gifts received by DU by 20% over the previous year 4. Continue implementation of marketing plan	1. Hire a Planned Giving Director 2. Complete at least 50 planned giving visits with prospects 3. Increase the value of planned gifts received by DU by 30% over the previous year 4. Continue implementation of marketing plan	1. Complete at least 50 planned giving visits with prospects 2. Increase the value of planned gifts received by DU by 30% over the previous year 3. Continue implementation of marketing plan	1. Complete at least 50 planned giving visits with prospects 2. Increase the value of planned gifts received by DU by 40% over the previous year 3. Continue implementation of marketing plan

OBJECTIVES

Establish a technology-based prospect research program

2000–2001	2001–2002	2002–2003	2003–2004	2004–2005
1. Conduct weekly prospect rating sessions 2. Subscribe to Lexis-Nexis 3. Purchase PCs and other equipment 4. Implement CMDS Training 5. Compile a list of 150 major gift prospects at $10,000+ 6. Attend training on Web-based prospect research methodology	1. Conduct weekly prospect rating and strategy sessions 2. Complete 100 new prospect profiles 3. Conduct 5 prospect meetings 4. Add 100 new prospects to database	1. Conduct weekly prospect rating and strategy sessions 2. Complete 150 new prospect profiles 3. Conduct 10 prospect meetings 4. Add 150 new prospects to database	1. Conduct weekly prospect rating and strategy sessions 2. Complete 200 new prospect profiles 3. Conduct 15 prospect meetings 4. Add 200 new prospects to database	1. Conduct weekly prospect rating and strategy sessions 2. Complete 250 new prospect profiles 3. Conduct 5 prospect meetings 4. Add 250 new prospects to database

OBJECTIVES

Increase gifts and awards from foundations and other entities

2000–2001	2001–2002	2002–2003	2003–2004	2004–2005
1. Hire a writer 2. Develop a prospective list of 20 foundations that provide funding for specific university needs 3. Increase proposal submissions by 30% over previous year. 4. Increase foundation and corporate contacts by 20% over previous year 5. Increase the number of Gala corporate sponsors by 15% over previous year	1. Hire 2nd writer 2. Develop a prospective list of 20 foundations that provide funding for specific university needs 3. Increase proposal submissions by 30% over previous year 4. Increase foundation and corporate contacts by 20% over previous year 5. Increase the number of Gala corporate sponsors by 15% over previous year	1. Develop Corporate Partnership program 2. Add 30+ foundations to the prospect list 3. Increase proposal submissions by 30% over previous year 4. Increase foundation and corporate contacts by 20% over previous year 5. Increase the number of Gala corporate sponsors by 15% over previous year	1. Continue Corporate Partnership program 2. Add 30+ foundations to the prospect list 3. Increase proposal submissions by 30% over previous year 4. Increase foundation and corporate contacts by 20% over previous year 5. Increase the number of Gala corporate sponsors by 15% over previous year	1. Continue Corporate Partnership program 2. Add 40+ foundations to the prospect list 3. Increase proposal submissions by 30% over previous year 4. Increase foundation and corporate contacts by 20% over previous year 5. Increase the number of Gala corporate sponsors by 15% over previous year

OBJECTIVES

Increase trustee education and giving

2000–2001	2001–2002	2002–2003	2003–2004	2004–2005
1. Develop Trustee profiles for Development Committee	1. Develop Trustee profiles for the entire Board of Trustees	1. Update Trustee profiles	1. Update Trustee profiles	1. Update Trustee profiles
2. Conduct Trustee retreat on development and other related topics	2. Continue training on MG fundraising	2. Continue training on MG	2. Secure a pledge from every Trustee for the Capital Campaign	2. Secure a pledge from every Trustee for the Capital Campaign
3. Raise $200,000 from Trustees	3. Present results of feasibility study to Trustees	3. Develop Capital Campaign Committee	3. Cultivate and sustain Capital Committee	3. Cultivate and sustain Capital Committee
4. Begin training Trustees on MG fundraising		4. Secure a pledge from every Trustee for the Capital Campaign		

OBJECTIVES

Increase and train advancement staff

2000–2001	2001–2002	2002–2003	2003–2004	2004–2005
1. Hire 2 Secretaries	1. Conduct Lexis-Nexis training	1. Attend 1 CASE conference	1. Attend 1 CASE conference	1. Attend 1 CASE conference
2. Conduct Lexis-Nexis training	2. Attend 1 CASE conference	2. Attend annual Kresge retreat	2. Attend annual Kresge retreat	2. Attend annual Kresge retreat
3. Attend 1 CASE conference	3. Attend annual Kresge retreat	3. Attend CMDA Training seminars	3. Attend CMDA Training seminars	3. Attend CMDA Training seminars
4. Attend annual Kresge retreat	4. Attend CMDA Training seminars			
5. Attend CMDA Training seminars				

Kresge HBCU Initiative Work Plan
FY2003–2004 Progress Report

XAVIER UNIVERSITY OF LOUISIANA

JANUARY 15, 2004

Major Goal:

- Secure alumni and other individual major gifts at $10,000 and above, including pledges, for a total of $16,000,000 by December 31, 2004.

Objectives	2003–04	Progress as of January 2004
Establish major gift program to complete campaign.	Secure alumni and other individual major gifts at $10,000, including pledges, for a total of $10,000,000 by June 30, 2004. Increase trustee giving to $350,000. Secure $895,445 in contributions from corporate gifts. Officers and volunteers continue visits to prospects.	Major gifts solicitations continue to be made by Institutional Advancement, the president and other key volunteers, in order to achieve the bonus goal and the Xavier campaign goal. Trustees giving totals $300K+ thanks in large part to a trustee challenge that was made. Efforts are underway to increase the number of board members and increase those with the capability of making large gifts. A number of these high-capacity trustees are serving on the campaign steering committee. We have secured more than $1M in corporate gifts and $1.67M in foundation gifts with more than $3M in the pipeline for review.
Enhance annual giving.	Increase number of individual donors (alumni and friends) per fiscal year from 1,500 in 1997/98 to 3,500 by June 30, 2004. Review and modify previous year's program and modify as necessary.	The increased outreach program to never-givers and lapsed donors has helped to increase the number of individual donors during recent years. Currently we have 1,100+ alumni and individual donors. Targeted strategies – including a phonathon, reunion giving, and challenges – are planned for Spring' 04 to increase annual giving donors.
Increase alumni participation.	Increase enrollment to 300 alumni in the $1,000+ high-end gift clubs. Increase alumni participation to 22 percent. Review and modify special donor club levels and incentives for young alumni. Conduct Alumni Leadership Weekend retreat.	There are ongoing efforts to increase alumni participation through targeted appeals and face-to-face solicitations. In an effort to increase the participation rate, special appeals targeted to the never-givers and lapsed donors have been developed. With the cooperation of various departments on campus, new initiatives have been created to encourage young alumni participation as well as encourage donors to move to the next giving club level. A leadership conference was held in the fall and was very successful. As a result of the conference, participants have a better understanding of the state of the college, goals of the campaign, and how their contributions and volunteerism will help the university meet it goals. The university has a better understanding of the needs of alumni and their philanthropic ideas.

Objectives	2003–04	Progress as of January 2004
Increase planned giving.	Host four planned giving seminars. Identify and research 100 more new prospects. Visits at least 60 of those prospects. Monitor and modify Planned Giving Marketing Plan. Close major planned gifts totaling at least $1 million. Secure documented bequests.	The university hosted a planned giving seminar in November as part of Homecoming, and it was very well attended. Participants of the seminar are being contacted to schedule follow-up prospect appointments. Many new major gift prospects have been identified with the help of some members of the board of trustees and key volunteers. Major gift officers are required to conduct a minimum of 20 prospect visits per month, and a number of these include planned giving prospects.
Establish prospect research/ management.	Identify and research 300 additional major gift prospects. Conduct five campaign prospecting meetings. Conduct weekly strategy sessions and monthly prospecting sessions with staff. Hire full-time prospect research manager.	Currently we have an additional 200 major gifts prospects. We have contracted with Prospect Information Network to screen our database to identify additional prospect. That screening has been completed and we will use the results to add to our prospect pool. The university's Campaign Cabinet that was created to assist in prospect identification and solicitation has had 2 meetings. The senior vice president and vice president of advancement continue to follow-up and conduct individual campaign prospect meetings with cabinet members. Biweekly prospect meetings are held in the area of development. A full-time prospect manager was hired by the university in September.
Train current and new staff.	Staff training and mentoring. Conduct biweekly strategy sessions. Training for Raiser's Edge software. Annual staff retreat.	The training of the staff of the office of institutional advancement is an ongoing process, especially due to the number of staff turnovers in the past year. Staff members continue to attend workshops and training sessions, which allow them to enhance their skills. The development area conducts biweekly strategy sessions. The IA staff training for Raiser's Edge software is continuing with the training of new staff members. Raiser's Edge training has been scheduled for all staff to bring them up to date on the latest changes in the software; also they will learn to how to successfully use the event modules. The IA staff participated in an annual retreat in July where staff provided input on work plans. Staff members provided input in defining roles and identifying components needed for a successful development team and capital campaign.

Objectives	2003–04	Progress as of January 2004
Enhance marketing efforts.	Monitor and modify Constituent Relations plan. Develop integrated marketing plan to support fundraising objectives. Regular distribution of alumni publications and other communications vehicles.	A new associate vice president of university and media relations was hired in December. This includes the review of the impact of current publications and enhancement of community outreach. The area of media relations is also developing plans to improve outreach through the use of technology.
Improve donor relations.	Host two Presidential breakfasts or vision meetings. Volunteer Banquet, Scholarship Recognition. Event and Annual Stewardship Luncheon. Hire stewardship manager. Develop stewardship policies/plan for endowment gifts.	The president of the university is focusing his attention on the vision meetings that are part of the campaign. His schedule is being finalized with each city in identifying the key participants and hosts of the vision meetings. On target for the next few months are Washington D.C., New York, Los Angeles, Chicago, and Atlanta. Volunteers of the university were recognized at volunteer luncheon held in December. A stewardship manager was hired in September. She has developed a stewardship plan, policies, and procedures. Currently she is planning a donor's weekend February 28-29, which will includes a recognition event as well as cultivation events for high-end donors.

"When you ask people about what it is like being part of a great team, what is most striking is the meaningfulness of the experience. People talk about being part of something larger than themselves, of being connected, of being generative. It becomes quite clear that, for many, their experiences as part of truly great teams stand out as the singular periods of life lived to the fullest. Some spend the rest of their lives looking for ways to recapture that spirit."

– Peter M. Senge
The Fifth Discipline

CHAPTER 4

creating a learning environment

Successful advancement programs don't just happen. They require a combination of hard work, understanding, and doing the right things, plus the energy and enthusiasm of a dedicated team of professionals. To begin the process, you must focus on mastering all of the basic tools of our trade.

You have to plan, analyze your data, set strategies, and evaluate progress. You will need to develop systems and procedures, and train staff members. You will establish your "case," communicate with your constituents, and design publications. And most importantly, you will meet, listen, and involve your donor prospects.

It takes a team of committed people working together to accomplish all of this. But how do you build a team that is knowledgeable, committed, and energetic about their work? Just like anything that is worthwhile, it takes work. There are some things that you can do to help develop your team, while you are building your program. This chapter will give you some insight about what is required when you are trying to change the culture of your institution and your advancement program from one that continues to do business as usual, to one that energizes and excites everyone. It will share how to create a learning environment that embraces mistakes as opportunities and one that never places blame. It will give you a look at some of the techniques that the grantees used to develop their teams. Mostly, this chapter is about how your team can develop enthusiasm and passion for the important work that you do.

Institutional change occurs when staff members can see that the beliefs they hold are wrong, and that they will benefit from changing those beliefs.

CHANGING AN INSTITUTIONAL CULTURE

One of the first things the grantees had to address was the need to change from the way they had always done business to a new way. In orientation sessions held at each campus, the advancement staff members were asked to describe their feelings about the potential for change, and to describe the "sacred cows" they felt would block their ability to change.

A recurring theme emerged in the dialogues: fear that their institutional cultures would not be supportive of change. Some of the blockers to change they noted were:

- The fact that people often did favors instead of their jobs.
- Other divisions of the college did not appreciate the fact that the advancement team was governed by bottom-line expectations.
- They had to overcome infrastructure problems, such as receiving technical support for computer systems, purchasing, or personnel.

It was vital for the grantees to discuss their concerns openly, and to examine these and other commonly held assumptions about their campus cultures. It is easy to become discouraged or derailed by the blockers that you feel are in the way. Institutional change occurs when staff members can see that the beliefs they hold are wrong, and that they will benefit from changing those beliefs. Beliefs are fostered by previous experiences with the institution, and must be acknowledged before any substantive change can occur.

To be successful, the grantees had to change the way they approached advancement. Making this change was easy for some, but for others it was profoundly difficult. Many hours were spent with staff members steadfastly defending their previously held beliefs and turfs. In fact, it appeared that staff members who had been at their institutions the longest had the most difficulty learning to think in new ways. To move forward, the silos that kept each advancement unit working alone had to be eliminated, and existing barriers had to be torn down. The staff members had to learn to depend on each other to accomplish their goals. This required mutual respect and a shared acceptance of their goals, strategies, and the change needed to reach the goals.

It was not an easy process for staff members, with the new, higher expectations and a brighter spotlight shining on their performance and progress. In every case, those who could not or would not change ended up leaving the institution – some on their own, and some with a push. Those were hard lessons, but the grantees who made personnel changes quickly had faster turnarounds and achieved results sooner. Those who were caught in organizational cultures that would not support change suffered more difficulties and often lost excellent employees due to the chaos caused by those who were retrained but unable or unwilling to change.

I think we would have made more rapid progress if we had not had to make so many personnel changes. We started with a pretty good program, but to make significant progress we had to change many of our old practices. This was difficult for many who had been there, but it wasn't much easier for new staff because they required so much training before they could be productive. It took time for our team to develop, and every time we had a staff change we had to reinvest energy to make it happen. The results have been worth it, but it wasn't and isn't easy.

Adrienne Brooks
Vice President for Advancement at Xavier University

Given the complexity of the roles of advancement staff, and the difficulties many experience trying to change, it was extremely hard to develop a learning environment at the grantee institutions. There has been a lot written about efforts to transform the American corporate workplace into a learning environment, but little has been written about the need to create such an environment in college advancement programs. The grantees had to adapt the techniques that worked in the corporate arena to their needs. Although doing so was difficult for the grantees, all now agree that it was essential for them in moving forward toward their institutional transformation.

Those were hard lessons, but the grantees who made personnel changes quickly had faster turnarounds and achieved results sooner.

Essential to the change was gaining the understanding and leadership of the president. The grantees found that they not only had to change the culture within their own divisions, but – since so much of their work depended on the buy-in of staff members throughout the institutions – they had to help others catch the new spirit. Developing a learning environment didn't happen quickly – it required the clear communication of expectations and constant reminders to accomplish.

Some of the steps the grantees took to stay on track include:

1. Focusing on Goals and Data
A focus on data and analysis helps to establish an environment that enables you to clearly see the result of your work and keeps people from taking constructive suggestions as a personal criticism.

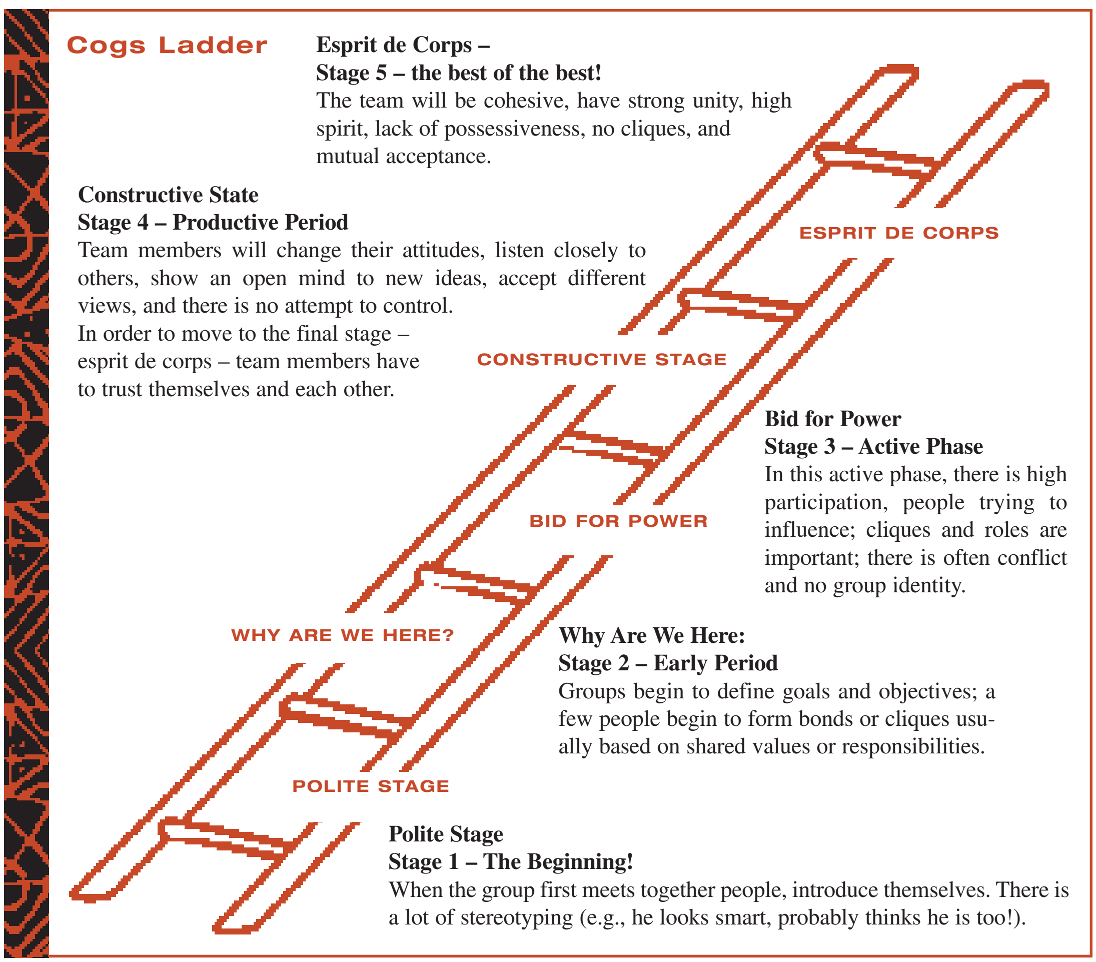
Through regular progress review, your team can adjust strategies in time to accomplish goals. Doing this as a team removes the fault from one person and reinforces the attitude that everyone is in this together. This approach reduces finger-pointing and gives the team a chance to exert influence on the activities that are essential to success, but outside their own scope of daily responsibilities. In time, team members will influence each other to achieve the goals, and influence the weak links to improve productivity. (More information is available in Chapter 3, "Focus and Execution.")

2. Monitoring the Effects of Change

Understanding the dynamics of change is helpful to any team undertaking these significant cultural shifts. We helped the grantees by offering workshops in the dynamics of change and helped them realize that much of what they were experiencing was the result of substantial change rather than anyone's "fault." Some of the early challenges were caused by assessing blame before the real change had had time to occur. Yet you have to have chaos to accomplish change.

3. Utilizing the Cogs Ladder for Effective Team-Building

One of the tools used regularly by the grantees was the Cogs Ladder. By using this simple chart and learning the steps required for effective team-building, the developing teams began to understand where they were on the ladder. This inspired them to work together to



move to the next level. This model will help your team understand some of the dynamics of team development.

This model is dynamic because groups are constantly changing. The group can move up and down the ladder. In fact, it is common when a new person joins the group for the group to revert to the previous stage. The group is changed and it must figure out how to involve the new person. It must, literally, regroup!

CREATING A LEARNING ENVIRONMENT

To build a truly effective advancement team, the grantees found that they had to not only learn the fundraising craft, but they had to devote serious attention to the way they worked together. They did this by creating a learning environment. This is a culture that values learning and encourages risk with a safety net. Surprises, mistakes, and failures are viewed as learning opportunities, and mistakes are recognized as essential to success because they mean that risks are being taken and growth is occurring. A learning environment encourages and constantly looks for ways to improve how tasks are carried out and responsibilities are fulfilled. For this to be successful, the culture of the institution must become supportive of change and willing to discard old habits and beliefs, while constantly seeking ways to improve. This is not always easy at educational institutions, which often cling to traditions of “how we have always done things.”

In a learning environment, each staff member is encouraged to be a learner and expected to share with others what they have learned. Dialogue and discussion are encouraged to discover the best and most innovative means to the end. When new ideas are discovered, they need to be incorporated into regular work. It takes a commitment by everyone on the team to continually search for ways to improve how you do business.

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Developing a “learning environment” was essential to the grantees’ success. Everyone had to work together without fear of failure or concern for personal glory. Some of the grantees accomplished this more quickly than others, but none progressed without some measure of integration between their tasks and the learning environment. And none made progress until they had developed and fully adopted this approach to fundraising.

It is difficult to develop a learning environment if the culture of your institution does not embrace the concept or if the culture of the institution is “stuck in the 1950’s!” So how do you build the expertise of your team in this environment? It isn’t easy, but it is possible. You must be diligent in your efforts and vigilant that staff members don’t get dragged down by the inertia of others. Sometimes you can change the culture of the whole institution when others begin to see the results of your good work!

DEVELOPING A TEAM

Developing a team takes time and constant attention. Let's explore what is meant by a team in the context of an advancement office. Sometimes it helps to describe what it's not. It's not a group of people that are always happy with no complaints about anything. It doesn't mean that everyone likes each other, and it doesn't mean that everything runs smoothly all of the time.

So what is it? A team is a group of people that understand their own roles and responsibilities, know the role of each of their teammates, and are confident that when they complete their work that others will have done the same. They operate in an environment that is supportive, but also challenges them to grow. They also share a deep commitment to the organization and feel that they are doing something worthwhile.

It takes a strong and confident leader to develop a good team. The vice presidents had to change the way they viewed their role from being "in charge" to one of setting the pace. The successful vice presidents challenged the status quo and, working with staff members, they developed a shared vision of where and what they could accomplish. This didn't happen quickly and often took some missteps before finding the right approach.

The vice president had to enable others to be a part of the success. Sometimes this required the leader to work side-by-side with the staff to figure out a problem. At Meharry, Vice President Bob Poole spent countless hours with the fundraising staff to review and analyze their donor base. The end result was a new understanding of their prospects and a mutual respect that comes from working together to overcome a problem.

At Johnson C. Smith they used weekly staff meetings to focus on problems or issues facing the group and devised joint strategies to solve the problems. Working together on a common problem is an effective way to forge a sense of team.

At Dillard everyone worked together to make certain that the reunion was a success. By bringing others into the planning stages, they eliminated the tendency of others to watch and criticize since the ideas and plans belonged to the group.

TO BUILD A TEAM

1. Adopt a shared vision. The key to this is dialogue and discussion, but to be truly effective, you need to be working for a higher reason than just goal attainment. Remember that you and your staff are responsible for the financial well-being of your institution – its students and others – today and in the future.

2. Set clear and shared goals. Your team is more likely to embrace a team approach if they have had input in setting the goals. An annual planning retreat can be an effective tool to make this work.

Advancement is a very stressful profession. Perhaps this is due to the strain of having bottom-line expectations, but doing so in an academic environment where not everyone appreciates this fact. Whatever the reason, it is important to devote time to develop your most critical resource – the advancement staff members.

BUILDING SYNERGY

It is often said that good advancement combines both art and science. From observing the grantee teams as they developed successful advancement teams, it seems that one of the critical elements involved is the synergy that develops as the processes begin to show results, and the advancement staff is motivated to reach even higher goals and accomplishments.

In reality, the importance of synergy may be more overlooked than any other part of the advancement process, and yet true progress and success cannot happen without paying attention to it. So how does one develop this elusive, but essential, element of the advancement equation? Synergy is the result of the energy and excitement that is generated from success. True synergy develops when everyone involved can begin to feel the excitement that is building with the progress and achievements that have been made.

Developing a learning environment and a strong team is an ongoing process. It requires continuous attention and dedication, but the time spent will result in higher goal attainment, an environment of inquiry and change, and a team of professionals whose level of work is superior.

Key Lesson: Make team building an integral part of your plans.

Tools for You to Use

Developing a Plan for Change

Here is a checklist to help you develop a plan to change the culture of your organization.

_______ Acknowledge that things need to be changed.
_______ Identify what parts of the culture need to be changed.
_______ Create a new shared vision and common direction.
_______ Determine how you want the organization to look and function.
_______ Are the president and the cabinet willing to help you make this change?
_______ Devise a plan to build the motivation of your staff to change the culture.
_______ Develop strategies to enlist support from doubters.
_______ Create an implementation plan with timelines and milestones.
_______ Communicate your plan on a regular basis.
_______ Avoid letting things go back to "business as usual." You must institutionalize the changes.
_______ Establish ongoing checkpoints and procedures for keeping the new way of doing things.

Assessing Your Team's Effectiveness

Use a scale of 1 through 5 to determine how true each statement is for your team.

5 – Definitely Agree
4 – Inclined to Agree
3 – Neither Agree Nor Disagree
2 – Inclined to Disagree
1 – Definitely Disagree

The advancement team:

_______ 1. Understands and supports our mission and our current goals and objectives.
_______ 2. Understands its assigned duties and responsibilities, and its role in the team.
_______ 3. Is willing to participate in cross-training and function in a more participatory manner.
_______ 4. Has a mutual respect based on shared responsibilities and provides help and support to each other.
_______ 5. Is willing to participate in open dialogue and share problems/concerns.
_______ 6. Understands that there will be differences of opinion and handles conflict openly without hostility.
_______ 7. Enables everyone to have an opportunity to grow and learn new skills, and all opinions are used in making team decisions.
_______ 8. Has a sense of urgency about its work and actively participates to constantly improve.
_______ 9. There is a sense of enjoyment and mutual respect among the team members.
_______ 10. Feels valued and appreciated for its work.
_______ 11. Has an ongoing commitment for constant improvement of the team and everything it does.

"The good news is that communications today are easier, faster, and less expensive. The bad news is that the number of email messages received each day is growing exponentially."

– Judith Jasper Leicht
Handbook of Institutional Advancement

CHAPTER 5

technology and data issues

Technology has had a profound influence on the advancement field. While instant access to information is now an accepted part of our world, we must be able to harness it for our purposes, or it will work against us.

The 1998 Ayers Study indicated that the usage of technology in HBCU advancement offices was seriously lacking in appropriate hardware, software, and training. If this problem is not rectified, this situation will be detrimental to HBCUs' ability to garner private resources.

Today's prospects are very sophisticated. In order for HBCUs to survive, we must be prepared to compete for prospects' attention in a world saturated with communication choices.

The sheer number of emails, commercial messages, appeal letters, phone calls, and other communications targeted to individuals is overwhelming and has made each of us more selective in what we choose to pay attention to. This means that advancement professionals must target and personalize messages as never before.

Before we personalize our messages, we must know our donors and donor prospects very well. That requires us to have increasing amounts of data, which we must then analyze to determine our strategies and methods. All communication with our most important constituents – our donors – must be based on what we know about them.

How do we gather and process the information we need with limited staff and resources? We cannot hope to compete for private resources if we do not invest in the technology and staff needed to manage increasingly complex issues. We must find the resources to properly staff and manage data. The use of technology and the ability of the grantees to gather and analyze data had a significant impact on their ability to raise dollars.

One key to proper data management is to dedicate a specific team to this task. Within that team, you need a data analyst with the skills and experience to generate the data so critical to decision-making. The data analyst should produce quarterly reports to help the advancement team chart progress toward fundraising goals, ensure budget allocations, track address changes, and measure the effectiveness of strategies used. Additionally, gift processors are needed to maintain rigid standards to maintain the integrity of the data and acknowledge donors in an effective and timely manner.

We cannot hope to compete for private resources if we do not invest in the technology and staff needed to manage increasingly complex issues.

Stewardship is also essential to proper data management. Personalized acknowledgments and other methods of thanking donors are needed to retain those who have provided support. Since research shows that it costs significantly more money to secure the first donation than to keep a donor once he/she has made the initial commitment, late or inaccurate gift reporting can damage the potential for repeat gifts. These seemingly small problems are often cited as examples of a lack of quality and can result in image problems for the institution.

The ability to analyze your donor base is essential to determine who gives and who doesn't give. You must also understand why they're not giving. The grantees found it very difficult to conduct this analysis and move forward in a strategic manner without accurate data about their constituents or the capability to generate accurate data for determining appropriate strategies.

"I remember well when we received the assignment we were to prepare for our orientation into the Kresge program," said LaJuana Chenier, associate vice president, Xavier University. "We were asked to provide information about our alumni that we simply did not have. It did point out quickly the inadequacies of how we were collecting and analyzing data."

The grantees faced enormous data challenges. Once they upgraded their computer hardware, they had to deal with the inadequacy of their fundraising software. All five grantees had software packages that were not only inadequate, but difficult to use. There was little or no training given to personnel and, in most cases, only one person on the advancement team had the technical skills and experience to manage the software program. As a result, the advancement staff was unable to chart progress and make adjustments to be certain they had accomplished their annual goals.

Another issue the grantees had to deal with was the lack of a technical interface with the financial management office. This caused the trustees and business office staff to distrust the advancement staff. As a result, they learned the importance of building a good working relationship with the chief financial officer and his/her staff. This enabled the advancement staff and their financial management office colleagues to discuss how gifts should be designated and to develop a clearer mutual understanding of what counts as a restricted or an unrestricted gift. (See Chapter 8, "Improving Annual Giving" for more information.)

Without the correct data, there was no baseline information to help grantees chart the progress toward their goals.

Dean Montgomery, chief financial officer at Bethune-Cookman College, was very involved in helping to improve communication and cooperation between the two units. He said, "Previously, we were aware that our numbers did not always correlate, but we assumed that our numbers were correct. After we sat together to discuss some of the issues, we learned that seemingly simple decisions about source of gift could have a serious impact on future gifts. Working together, we were able to forge a plan that worked for everyone."

BAD DATA

One of the most serious issues the grantees dealt with was bad data and the complications it caused with almost every new fundraising activity. Unfortunately, the data problems were long-standing and required a serious commitment of time and people-power to rectify. Without the correct data, there was no baseline information to help grantees chart the progress toward their goals. The lack of good data made it difficult to implement new strategies without a complete overhaul of the database.

At Bethune-Cookman College, several tools were utilized to assist in cleaning up the database. They contracted with Alumni Finders to locate lost alumni, and sorted and applied the information. They also established an Alumni Welcome Tent during Homecoming. Before an alumni could enter, he/she had to provide updated information. Bethune-Cookman also developed the Wildcat Web using software to enable alumni to provide updated information on the web, search for classmates, download photographs, and make donations online. The database increased from 8,000 alumi at the beginning of FY '04 to over 13,000 by 2005. Today, Bethune-Cookman has close to 90 percent corrected addresses for their alumni.

In the beginning of FY '00, Xavier University was experiencing a high volume of returned mail, especially after they began mailing publications to all of the alumni. At the time, they responsible for maintaining the data and preparing reports. The problems occur if no other staff person checks the reports for accuracy or asks how the data was prepared. Vice presidents, directors, and managers must constantly question data and request new ways to look at the information. When Bob Poole, vice president of Meharry Medical College, requested a report in a new format, he discovered that, due to an error in coding, a number of alumni had not received annual appeals, thereby greatly reducing their alumni-giving totals.

BENCHMARKING DATA

An interesting thing about data is that it can be gathered and produced in a way that makes things appear more successful than they actually are. Quite often, our grantees were hampered by "happy talk," which showed progress even if there had been none. Data can be manipulated, and numbers can be used to make it appear that goals are being met. If we don't know where we have been or exactly where we are today, we really don't know whether we are accomplishing our goals.

As a result, sometimes it took time to fully understand the magnitude of the problems at hand. To truly make serious progress, we need the data to identify and help assess where our problem areas exist, and we must work together to design strategies for overcoming these challenges.

In our early training sessions, Dr. Jeffrey Howard of The Efficacy Institute suggested that the grantees do this by using a system of data to set goals, reviewing data quarterly to assess progress, and realigning strategies to help accomplish the goals. By focusing on the data and working together to refine strategies, the emphasis is on the professional rather than the personal.

Key Lessons

- **Accurate data is essential for good advancement.**
- **Using data to set strategies leads to more effective decision-making.**
- **Regularly reviewing your progress enables you to adjust strategies to hit your targets.**
- **Data is essential in helping to focus your strategies and efforts.**
- **More accurate contact information results in more money raised.**
- **Making certain that you and your Finance Office staff are speaking the same language and understanding each other's data creates a win-win situation.**
- **It can be tempting to manipulate data to show positive results, but it only hurts you in the end.**
- **It is absolutely critical to use CASE standards for gift reporting. Consistency helps prevent misinterpretations, misunderstandings, and negative PR.**
- **It helps to benchmark with others to measure your progress and success.**

- **Setting clear goals keeps the focus where it belongs: on raising money to support your institution.**
- **Using data correctly eliminates personalization and makes the work data-driven and therefore more accurate, objective, and effective.**

CONCLUSION

It is important for an advancement office to understand and use data and technology effectively. This is particularly important for HBCUs because there is very little data available about giving at HBCUs. As a result it is difficult to know if your programs are effective or not. It is possible to raise more money each year, but still not be achieving your potential, and what a shame that would be for an HBCU.

Some Things That You Should Do

1. Benchmark with others.
2. Report consistently, using CASE standards to maintain this consistency.
3. Complete and submit the annual CFAE Survey.
4. Develop data sets in order to be able to analyze your data.
5. Develop standardized reports to maintain consistent reports.
6. Make data accessible to everyone. Do not rely on only one person to maintain and analyze data.

Tools for You to Use

Here is a hand-out that the grantees used to develop the data sets that enabled them to analyze their data:

Data Sets

These indicators will help you to conduct more in-depth data analysis of the gifts you solicit and receive. They will help you analyze the alumni portion of your donor files.

The application of indicators to a donor file will assist you in analyzing aggregate activity, and will help to:

- determine the responsiveness of file segments
- determine the productivity of fundraising techniques
- identify prospects for move management

The basis for data analysis of an alumni file should include:

- number of alumni on record at the beginning of fiscal cycle
- number of mailable alumni addresses at beginning of fiscal cycle
- number of alumni donors in previous fiscal year
- number of alumni non-donors in previous fiscal year
- percentage of alumni donors in previous fiscal year

These indicators will enable you to apply a wide range of qualitative and quantitative indicators to the alumni donor file to help with analysis over the course of the fiscal cycle.

By studying these indicators in different reports, you can learn which fundraising techniques are most productive, which groups of alumni are giving, and why they are giving. By looking at data in different formats, you may see trends that you wouldn't otherwise see.

SAMPLE QUALITATIVE KEY INDICATORS

Year of graduation ______________________

Major field of study ______________________

Geographic:

- State ______________________
- Region ______________________
- Alumni chapter ______________________

Gender ______________________

Type of gift:

- Direct mail: ______________________
  - Special appeals (year-end, reunion, class gift) ______________________
  - Unrestricted (by date) ______________________
- Telemarketing:
  - Unrestricted (by date) ______________________
  - Special appeals ______________________
- Special event fundraiser ______________________
- Major gift:
  - Unrestricted ______________________
  - Restricted ______________________

Purpose of gift ______________________

SAMPLE QUANTITATIVE KEY INDICATORS

Number/frequency of gifts: ______________________

- By year ______________________
- Over 5 years ______________________

Size of gifts ($0–$25, etc.) ______________________

"I have a theory that current alumni relations programs were designed 40–100 years ago for generations that had and have very little in common with the majority of today's alumni."

**– Steve Grafton,
Executive Director, Alumni Association,
University of Michigan**

CHAPTER 6

shifting the paradigm:

outreach to HBCU alumni

A paradigm is a shared set of assumptions that we take for granted as the only way to do things. For example, HBCUs have operated in the paradigm that alumni did not have the resources to support their alma mater.

While this was true in the past, this dynamic is changing. Emmett Carson writes in the book, *Exploring Black Philanthropy*, "Based on the 2000 Census, there are forty-one thousand African American doctors, forty-three thousand African American lawyers, and ninety-one thousand African American engineers … . African Americans today represent the full spectrum of class, wealth and political ideology."

In spite of these changing demographics, most of the grantees and many other HBCUs had not revised their alumni outreach efforts to recognize these shifts. Historically the advancement programs were focused on raising money from the government, foundations, and corporations. In the Ayers Study, an examination of funding sources to HBCUs shows that for the fiscal years 1994 through 1997, 36 percent of all giving came from the federal government for private HBCUs and 24 percent for public ones. Private gifts and grants totaled only nine percent for private schools and one percent for public. The percentage of private gifts from alumni averaged only 6.4 percent of overall giving. This dependence on giving from outside sources has caused HBCUs to build fundraising programs that focus more on external sources for gifts than on those stakeholders closest to the institution.

As a result of this focus on seeking funding from others, the alumni efforts were not seen as a high priority for the institution. The limited resources allocated for alumni activity often were focused on association activities, whose membership represented only a fraction of the alumni base. Early in the grant for example, Bethune-Cookman College had only 200 members of the alumni association, but there were over 15,000 alumni of record, who had not been included in alumni outreach.

Many HBCU alumni have achieved professional and financial success and wonder why their alma maters have not acknowledged their achievements.

In some cases, alumni who were not directly involved in the association activities were increasingly unhappy because they did not feel that their alma mater was being responsive to their needs. Another common complaint was the dissatisfaction with the lack of consistent communications from their school.

WHAT TOOK YOU SO LONG?

Today much has changed. HBCU alumni overall have done well. A growing number of HBCU alumni are attending graduate schools at majority institutions, where they grow accustomed to being recognized for their ability to provide support. Many HBCU alumni have achieved professional and financial success and wonder why their alma maters have not acknowledged their achievements.

The serious underfunding of HBCU advancement programs has led to a cynical belief by some alumni that HBCUs don't know how to do anything right. Increasingly, alumni have lost patience with misdirected mail, unacknowledged gifts, and hit-and-miss fundraising programs that leave many feeling unappreciated and frustrated.

How do you begin the process of shifting the paradigm to a new, more effective, way of working with your alumni? First, you must look at *everything* you are doing in a completely new way. Fundraising training is only one piece of a complex process. For our grantees, shifting this paradigm required the whole institution to change the way it thought about alumni and alumni giving.

Dr. Dorothy C. Yancy, president of Johnson C. Smith University said, “When we started the Kresge Initiative, there was a lot of talk about the need to shift the paradigm on how we thought about alumni. What we learned was that we really needed to shift the culture of giving both with our alumni and within our institution. Only when we did that, could we make real progress.”

ALUMNI AS PARTNERS

Key Lesson: Alumni giving increased in proportion to the level of effort and outreach.

To be truly effective, the grantees needed to rethink their philosophy toward alumni and refocus their strategies from being focused on grant-seeking to building relationships and partnerships with alumni and other stakeholders. Alumni must be considered full and active partners in the enterprise, and their stake in the past and the future of the institution must be consistently recognized and acknowledged.

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Why does this matter to you? Beyond being “the right thing to do,” the future of our institutions is at stake. With growing competition from mainstream institutions, we must find new funding sources to sharpen our competitive edge. We need funding for such priorities as buildings, endowment, faculty salaries, and student services, and this funding can come only from the people who feel a deep, personal connection to the institution.

How to begin the process?

1. The first step is to set a goal to refocus your advancement efforts. Then you need to educate the staff, faculty, and administrators about the importance of your initiative and the philosophy behind it. You need to be confident of your goals and clear about communicating the reasons behind them. It isn’t just about raising more money – it is about building and sustaining your institution for the future. It is as much about embracing a new vision and way of doing things as it is about raising dollars.

2. Once you have thought through and clearly articulated your internal purposes, it is time to consult directly with alumni. To successfully reach and involve your alumni – and make them full partners – you must reach out to all of them, not just active members of the association, and find out what is *important to them*. Ask the right questions, listen carefully to their feedback and ideas, and make them feel fully invested in your success. At the same time, keep your priorities in mind and remember that you cannot be all things to all people or you’ll lose focus and endanger progress. The plan you devise must meet your need to build strong relationships in ways that fully involve and interest your alumni.

One strategy that worked well for the grantees was to convene Dialogue Circles to listen to alumni input and concerns. At Johnson C. Smith University, they used these sessions to describe the institution’s vision and to listen to alumni to learn how the university could be

Alumni Interests

Years since Graduation	Interests	Special Considerations
0–10 Years	Making Money Entrepreneurial Educate students Provide networking Social opportunities	Hard to track (especially women) Pay off loans Often leave address with parents
10–20 Years	Career motivated Building family Educate regarding wealth accumulation Interest in leadership training opportunities	Young children Highly mobile Highly structured schedule
20–30 Years	Family interests Interest in value-added programs Fine arts, travel programs, lectures	High expenses related to kids Busy schedule Peak earnings
30–40 Years (52-65)	Social opportunities Retirement planning Estate planning Need tax credits Renewed interest in alma mater	Retirement planning Often have unresolved issues
40+	Social interaction Some travel Personal interest	Fixed income

KEY CITIES CONCEPT

Several grantees used a key cities concept, which combines alumni group meetings – often with the president – with dialogues, rating sessions, and face-to-face meetings. Dillard used this technique to cluster visits with alumni and other fundraising visits when they were conducting dialogues or rating sessions. To begin the process, they would determine the cities that fit the following characteristics for alumni: large numbers, good giving record, potential major gift prospects. In addition, they tried to make certain that they could combine visits to other donor prospects such as corporations, foundations, or wealthy individuals.

By targeting activity in areas with strong alumni giving potential, you can cluster these visits and activities. Doing this in a consistent and continual manner helps to cultivate your alumni prospects and demonstrates your commitment to your plans. In some cases, grantees established a cycle that would have staff return regularly to key areas within a three-to-four-year time period. As you build alumni giving, it is easier to justify adding staff positions to incorporate more activity.

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Shifting to an alumni focus incorporates all areas of the advancement division. Since increasing alumni giving is your top priority, the fundraisers are a primary component of your strategy. However, since one of the areas most often cited by alumni as a concern is the lack of consistent communications, it is absolutely vital to involve the publications staff in your strategy sessions. There are some good models to emulate. At Meharry Medical College, for instance, the associate vice president, director of major gifts, and the vice president meet to discuss story ideas before each issue is planned. This gives everyone with a stake in the outcomes an opportunity to discuss story ideas. As a result, everyone is fully invested in the publication's success and less likely to continue to work without communicating to each other.

Another strategy that proved successful was providing leadership training to alumni leaders. At Johnson C. Smith University, grant dollars were used to implement a class agent program. At their annual leadership training institute, JCSU advancement leaders trained alumni about fundraising techniques and other issues of importance to the institution. Xavier and Dillard Universities also used this approach to help alumni gain important skills and knowledge about the priorities and challenges of the university today.

Today it is essential for HBCUs to build a strong alumni-centered advancement program. This doesn't mean that you will discontinue working with other donor prospects, including corporations and foundations. It does mean that you must build a comprehensive outreach strategy to rebuild strong relationships with all of your alumni. Alumni are at the center of the success of your institution and can provide not only significant financial resources, but can help you position your institution for tomorrow. Your alumni are the future.

Tools for You to Use

Here are some handouts that the grantees used that can help you and your staff members change to a more alumni-driven program.

Alumni: The New Paradigm

An alumnus (a) is...

- A partner
- Someone who loves the school as much as I do
- Someone who will always care about their alma mater
- A person whose success is a reflection on my institution
- A fellow professional with whom I can problem-solve
- Someone who must trust the advancement office
- The source of my reputation (for better or worse)
- My No.1 "word-of-mouth" marketer!
- Someone who loses when I lose
- Someone who wins when I win

In many ways, the reputation of our institution is only as good as our alumni!

IT PAYS TO INVEST IN THEIR FUTURE!!!!

Adapted from Tom Peters, *The Private Service Firm*

PROSPECTING PROGRAM
A Concept Paper

In recent years, many HBCUs have implemented a comprehensive prospecting program to involve large numbers of volunteers and staff in the systematic screening of their entire constituency. These programs are used to supplement and complement the findings of a feasibility study and discover new and previously unrecognized sources of support while training staff and volunteers.

A well-orchestrated prospecting program should achieve the following goals:

1. Identify volunteer leadership. By involving trustees, faculty, and alumni in the prospecting program, an assessment can be made to determine those who will become the most effective volunteer leaders and solicitors.

2. Provide staff with field training. New fundraising staff can use the prospecting program as an opportunity to have valuable exposure to alumni and other constituents and become acquainted with potential donors while gaining valuable experience in learning about the university.

3. Educate potential donors and volunteers about the campaign. Each prospecting session includes a brief overview of the institutional priorities and future needs. It also gives an opportunity to educate donor prospects about the many ways of giving to the university, including planned giving.

4. Test the organizational framework for a campaign. By visiting different cities and regions, it can be determined if regional committees will be effective or if there is a better way to organize. It also eliminates the need to return to areas where there are no major donor prospects.

5. Update records. The prospecting program gives the administration an opportunity to go face-to-face with alumni who have felt out of the loop and to discover those with the potential to give major gifts.

6. Raise sights. By involving everyone who is essential to the success of a campaign in the prospecting program, each person feels a part of the planning efforts and works hard to ensure its success.

ORGANIZATION

The first step in organizing a prospecting program is to define the prospect universe. For most HBCUs, this includes all alumni and other individuals who will support a campaign. Each geographic area with significant numbers of alumni should be included in the program. A prospecting meeting should be held in each area.

A national prospecting chair should be appointed. This provides an excellent opportunity to engage in direct "friend-raising" in preparation for the next phase of active solicitation. The national chair recruits regional and area chairs. Prospecting leaders should be drawn from the ranks of those prominent in their local communities and have demonstrated a commitment to the institution.

To kick off the program, a session should be held in each of the key cities with the president personally sharing his/her vision for the college/university and describing the Prospecting Program. Following these “Conversations with the President,” smaller prospecting sessions should be held.

THE PROSPECTING MEETING

The meeting should be scheduled for approximately two to three hours. The volunteer leader begins with a general introduction. After the trustee leader describes the university’s plans for the future and discusses the needs for a campaign, the staff person explains how the prospecting information will be used to finalize a campaign goal, shape its organization, and develop solicitation strategies for top prospects. The volunteer leader may also need to reassure those who are unfamiliar or uncomfortable with the idea of rating people.

The rating process should take no more than one hour. Each participant will be given a list of 200 names including home address, business address, and title and year of graduation. No other information is given. A rating information sheet that describes the gift ranges and lists the questions for rating will be given to each person. The following questions will be included:

- Does this person have the capability of making a gift of $1,000; $10,000; $50,000; $100,000; $250,000; $500,000; $1 million or more?
- Does this person have any special interest related to the campaign goals: scholarships, academic areas, buildings, endowment, or other?
- Would you be willing to solicit this person? If not, who would be the best solicitor?
- Would you supply additional information about this individual?
- Do you know alumni or others who have the giving capability indicated above?

Volunteers should consider only financial information and not speculate on willingness or attitudes. Prospecting seeks to discover the maximum potential for support.

FOLLOW-UP

To confirm and augment the initial discovery and rating, there are a number of follow-up steps that need to be done. We know from experience gained at other historically black institutions that it will take at least five interactions between introduction of the concept of a major gift and the closing of that gift. A comprehensive program of solicitations and educational programs can follow up on all of the leads.

Some of the follow-up steps include:

- **One-on-one evaluation:** Staff or volunteers can meet individually with prospects.

- **Research:** Staff can conduct research to verify and elaborate on ratings.

- **Major prospect review:** The top 2 percent of the rated prospects will become the major gift list. Campaign leaders should review this list thoroughly to uncover high-level contacts and connections to individual prospects.

CONCLUSION

At the same time that individual prospects are being screened and evaluated, staff will be developing a list of corporate and foundation prospects. Volunteer leadership can later screen for contacts and connections after research has discovered their giving history, priorities, and alumni employed by them.

The prospecting program can provide the blueprint for the campaign organization, clearly indicating where to allocate resources for best results. It will give an opportunity to test major gift potential, volunteer leadership and organization, information systems, communications, staff deployment, deadlines, and goals.

Personal Workshop

Shifting a paradigm requires a complete and continuing commitment to change. You must continually think about the change and how to help your team to move through the process of change. Use this worksheet to help you plan strategies for change.

For change to occur, people must acknowledge the need to change. To create the desire to change, think about the following questions:

1. What are some indications of inadequate performance that I might use to help staff understand the need to change: Examples could be:
   - Turnaround time for donor acknowledgments
   - Errors in letters/reports/proposals
   - Complaint letters/calls
   - Comparative evaluations
   - Organizational assessment

2. What can I/we do to help staff understand that these things need to change?

3. What are some words that I can use to help others understand the need to change and that we *can change*?

To encourage staff members to practice the new behavior, think about these questions:

1. What are some opportunities to practice the new paradigm?
2. How can staff members practice the new behaviors? Possible examples:
   - Accompany them on their first prospect visit
   - Ask for feedback on how the efforts are coming along
   - Talk with staff about the difficulties they may be having

Not everyone will be willing to make the changes. Think about who the unwilling ones might be and what they may be saying, and consider the following:

1. Are all of the "critics" in one department? Are they in the same job category, e.g., clerical? Does this help me understand what is bothering them?

2 Can I ignore the voices of those not willing to change or are they undermining the efforts?

3. Should I talk to the critics? What will be my approach? What can I hope to gain from a direct confrontation?

4. Can the team move forward without them?

5. How do I feel about the fact that not everyone is on board?

NOTES

"Today HBCUs must build a distinctive product to differentiate ourselves in the new competitive environment. To do this, we must be honest about what we do well and what we do not do well."

– Dr. John Maupin
President, Meharry Medical College

CHAPTER 7

marketing for fundraising success

Image, branding, marketing, positioning – all of these terms describe the mysterious art of shaping the external view of an institution. People form their perceptions of an organization through a mix of attitudes, ideas, impressions, beliefs, and feelings. Sometimes their perceptions are formed without a true understanding of the organization or its reality.

Many HBCU presidents consider vague or inaccurate views of their institution in particular and HBCUs in general to be the greatest block to raising private gift support.

The external image of your institution is a critical factor in attracting private funding, yet many of us feel powerless to change or improve our institution's image. Advancement professionals are too busy trying to meet fundraising goals to have time for what we often consider the "feel-good fluff" of public relations and marketing. Some advancement professionals simply do not see these areas as part of their job or vital to fundraising as a whole. But the fact is that no advancement efforts will be successful without this essential piece of the fundraising foundation firmly and effectively in place.

How can you change the image and impressions that the external (and maybe the internal) worlds have of your institution? How can you "brand" your institution to stand out from competitors, have a strong identity among alumni and potential donors, and be perceived as an attractive and worthwhile investment?

Many factors go into shaping an institution's brand and image, including: your website, brochures, newsletters, alumni magazine, annual reports, external media coverage, your president's image in the community, the campus buildings, the level and intensity of alumni involvement, the presence of opinion leaders on campus, and the words and images you use to describe and represent your institution. Understanding this, you can use these factors to reshape or reposition your institution more favorably with your target audiences.

To be successful as a fundraiser, there is nothing more important for you to remember than to always think from the prospect's point of view. What does that mean to you? It means that from a marketing point of view, your institution has no needs, only opportunities to offer.

How Does Marketing Work for Fundraising?

1. Listen to each constituency.
2. Segment each constituency.
3. Target each group with a written plan and key messages.
4. Focus on people and how to involve them in the life of the institution.
5. Think in terms of outcomes
6. Always plan for results. Evoke action. What do you want to accomplish?
7. How can you help the donor satisfy his/her own goals and aspirations?
8. What opportunities do you have to offer?

Let's look at how you segment each constituency. For most, it might look like this: alumni, trustees, individuals, foundations, corporations, media, political leaders, church leaders, organizations, UNCF, friends' groups, etc. It is best to focus on your core audiences, keeping the list focused on those constituencies you intend to target first.

The next step is to learn *what is most important to your constituencies*. How? Listen to them. You can use formal focus groups, informal dialogue sessions, or meetings with one or two trusted advisors. During these meetings, you should review your past and present image, issues, practices and ideas, and ask for feedback. Remember to focus on the needs of your constituents rather than the needs of your institution. Learn what is most important to them, how they would like to be involved, and what programs and activities your campus offers that they would be most interested in. Find out how to give them a stake in your institution's progress and success.

In 2000, Dillard conducted a series of alumni focus groups. They asked the Dillard Office of Institutional Effectiveness and Research to collaborate on the project and they compiled the results. From the results, they learned what concerned alumni and what they could do to help alumni feel more connected. They also learned which geographic areas needed the most interaction. Not only did they learn helpful information, but they began to build partnerships. They also used the best communication tool of all – face-to-face communication!

Continually ask yourself how your advancement efforts and communications vehicles can help the potential donor meet his/her goals and aspirations and get them strongly invested in your institution's growth.

Continually ask yourself how your advancement efforts and communications vehicles can help the potential donor meet his/her goals and aspirations and get them strongly invested in your institution's growth. From these discussions, you can develop a written strategy for connecting with each constituency, always planning for action and results.

All five of the Kresge grantees were well known as HBCUs, but less was known about their academic strengths, student success rate, or other important assets. They quickly realized that they would need to step up their efforts to differentiate themselves, if they were going to grow private support and reach new donors who did not have a shared history with them. Early in the Initiative, the grantees were given training to develop a Constituent Relations Plan to help them develop individualized strategies for reaching each constituency.

Each member of the grantees' institutional advancement teams was involved in the process. This inclusion helped ensure that all plans and strategies were focused on developing strong relationships for their institutions' key stakeholders. In addition to helping the institutional advancement teams develop solid plans, this exercise aided staff in better understanding their individual and collective roles in the process. The sample Constituent Relations Plan should be viewed as a working document for you to review and revise as new information becomes available.

DEVELOPING THE PLAN

There were a number of exercises the grantee teams used to develop their Constituent Relations Plans. To help develop the situation analysis, the teams reviewed current planning documents, messages, and printed materials; conducted a comparison with peer institutions; and discussed what they viewed as their campus' current image in the various communities they hoped to reach.

The teams then used a SWOT analysis (see example grid) to help them explore the strengths, weaknesses, opportunities, and threats to their institutions. This process helped staff frame messages and enabled leadership to determine the areas in which staff members and others (such as volunteers) needed additional training.

To complete this exercise, your staff has to understand the institution and be able to talk about its strengths and weaknesses. The first time we tried to do this exercise with new staff, we found that they didn't know enough about the institution to complete it. This helped the vice president to pinpoint the areas that needed more training. The same thing happened with some trustee committees. This is a good training example for trustees as well since we found that in some cases they couldn't participate in the exercise either.

SWOT ANALYSIS

STRENGTHS	WEAKNESSES

OPPORTUNITIES	THREATS

Directions: In a brainstorming session, use the grid to:

1. **Describe the strengths of your institution.**
   For example: what is unique and distinctive about your institution?
   Name your eminence programs.
   What programs meet the needs of the community?
2. **List weaknesses.**
   For example: small endowment, much-deferred maintenance, poor community relations, etc.
   It is important to be honest. Remember this is an inside document.
3. **Describe opportunities you see on the horizon.**
   For example: the growing need for college graduates with technology (or science/education/nursing) training.
4. **List threats to your institution.**
   For example: the threat of losing accreditation or shrinking student body, etc.

The exercise helped the teams focus on how to differentiate themselves from other institutions and offered an opportunity to involve others, such as alumni, community supporters, or trustees in shaping current activities and future directions. In several cases, the advancement teams shared the exercise with their board advancement committee; in one case, the team used the exercise as part of a training session for alumni leadership.

DESCRIBING YOUR INSTITUTION

Recognizing that our shared histories as HBCUs have an impact on our collective and individual images, we invited Dr. John Wilson, executive dean, George Washington University, and a member of our advisory committee, to lead two sessions for the grantee presidents, vice presidents, and public relations directors. In Dr. Wilson's introduction to the first session, he noted that a review of HBCU websites and case materials revealed the following:

1. In most cases, the HBCU case was built upon its identity as an HBCU, without anything to differentiate it from other institutions.
2. History was used as the institution's platform and reason for being.
3. Despite their public relations efforts, there were misconceptions regarding HBCUs that shaped the images others had of them.
4. Press reports often treat HBCUs differently from other institutions, especially when relating campus crime or other negative news.

Recognizing these variables, Dr. Wilson helped the grantees identify the unique aspects of their institutions. Using these factors as a base, he then asked them to describe their institutions in a single phrase or tag line. He stressed the importance of basing their case for support on the things that mattered most to their constituents, rather than the needs of the institutions. For example, Johnson C. Smith used *Surrounded by Success at Think Pad U* because they want to be recognized for being a wireless campus with excellent technology programs. Meharry Medical College came up with the tag line *Shaping a Healthier America* to describe their new research focus. Xavier University related to its Catholic heritage to attract more resources from Catholic organizations by using *The Only University Founded by a Saint.*

These sessions challenged the grantees to begin thinking in a new way. Several began a series of dialogue sessions with various groups of their supporters to learn more about how the institution was viewed and to identify their shared goals. By focusing on what was unique about their institutions and the things that were most important to external constituents, the grantees were able to make a compelling case to use in strengthening their positions with each of their constituencies.

To help them prepare their case for support at Meharry Medical College, the president, vice president, and advancement staff convened a full day meeting with the deans to discuss future direction. They used this opportunity to forge a common vision of the future of the college and the new focus for faculty research. This meeting prepared them to speak with one voice and guide their external strategy by their shared vision.

CASE STUDIES

Let's look at some examples to help you understand how to reshape your messages, your outreach approach, and, ultimately, your image. Here is an example from one of the Kresge grantees:

When Dr. Trudie Kibbe-Reed arrived at Bethune-Cookman College in the fall of 2004, she established a new outreach program for alumni and other friends of the institution. The Vision Validators program was designed to help boost annual giving and re-connect lost alumni and friends to the institution. In ten months, Vision Validators generated over $800,000 in gifts and gained support from over 800 alumni and friends.

Some Other Things to Consider

1. You need to determine what is distinctive and distinguished about your institution.
2. Don't let others determine your message, but shape the message to be understood and appreciated by each target audience.
3 Messages need to be positive, but they must also be realistic.
4. Use data to substantiate your messages.
5. All messages need to be aligned with the mission and goals of the institution.

Vision Validators was launched during the centennial celebration of the college, and the program challenged alumni and friends to validate the vision of Dr. Mary McLeod Bethune. The program was launched by an advisory committee consisting of influential alumni, key members of the college family, and local community leaders. The program encouraged over 140 alumni who had never given before to invest.

The next example illustrates how one institution rephrased its messages to better appeal to their alumni. (The names used in the next two examples are fictitious.)

Case One: *Anorak University, the only HBCU in Alaska, had always made its annual appeal based on its internal needs. The staff spent hours each year educating alumni about the importance of giving "to keep the lights on." The administration desperately needed money for scholarships to attract students, pay faculty, and repair buildings. As*

When President Smith was hired, the trustees made it clear that his primary focus should be to mount a significant campaign to secure the dollars needed to repair existing facilities and build new ones to attract students to this small community. As competition for students rose, the institution needed first-class instruction and facilities to survive.

The college's leaders realized that if they were going to expand their constituency and support beyond the college family, they would have to market and position the institution differently. They assessed their priorities and looked at ways in which they could work with community leaders to achieve their mutual goals.

What the college leaders learned was that leading individuals and businesses in the city were concerned primarily with building civic pride and improving the city's image nationally. The college was located in the central city and had developed a national reputation for its fine arts programs. Many of its alumni had good, strong reputations in the arts community.

The leaders decided to adopt a new fundraising strategy. For the first time in years, they did not ask for help to avoid a deficit. Instead, they presented the college as a world-class educator of artists. They established a new series of community events featuring their alumni. They portrayed the college as a community asset that carried the city's name worldwide. They marketed themselves as a quality institution deserving of community support. This new strategy was successful and they expanded on the theme by identifying other possible groups who would be interested in supporting other areas of excellence at the college.

The college clearly communicated in all of its messages that it was a quality institution aware of the need to give back to their various constituencies. It targeted opinion leaders in each of its identified constituencies; it was able to meet face-to-face with these important people and ask directly for help. The college advancement team developed visiting committees to assess each area of the college, reviewing them for present and future relevance. This intimate communication led to a number of substantial contributions when the committees discovered areas of possible excellence that needed additional support to move to the next level.

Ten years later, these opinion shapers regularly contribute and bring others to their favorite institution. They send their children and grandchildren, and refer friends to attend. The college completed its highly successful campaign.

CONCLUSION

It is increasingly difficult to be all things to all people; but if you can identify the right people who can influence the future health and viability of your institution, and help them believe in its value, you will have succeeded in the important task of marketing and positioning. You hold the means to influence those who can help determine the future of your institution.

Tools for You to Use

Constituent Relations Plan

The key components of the written Constituent Relations Plan include:

1. **Introduction:**
   Describe your institution and why you are preparing a Constituent Relations Plan.

2. **Goal:**
   What are you trying to accomplish?

3. **Objectives:**
   What outcome(s) do you wish to achieve?

4. **Situation Analysis:**
   Provide a description and analysis of the current situation you wish to address.

5. **Target Audience Outreach:**
   Segment each constituency and devise strategies for effectively reaching and communicating with each.

6. **Findings and Strategies:**
   Use your findings to determine which strategies are best for you to use. (It won't do you any good to go through this exercise and then continue to operate in the same ways).

7. **Components of the Plan:**
   Be sure to include specific strategies for each of the following:
   - Activities
   - Publications
   - Correspondence
   - Special Events
   - Face-to-Face Meetings
   - Other

Constituent Relations Planning Worksheet

Target Audience:____

Strategies to Use:____

- Activities: ____

  ____

  ____

  ____

- Communications: ____

  Publications: ____

  ____

  Correspondence: ____

  ____

  Other:____

  ____

- Special Events

  On Campus: ____

  ____

  Off Campus: ____

  ____

- Special Cultivation Activities:____

  ____

  ____

- Face-to-Face Interactions: ____

  ____

  ____

- Other: ____

  ____

NOTES

"Clearly, personal solicitations can be the most rewarding and exciting part of any annual giving program. It reminds us that the heart of any program lies with people, not numbers or percentages."

– Fritz Schroeder
Annual Giving: The Front Door to Your Development Program

CHAPTER 8

improving annual giving

Annual giving has presented a special challenge to advancement progress for many HBCUs. It is important to understand some of the blockers to progress before we can design a successful program. Many of the blockers are caused by a serious lack of funding, but we must work to find the appropriate level of funding, or we will be constantly behind in meeting our funding goals.

Some problems the grantees experienced due to the lack of funding included:

- Poor record-keeping, with numerous lost alumni and incorrect addresses.
- Sporadic mailings, often consisting of one bulk mailing per year.
- No analysis of donors and non-donors, resulting in lost opportunities.

- Low or no "ask" in the mailings, leaving alumni to wonder about the purpose of the communication.
- No institutional history or culture of expectation that alumni should give.
- No strategic plan to upgrade donors.
- Few other fundraising options such as reunion, email, or class agent programs in place.
- Improper handling of gifts.

The annual giving program is often described as the "heart of the fundraising program," and critical to building a major gift program. But, the grantees quickly found that many of their best prospects had never given in the past. In an attempt to understand this dynamic, the grantees spent a lot of time talking to their alumni to better understand the reasons. In many cases, alumni said that *the reason they don't give is that they have not been asked*, even though they have been sent several direct mail solicitations. Further probing revealed that many alumni expect to be asked in person.

In many cases, alumni said that the reason they don't give is that they have not been asked, even though they have been sent several direct mail solicitations.

Using the hypothesis that our alumni did not consider a mail appeal a genuine request for money, we added individual and group visits, used alumni outreach to develop a broader appeal, and diversified our approaches. These findings have led us to recognize the importance of building a major gift approach to our annual giving programs. By combining annual fund strategies with a comprehensive approach to alumni outreach, we found that all of our results improved.

Despite many challenges, each of the grantees has built a solid and improving annual giving program that is consistent, offers donors options for giving, and is part of a comprehensive program of cultivation, analysis, involvement, targeted asks, appropriate recognition, and donor relations, but it took much work to reach this level.

PLANNING AND ANALYSIS

The key to building an effective annual giving program lies in good planning and a clear understanding of your donor prospects. None of this is possible without a thorough analysis of your donor base. This analysis is essential for an annual giving program, due to the rising costs of printing, postage, mailing and handling, and other methods of solicitation. The more targeted your donors are, the more effective your fundraising efforts will be.

Some of the questions the grantees used in their planning and analysis included:

1. **Who is giving currently?**
   - Age
   - Gender
   - Class Year
   - Geographic Location

2 **How were they solicited?**
- Mail
- Phone
- Face-to-Face
- Special Appeal
- Other

3. **Who is not giving?**
   - Class Year
   - Age
   - Gender
   - Geographic Location

4. **Who are your best donors?**
   - Determine the profile for all donors over $500
   - Who are the small numbers of donors that contribute the largest percentage of the gifts?

5. **Who does not give and why?**
   - Can you determine a profile?
   - How do you find out what is keeping them from giving?

An important part of your analysis should be a thorough review and analysis of your program, what works and what doesn't, and the actual cost per dollar raised. You must review every component of your annual program to determine its effectiveness in raising dollars.

One thing we found with the grantees' previous efforts was that they continued to do the same things year after year without a thorough review to determine the effectiveness of these repeat actions. They almost seemed to feel that sending a letter or conducting a phonathon was sufficient. It is far more effective to review progress toward goals, and make alternate plans if the current ones have not proven effective.

SETTING GOALS

One very difficult challenge for the grantees was the process of setting annual goals for unrestricted dollars. Prior to receiving the Kresge grant, they were usually given the annual fundraising goals – simply told what they would be. Sometimes the goals were based on prior giving; other times they were determined based on the need to balance the institutional budget. In a few cases, the advancement office was not given a goal because there was so little expectation that it would raise sufficient funds.

One strategy the grantees used to change this paradigm was to develop a working relationship with the chief financial officer and the finance office. This works only if the president fully understands and supports the importance of these efforts. A part of the give and take between the two offices was to learn each other's needs, goals, and challenges. By better understanding each other's priorities, everyone is working toward the same goals rather than at cross purposes.

At Dillard, the two vice presidents met with the president to develop a procedural memorandum of understanding for the Annual Fund. They defined the Annual Fund and specified what gifts would be counted. This cooperation clarified for each vice president what would be counted as unrestricted, what was capital, and what were other annual gifts. (See attachment at the back of this chapter.) You can also find good assistance in the *CASE Standards Manual*.

At the beginning of the Initiative, the lack of good data made it very difficult for the grantees to set annual goals. It is important to use data from previous years to set a baseline, and then to review each mailing or fundraising activity to determine whether the results can be replicated or whether there were some factors leading to goals being met or exceeded that you cannot control. For example, one year you might receive a large, unrestricted bequest that helped skew the totals, or a well-known alumnus might send a special, one-time mailing that will never be repeated.

It is important to use data from previous years to set a baseline, and then to review each mailing or fundraising activity to determine whether the results can be replicated or whether there were some factors leading to goals being met or exceeded that you cannot control.

Your next step is to realistically determine how much more you can raise, and what it will take to do so, what you plan to do, and what other things will occur during the year to help or hinder your efforts. It is not enough to say that you plan to increase giving by 10 percent by adding color to your mailings. In most cases, you will need new strategies to substantially increase giving. On the other hand, if your institution has not had an organized annual giving program, you may find that any action you take will greatly enhance your results. However, you cannot sustain these increases over time without carefully reviewing what has and has not worked in the past.

Your ability to accurately plan and set goals will help you build a case for an adequate budget. The cost of raising annual dollars is higher than in any other area of fundraising. The cost of raising a dollar for a mature program typically ranges from $.10 to $.25, but a new program will cost as much as $.50 to $1.00. It is clearly more cost-effective to keep a donor than it is to add a new one. For that reason, you absolutely must develop a sound strategy for keeping previous donors.

SUCCESSFUL STRATEGIES

Just as we discussed in the section on data, today's donors are more sophisticated than ever, and careful analysis is required to determine the best way to approach each type of donor.

Some of the strategies that worked for the grantees include:

1. Direct mail
2. Phonathons
3. Reunions
4. Class agents
5. Targeted approaches for $1,000 and up

volunteers to make the calls. No solicitation is made at the time of the calls, but the renewal rate of those called was significantly higher the next year.

Reunions
Many of the grantees raise a substantial percentage of alumni gifts each year from reunion participants. They do this through carefully targeted approaches and special efforts by all of the advancement staff. At Xavier, the Reunion Program was created to increase alumni contributions to the university's Annual Fund. Prior to the Reunion Program there was not an organized program to solicit alumni celebrating their reunion.

Two years prior to their reunion, alumni receive an appeal informing them of their upcoming reunion and asking them to serve as a class agent. Once an individual has agreed to serve as an agent, he/she is mailed a class agent handbook. The handbook details the responsibilities of the Office of Alumni Relations and of the class agent, and includes samples of mailing appeals and tax information. It serves as a guide to assist reunion classes to organize their class activities, goal, and gift.

For each class there is a minimum of two class agents. A goal is set for each reunion class. Peer-to-peer solicitation is the method used to solicit alumni during their reunion year. Five direct-mail appeals are mailed under the signature of the class agents and at least one phonathon is targeted to those in reunion.

Additionally, the names of those in reunion are reviewed by the major gift officers. Those who have potential for major gifts are solicited by the major gift officers with the expectation of closing a gift within the reunion year. All of these efforts helped Xavier increase its alumni giving by more than 75 percent from where it was at the start of the Initiative.

Class Agents
If you study the most successful annual giving programs in the nation, you find that they rely heavily on a class agent program. Several of the grantees established these programs, often in conjunction with their reunions.

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At Dillard, they created the Development Staff Reunion Representative (DSRR) program to assist the reunion class agents in planning and executing reunions. Each development officer assisted one or two class agents in establishing their reunion class gift goal, locating missing alumni within the assigned class, increasing class participation at reunion events, and identifying potential major gift donors. The DSRR program ensured that the class agents had the necessary tools and information they needed to make their class reunion a success.

The program was managed by the executive director of alumni relations and annual giving and included biweekly meetings, rating and screening sessions with staff and with volunteers, financial goals for each class, specific timelines for achieving goals and program objectives, and targeted mailings that were developed by the staff reunion representative and the class agents. Event publications and promotional pieces were mailed throughout the year to encourage and promote attendance.

$1,000 Targeted Approaches

One of the fastest ways the grantees found to increase annual giving was to develop a special program for donors who give $1,000 or more. Through donor analysis, they discovered that a small number of donors contributed 70 to 80 percent of the annual gifts. By focusing on these few donors, they maximized their time.

This kind of program develops a sense of prestige for the donors. Some grantees developed special recognition clubs that offered opportunities for donors to participate in a wide range of activities, ranging from special events with the president to meeting celebrities or even attending events in place of the president.

Through donor analysis, they discovered that a small number of donors contributed 70 to 80 percent of the annual gifts. By focusing on these few donors, they maximized their time.

At Meharry they established the Meharry Circle of Friends, an annual campaign designed to build annual support from individuals in the Nashville community who would serve as a potential pool of major donor prospects for The Campaign for Meharry. Two prominent individuals in the Nashville community are recruited each year to serve as volunteer co-chairpersons. Their responsibilities include: signing solicitation materials, attending the gala, presenting welcoming remarks, and identifying and soliciting current and prospective Circle members. Individuals are solicited through a direct marketing appeal in early November, and a follow-up appeal is mailed in late February. Membership levels with prestigious titles are established, ranging from $1,000 through $10,000.

At Xavier, there is a special program for alumni who gave $10,000. The Alumni Leadership Initiative was designed as a special fundraising initiative to motivate Xavier alumni and friends to make leadership gifts to the university of $10,000 or more. The goal was to encourage at least 500 Xavierites to commit $10,000 or more to support student scholarships and the annual fund.

They set four levels of participation: Frontline ($10K), Pacesetters ($11K–$49K) and Grand Marshals ($50K+) and Keepers of the Dream (documented planned gifts). The goal for the five-year campaign is to secure 500 alumni and friends at the leadership level. These participants will be known as the Xavier 500. The initiative was launched in July 2004, and to date they have 118 members.

Dr. John Jackson, IV (Xavier '94), national director of education with the NAACP, said about the Initiative, "I made this gift to the Initiative, because the initial commitment Xavier made in me ten years ago has afforded me the opportunity to accomplish so much personally and professionally. It's only right that I do my part to help the university continue to maintain its commitment to educating another generation of youth."

Other Constituent Campaigns

Each of the grantees devised strategies to increase giving from faculty and staff, parents, and students. However, due to the demands of building the advancement program, none of the grantees was able to fully utilize these strategies. There were several programs that show promise for the future. Meharry initiated a program with the graduating class that asked each graduate to contribute toward an annuity. These annuities will mature in the future and provide an excellent source of endowment growth at that time.

Xavier increased faculty giving by identifying key faculty and asking them to consider a major or planned gift.

An important strategy that should increase giving in the future was the use of students and faculty in cultivation activities with donor prospects. It is likely that the faculty and students who participated in these activities will become more active donors in the future. However, to truly increase annual donations for these groups, a more comprehensive effort is needed. At this time, the grantees made a good decision to focus their primary efforts on increasing alumni giving, where the promise of return on investment was greater. However, the development of a more active outreach with other constituents will provide an opportunity for growing annual giving in the future.

Key Lessons:

- **Diversify your approach**
- **Segment and personalize your appeals**
- **Focus on reunion giving**
- **Increase the percentage of alumni giving by improving your database to reach more alumni**
- **Develop new strategies to reach young alumni, and other groups that historically do not give**
- **Combine face-to-face interactions with other, more traditional approaches**
- **Focus on upgrading donors, particularly those at the higher end of the giving cycle**
- **Provide good, consistent donor relations and follow-up**

CONCLUSION

The grantees learned that the best annual giving programs for HBCUs are consistent and multifaceted and always based on analysis of good data.

Tools for You to Use

Here are some illustrations to help you develop a more versatile annual giving approach.

Annual Gifts

1. An annual gift is made each year and usually ranges from $25–$10,000.
2. It is usually given in cash from current income.
3. The donor is motivated by a feeling of loyalty to the institution, and is often willing to give unrestricted support.
4. Annual gifts are solicited each year against a short-term deadline.
5. Volunteers for annual appeals are expected to close the gifts themselves. They can usually close two to 25 gifts each year.

Major Gifts

1. A major gift is usually a one-time commitment of significant financial resources.
2. A major gift is often made from appreciated assets such as negotiable securities, property, or multi-year pledges. They are usually made from the donor's capital assets rather than current income.
3. The length of a major gift solicitation can vary widely. Some take one ask and some can take a lifetime.
4. The timetable is usually set by the donor due to his/her financial circumstances.
5. Volunteers are usually given one prospect at a time and require much staff assistance to prepare.

Here is an example from Dillard University of a Memo of Understanding for the Annual Fund:

Procedural Memorandum for the Dillard University Annual Fund

The Annual Fund is a continuous fundraising campaign that provides resources to enable Dillard's leadership to respond to its most pressing needs and opportunities. The Annual Fund is the vehicle through which unrestricted gifts of any amount and from any source are made to the university. These gifts provide the university with current operating funds that the administration may use for immediate university needs. The Annual Fund provides Dillard University with the foundation of support that is critical to continuing the tradition of excellence and heritage for all students.

A. Application of Funds Raised

The Annual Fund supplies the resources that assist in:

- Providing scholarships for deserving students
- Attracting and retaining highly qualified faculty and staff
- Strengthening the academic curriculum and outreach programs
- Providing access to the latest classroom technology
- Maintaining and enhancing campus grounds and facilities

B. Unrestricted Gifts and Designated Gifts

Unrestricted gifts of any amount and from any source will be counted toward The Annual Fund, provided the gift will be used in the current fiscal year that it was received to offset the university's operating expenses. Gifts to The Annual Fund can be received from: Alumni, Faculty, Staff, Students, Parents, Corporations, Foundations, Trustees or Private Donors.

Gifts that are designated toward a particular department may be counted toward The Annual Fund, as long as the gift will be used within the fiscal year that it was received to supplement costs of operating that department. For example, gifts may be designated for the Library, Athletics, or any of the Academic Divisions, provided the gift is used in the current operating year to offset university expenditures.

Similarly, a gift that is designated for university scholarships may be counted toward The Annual Fund provided it will be used to supplement the university's scholarship expenses during that fiscal year. However, a gift that is designated for an endowed or non-endowed scholarship or for any endowment gift will not be counted toward The Annual Fund.

C. Special Campaigns

Gifts received as a result of special fundraising campaigns or challenges will be counted toward The Annual Fund. For example, all gifts designated as Trustee Challenge, Reunion 2000, Avenue of the Oaks Gala, Tom Joyner Scholarship, Faculty-Staff Challenge, or Alumni Campaign Fund will count toward The Annual Fund goal.

A listing of gifts made in each of the above categories will be maintained to monitor the effectiveness of each campaign.

D. Recurring Reports

Gift reports on The Annual Fund will be generated on a weekly basis. The reports will show total gifts based on the following categories: current-year pledges, cash received this year, and in-kind gifts received this year. Comparison reports will show total cash gifts received in the following categories: current year-current month, last year-current month, year to date, last year to date, and last two years to date. These reports will specify total gifts received from the following constituencies: Trustees, Alumni, Faculty and Staff, Parents, Friends, Foundations, Corporations, Churches, and Other.

E. Period of Accountability

The Annual Fund campaign will begin on July 1 of each year and end on June 30. Goals and solicitations for The Annual Fund will coincide with this schedule.

Signed:

President

Vice President for Institutional Advancement

Vice President for Business and Finance

"A successful fundraising program, to be successful, must be dynamic and not static. It must focus on building relationships and keeping faith with donors more than about discrete asks. It must establish ambitious objectives, even stretch objectives, but not unreachable objectives. And it must be accountable for both success and failure, learning from them both, and adapting to continue what works and discontinue what doesn't."

– Michael Lomax, President of The College Fund/UNCF and former President of Dillard University

CHAPTER 9

building a major gift program

One of the most interesting findings of the Initiative was the lack of major gift programs at HBCUs. Of the 52 applications received for our planning grants, only one HBCU had a comprehensive major gift program.

This was surprising, since most of the applicants stated that they were either planning for or in some stage of a campaign at the time they applied for our grants. There were a number of reasons for this lack.

In the past, HBCUs have had to rely on federal and categorical funding as their primary source(s) of outside support. From the 1960s through the 1990s, the government and many foundations sponsored special HBCU initiatives, which played a key role in helping HBCUs develop many important and successful programs.

Unfortunately, there has been a downside to this method of fundraising. The fact that many of the grants were for specific programmatic initiatives has resulted in a proliferation of programs that require funding after the programs end. Since the program dynamic is also set by the funding source, it has been difficult for HBCUs to find dollars to grow their endowments, or to repair or build facilities.

As a result, many HBCUs have based their priorities on what can attract and gain funding, rather than being able to first set institutional priorities and then raise the dollars to fund them. This happened at the beginning of the Initiative with one of our grantees. They planned to extend their campaign to raise an additional $50 million. In the quiet phase of the campaign, we noted that their campaign priorities continued to shift. When we asked the president why this was happening, he said it looked as if they might be able to find federal funding for Priority X, but not Priority Y. By shifting campus priorities in order to attract funding, they had lost sight of their own strategic goals.

The Kresge Initiative helped the five grantees who were selected to develop ongoing major gift programs utilizing a more systematic approach.

One of the reasons The Kresge Foundation initiated the Kresge HBCU Initiative was because only a small number of HBCUs were applying for Kresge Challenge Grants to complete building projects. In studying the reasons for this, Kresge discovered that many HBCUs did not apply because they found it difficult – if not impossible – to raise the money to construct buildings, since most foundations did not fund capital projects and government dollars were generally available primarily for renovations.

Another reason for the lack of focus on major gift fundraising was the continuing need to raise unrestricted dollars. This need has caused many HBCUs to focus their fundraising efforts on annual giving to help with cash flow problems. One result, however, of this continual chasing of annual dollars is that the long-term relationships that result in significant gifts are never built, and the cycle continues. This focus on annual dollars also makes it difficult to secure planned gifts that ultimately will lead to a stronger financial position.

One of the most striking things noted in reviewing five-year fundraising results at the institutions that applied for a Kresge Planning Grant, was the large fluctuations they experienced in giving. Upon closer examination, it appeared that this was most often due to one or two unusually large gifts that spiked totals. The Kresge Initiative helped the five grantees who were selected to develop ongoing major gift programs utilizing a more systematic approach. As a result, all five grantees reduced their fundraising fluctuations and, in most cases, maintained steady growth through the grant.

ESTABLISHING A MAJOR GIFT PROGRAM AT AN HBCU

Key Lesson: Develop an ongoing major gift program to maintain relationships with donors and donor prospects that will result in continuing financial support.

All of the grantees improved their fundraising results by building ongoing major gift programs. The systems they put into place have helped them develop long-term relationships with alumni, individuals, corporations, and family foundations that will over time enable them to build new paths to the future. Although there are many good books and training programs about how to raise major gifts, it was not simple to start a major gift program from scratch. We found that most existing major gift programs are based on a model that works for institutions with wealthy supporters, but they needed to be adapted for HBCUs.

Although there are many good books and training programs about how to raise major gifts, it was not simple to start a major gift program from scratch.

It was especially challenging to build our programs from scratch without a solid base of existing donor prospects or experienced fundraisers. We also had to face the reality that many of our prospects, particularly alumni, had resources but were not wealthy in the traditional way. We needed to design a program to raise major gifts from middle-class prospects who had not inherited wealth, but who have had successful careers and accumulated some wealth.

We will share with you what we learned in the process. Please keep in mind that these lessons were learned through trial and error, forged by the challenges we faced and the missteps we took along the way.

Key Lesson: Staffing is vital to building a major gifts program.

It is possible for the vice president and the president to raise some major gifts, but having dedicated staff will enable the program to grow more quickly and to sustain itself. The primary expenses for a major gift program are salaries and travel, since most of the work is done in face-to-face meetings.

Our grantees began with a director of major gifts and one to three major gifts officers on staff. To be successful at HBCUs, you will need someone with planned giving expertise, since most donor prospects will need to use accumulated assets to make a significant gift. All major gifts officers need to be familiar with various ways of making gifts. Having a prospect researcher is helpful, but the major gifts officers can be taught to perform that function.

Key Lesson: Develop the prospect list.

Building the list was one of the more difficult challenges the grantees encountered. The following will help you to compile your own list.

Build the Prospect List – Where to Start:

1. Include all donors (individuals, alumni, corporations, foundations) that have given a gift of $500 or more at any one time.

2. Add names of regular donors who have given for more than three to five years, particularly at the higher end – $200 and up.

3. Use your alumni directory to add alumni from categories who we know have led to financial success, such as professionals, those with advanced degrees, corporate executives, entrepreneurs, scientific researchers, etc. Don't forget the educators, since we found them to have good retirement plans, and they are very generous.

4. Conduct alumni rating sessions (see "Alumni" chapter for more information).

5. Add your president's contacts and prospects to your list.

6. Use trustee screenings and interviews to learn the names of their contacts and prospects.

7. Review membership lists from community groups that support similar things.

8. Use data mining (see the next page).

9. Interview alumni during face-to-face visits to learn more about them and others.

10. Talk to trusted advisors such as local business or philanthropic leaders in your community.

11. Interview your faculty to determine their contacts, and learn the names of successful alumni.

12. Talk to your Office of Career Services to learn which corporations recruit at your institution and which ones have hired significant numbers of alumni.

13. Add corporate and foundation donors and prospects to your list.

Meharry did a number of things to build its prospect base. They were in the early stages of a $125 million campaign, but the organizational assessment noted that they were spending most of the staff time soliciting gifts at the lowest support level. One of the first things they did was to enlist local business, community, healthcare, and civic leaders and Meharry trustees to serve as members of the Nashville/Tennessee Campaign Committee.

Initial prospect lists were developed from the existing database. Using these lists and other research information, the local campaign committee conducted peer rating sessions. Through this process, they learned of other sources of wealth and interests, which helped determine which donors and prospects would have the most likelihood of giving to Meharry and how much. These prospects were invited to the campus to meet with the president.

Additionally, the board of trustees convened a retreat to identify nationally prominent individuals who they thought might have an interest in giving to Meharry. They also assisted in the cultivation and solicitation of these potential prospects. Because there was no prior history or connection with many of these individuals, extensive research was required and comprehensive profiles had to be developed.

As the campaign progressed, they further refined the process of analyzing and prospecting their database by developing their own data mining project using the following steps:

1. Determined data parameters and generated top prospect lists.
2. Pulled targeted prospects and donors.
3. Reviewed each prospect and hihe/sher gift history.
4. Assigned top and major donor prospects to development officers for special handling, e.g., personal visits, telephone call, and letter proposal/follow-up.
5. Sent personal appeal letters from the president to increase annual gifts.
6. Segmented solicitation letters by constituent type.
7. Determined ask amounts using gift ranges based on gift history.

This data mining process resulted in a more customized approach to donors and raised $158,000 from the targeted group during the first two quarters of fiscal year 2004, an increase of nearly $50,000 in new gifts for that period.

Compiling the prospect list was complicated by the difficulty in accepting the belief that our alumni had resources to make a gift of six figures or more. Another challenge for the grantees was to decide who would spend the time needed to compile and manage the prospect list. It also was hard to raise our sights to think of asking for larger gifts from individuals and corporations. And, most of all, it was difficult to shift from a perspective that relied heavily upon grants to one that built relationships based on involvement and reciprocity.

And, most of all, it was difficult to shift from a perspective that relied heavily upon grants to one that built relationships based on involvement and reciprocity.

Prior to the grant, the grantees had received few alumni donations over $1,000. The process was started by assuming that alumni were good prospects, if the right strategy could be

Starting a Prospect Management Process

1. **Compile the list.**
   Assign each person the task of assembling the list of one of your target categories (alumni, individuals, foundations, etc.)

2. **Assign a target rating to each prospect.**
   This should be a target dollar figure that your research and interaction determine to be the amount you should ask the prospect to give.

3. **Determine prospect readiness.**
   Place each prospect name into either an A, B, or C category, based on where you believe they are in readiness to be asked.
   A: The prospect is ready to be asked without additional moves, within 1–6 months
   B: The prospect needs 1–2 more moves; could be asked within 6–12 months
   C: The prospects have been qualified, but need additional work. Plan to ask within 18 months.

4. **Total the potential in each column to determine your pipeline.**
   This will help you determine how much money you will be able to raise in the next year and for your overall campaign.

5. **Prepare a chart that shows donor potential by geographic location.**
   This will help you plan strategies, create realistic timetable, and maximize your budget.

6. **Assign a moves manager to each prospect.**
   You may want to consider categorizing them by geographic region rather than broader categories such as individual, corporate, or foundation. This allows for cross-training and makes the most of your travel budget.

7. **Train staff to:**
   - Interview
   - Set appointments
   - Qualify prospects
   - Ask for money
   - Understand and communicate the institutional vision related to fund raising

8. **Set up systems for:**
   - Call reports
   - Briefings
   - Weekly/monthly reports
   - Expectations for fundraisers
   - Research
   - Travel vouchers
   - Proposal clearance

9. **Meet with the president weekly or biweekly to:**
   - Review prospects
   - Discuss strategies related to prospects
   - Stay informed on the status of all prospects over six figures

The vice president or person assigned as moves manager to the president will prepare all correspondence and schedule meetings for the president.

Example:

Prospect Management System

A			**B**			**C**
Bob Smith	$100,000	Pres.	John Hall	$2,500,000	DB	
M/M Jerome Evans	$200,000		Smith Industries	$500,000	DB	
Cathy Wilson	$250,000	DB	Bob White	$50,000	DB	
Rachel White	$50,000	BB	Martha Stewart	$200,000	BB	
Bill Gibson	$75,000	BB	James Jones	$350,000	DB	
Lennon Foundation	$1 million	CL	Fred Motor Co.	$150,000	CL	
Jeremy Brown	$300,000	DB	Hayes Industries	$100,000	CL	
Lambert Engineering	$100,000	CL	Lynn Wells	$50,000	DB	
M/M Harold Smith	$1 million	Pres.	M/M Keith Holms	$2 million	Pres.	
Kresge Foundation	$500,000	CL	M/M Miller Trapp	$50,000	BB	
Jack Olson	$400,000	BD	M/M Colin Thorpe	$50,000	BB	
Susan Allen	$250,000	BD	Jenson Automotive	$100,000	CL	
M/M Rupert Jones	$2 million	Pres.				
			McArthur Chemical	$250,000	CL	
			George Cloud	$75,000	BB	
			M/M Kevin Light	$125,000	BB	
			Swallow Foundation	$1 million	CL	
Total	**$5,075,000**		**Total**	**$4,750,000**		**Total**
Grand Total A–C	**$9,825,000**					

Key Lesson: Face-to-face fundraising results in increased gifts.

The most important aspect of major gift fundraising is the face-to-face call. Each of the grantees' prospects was looked at individually to determine how to involve them in the life of the institution. Some prospects required many moves, while others had already been cultivated and were ready to be asked immediately. The grantees found that, on average, it took between two and five face-to-face interactions to move from cultivation to closing.

Grantees continued to solicit foundations, primarily by submitting proposals, but the moves management process helped track reports and ensured that personal contact was made as appropriate. Corporations, on the other hand, required more personalized attention. They need to be visited and relationships developed. Several grantees developed special programs to develop two-way relationships that could lead to more substantial gifts over time.

By having a person – usually the vice president or other senior development staff member – assigned to be the president's moves manager, the president is able to make more effective solicitations, resulting in more gifts.

Johnson C. Smith University developed a corporate outreach program entitled the Corporate Alliance Program (CAP). CAP was designed to be a dynamic partnership between the corporate community and the university. It aligned corporate interests with university goals and objectives, and focused on outcomes to advance the strategic initiatives of both entities. CAP provided opportunities for corporate support and outreach to enrich student and faculty experiences, and address university priorities. Reciprocally, CAP gave corporate partners access to the university's workforce resources, intellectual capital, and senior administration.

CAP membership was targeted to have 24–30 corporate partners, when fully mature. It is expected to generate increased financial support for the university, additional internship and employment opportunities for students, and more professional development and growth opportunities for faculty. Most importantly, however, CAP will centralize the university's corporate relationships.

WORKING WITH THE PRESIDENT

A primary reason to implement a moves management process is to maximize the use of the president's time. With the grantees, the president had previously been the primary – or only – person to interact with major prospects. While we found it essential to involve the president in most solicitations over six figures, we also learned that the president does not have enough time to manage all of the moves required to finalize the gifts. By having a person – usually the vice president or other senior development staff member – assigned to be the president's moves manager, the president is able to make more effective solicitations, resulting in more gifts. Fewer balls are dropped due to the president's over-extended schedule. The same process also works when you manage prospects for trustees or other volunteers. To best work with the president, we learned that it is most effective for the moves manager to include strategy sessions at their weekly meetings with the vice president. Another strategy that worked was to request four days per month of the president's time to be reserved for donor visits. This required a close working relationship with the scheduling administrator.

SOME CHALLENGES TO OVERCOME

Implementing the prospect management program was not easy for the grantees to implement. It was difficult to staff, partly due to the fact that there were few experienced major gift officers interested in working with our programs. In most cases, no one at the institutions had direct experience with face-to-face fundraising, and it required serious training and role playing to help staff feel confident in making the required calls.

The grantees also experienced a lot of turnover when major gift officers realized they were being evaluated on dollars raised. One of the most effective tools to help new major gift officers gain experience and confidence was to have them shadow an experienced fundraiser. In some cases, they used the peer institution to provide that, but more often, the president or vice president was the trainer after a number of role-playing experiences.

Traditional fundraising suggests that a good annual giving program should be built before embarking on a major gifts program. This works if one has had the time and resources required to build the annual giving program. Interestingly, our grantees learned that many of their major gift alumni prospects had never been previous donors. We suspect this is due to the fact that most of the previous fundraising was done by mail and occasionally by phone. Through the work of the grantees it was learned that in-person contact is essential to improving fundraising results at HBCUs.

CONCLUSION

Building a major gift program was one of the most important things that the grantees accomplished during the Initiative. There is no doubt that having the capability to maintain ongoing relationships with donors and donor prospects will greatly enhance their fundraising programs for years to come. It was also one of the most difficult programs to build. It required an enormous time commitment from the advancement staff, the president and trustees, and other volunteers. The following handouts are some of the tools that were used to help the grantees stay on task.

Tools for You to Use

Prospect Identification

QUESTIONS TO ANSWER

Who are the best prospects?
Where are they located?
What is the expected level of giving?
What program/project are they most likely to support?
Who is the best solicitor?
How to best allocate staff, time, and dollars?

ASSESSING CAPACITY TO GIVE

Factors to Consider:

1. Family or inherited wealth
2. Salary
3. Matching gift potential
4. Salary bonuses, stock options
5. Investments, stocks, bonds, mutual funds, other
6. Business/corporate investment/privately held corporation
7. Retirement benefits
8. Real estate
9. Windfalls: inheritances, lottery, settlements, death benefits (handle carefully)
10. Other investments
11. Children

Propensity for Giving:

1. Relationship to institution
2. Past donor
3. What they supported previously
4. Amount given
5. Family involvement or ties
6. Other

The Moves Concept

The moves manager is responsible for making the following steps for each major gift prospect every few weeks:

1. Review your conversations and/or any actions that have transpired with the prospect.
2. Decide what your next steps should be. Review these steps with your supervisor or Prospect Management Committee (PMC).
3. Discuss strategies with the individuals who are involved with the prospect. The terms "prime" and "secondary" are sometimes used to describe these partners.
   - A prime is the natural partner who knows the prospect and can best lead the strategies and the solicitation.
   - A secondary is a person or persons who can help to nurture the relationship.
4. Execute the strategy.
5. Bring the results to the PMC to evaluate the effectiveness of the move.
6. Plan the next move.

You will often hear people talk about "foreground and background moves."

- A foreground move is used to describe a move that is designed and executed for a specific donor prospect.
- A background move describes a move that is planned for groups of major gift prospects.

Prospect Management

Prospect management describes the process of handling your donor prospects in a systematic fashion. The process helps you avoid confusion, duplication of efforts, and forgotten moves. To be effective, prospect management must be done on a regular basis and can be responsible for planning, organizing, coordinating, directing, controlling, and supervising the activities related to securing major gifts for your institution.

Uncoordinated prospect efforts can confuse and frustrate major donor prospects to the extent that they may refuse to give to your institution or warn other donors away from offering support.

The Prospect Management Committee (PMC)

The goals of the PMC are to:

- Design cultivation efforts that result in the maximum gifts
- Assist in managing staff and volunteer relationships with prospects
- Strengthen the quality and consistency of staff/prospect contacts
- Distribute prospects among staff and volunteers
- Reduce the confusion and mixed messages among staff, volunteers, and prospects
- Execute timely moves of donor prospects
- Make certain that institutional priorities are the focus of all major gift fundraising

Activities of the PMC are:

- Develop prospect list and rate the prospects
- Develop prospect strategies
- Assign new prospects
- Consider prospect reassignment requests
- Re-evaluate prospect contacts
- Set the time line for the solicitation of prospects
- Evaluate readiness and reassignment for second solicitations

Major Gift Fundraising Process

Identification

Information

Awareness

Understanding

Caring

Involvement

Commitment

Asking for Money

Initial Approach: Call for an appointment. Be direct and brief. Set the appointment in the prospect's home or office. The first contact appointment is a good time to meet for lunch or coffee.

First Contact: The goals for the first visit should be:

1. To build a rapport with the individual. Discover his or her interests. How do they feel about the college? Are there any ties or volunteer commitments to the college?

2. To create an awareness of the campaign. Use your planning documents or the summary page of the case statement to share what is going on. The grantees often used this time to talk about the refocus on alumni.

3. To discover the potential donor's interests.

Second Contact: This can be done by mail or personal delivery.

1. Send written thank-you note that describes the meeting. You should also share information about the particular interest discussed at the meeting.

2. Begin to mention money in terms of what you think the potential might be. You can enclose a gift opportunity sheet. Rating sessions will be helpful in determining this level, but the best determination of potential is done during face-to-face conversation.

Follow-Up to Second Contact: Call to answer questions or provide additional information.

Third Contact: This should always be a personal visit.

1. Ask the donor prospect for a gift to the campaign. Suggest how the gift could support the area of the donor's special interest.

2. Discuss how the gift can be made to accomplish donor's objective.

3. Give pledge form and have the donor complete it at this visit. If the donor is not ready to make the gift, then …

Fourth Contact: Call or send a note of appreciation for consideration, stressing important points of presentation.

Additional Contacts: As necessary until the decision is made and the pledge form is signed or the gift is made.

INSTITUTIONAL ADVANCEMENT WEEKLY REPORT

Name: ______________________________

Date: ______________________________

Personal Goals for Quarter: ______________________________

Work Completed This Week: ______________________________

Work Scheduled for Next Week: ______________________________

Work Planned for Next Month: ______________________________

"I have encouraged all of my Xavier friends to think of Xavier when planning their estate. Since I have no heirs, Xavier is the perfect place for me to share my estate. I know what I leave behind will be used to help others and continue the legacy."

– Ms. Jimmie Wickham, Class 1961, Xavier University

CHAPTER 10

beginning a planned giving program

Planned giving continues to be an area of great opportunity for HBCUs, because for many, it is an underdeveloped and underutilized technique. Planned giving continues to confuse us because we seldom have a full understanding of what it is and its vital role as part of a fund raising program.

Yet for HBCUs, planned giving may be the most important factor they can employ to develop a major gift program, increase the endowment, and greatly increase alumni gifts.

One lesson the grantees learned from their peer institutions was that the peers raised more money, partly because the peers utilized a more sophisticated approach when asking for gifts. Prior to the Initiative, the grantees' primary resource of gift revenue was cash support. There were occasional gifts of stock or property, but they were the exception, not the rule. We observed that one reason the grantees had smaller alumni giving totals than the peer institutions was that they weren't offering their donors many giving options.

Planned giving is one of the many building blocks of a comprehensive advancement program. Although not all HBCUs may be able to afford to incorporate all components of a planned giving program, we risk losing gifts of significance if we do not implement at least some of these strategies to help our donors maximize their tax advantages while supporting their institutions.

Building an endowment is serious work for most colleges and universities. Not only can an endowment provide a source of ongoing and stable income, but the size of your endowment is a primary measure of quality utilized by ranking services such as *U.S. News & World Report*. Even the Carnegie Classification of Higher Education uses the size of an institution's endowment as one of the measures used to determine its classification. For example, a number of years ago, Spelman moved from being classified as a regional liberal arts college to a ranking as a national comprehensive liberal arts college in the Carnegie rankings because of a substantial increase in its endowment.

You cannot establish an effective planned giving program without the expertise and assistance of someone who understands the basics. Unless you or someone on your staff has expertise in this area, it is vital that you find either a training program or an expert to help you begin.

HBCUs typically have smaller endowments than other comparable institutions. The Ayers Study found that in 1997, the average endowment for private HBCUs was $44 million, but only $4 million at public HBCUs. Today, over 60 percent of UNCF schools have endowments under $15 million. Few foundations or corporations make gifts to endowments, which mean that to grow your endowment, you will need to look to individuals and alumni. But first, you have to educate your potential supports about how they can utilize their financial assets and maximize their tax benefits at the same time.

GETTING STARTED

You cannot establish an effective planned giving program without the expertise and assistance of someone who understands the basics. Unless you or someone on your staff has expertise in this area, it is vital that you find either a training program or an expert to help you begin. If you don't have the resources to hire a planned giving officer or consultant, you might look locally. Try another area college or a United Way or your local community foundation.

Most planned giving professionals are happy to help you get started. Some may require a small stipend or a donation to their office, but most will gladly help you learn what you need to know. A day or two spent observing at their office can be a good way to learn about the various planned giving techniques and the application of the different vehicles. (See examples at the end of the chapter.)

Once you have the basic expertise, the next step is to schedule a meeting with your president and chief financial officer to discuss the various fund raising vehicles you plan to use and decide how to manage them. Some HBCUs manage the vehicles in-house, but most use a financial institution that handles endowments or other institutional funds. There is often a fee for this service, but it sometimes can be combined with other services already provided to the college/university.

After you have determined the vehicles and method for managing the funds, you need to establish campus procedures and policies for accepting these gifts. You do not want to wait until you receive the gift to figure out how to process it. Once you have worked out the logistical issues, you and your CFO should take the discussion to the board. As the fiduciary body, the board is not only responsible for approving how you plan to manage and accept gifts, but they are vital in helping to build the long-term relationships needed to close those planned gifts.

The next step is to develop a brochure or talking piece that outlines the funding vehicles and describes them in detail for the donor. This brochure is not a direct-mail marketing piece, but an important discussion tool for you to use during your face-to-face meeting and for your prospect to use to discuss options with his/her financial advisors. The brochure is an invaluable tool for walking a donor prospect through the various giving options, which is especially important for staff members who may not be accustomed to or comfortable with discussing the finer points of the funding vehicles.

BUILDING A PROGRAM

When most advancement vice presidents decide to implement a planned giving program, they often try to hire a staff person to be responsible for that program. This may or may not be the best first step, since it will most likely take some time to see a return on investment. A general rule of thumb is that it takes about five years to see results from a planned giving program because it takes time to close these gifts.

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The five grantees tried several strategies to implement their planned giving programs. Two of the grantees hired a planned giving officer, and the other three grantees assigned the responsibility to their major gift officers. We found that it took longer to show specific progress for the grantees that did not hire a trained person. However, by the third year of the grant, all of the grantees were employing planned gifts as part of their major gift requests, and were closing more sophisticated vehicles as the major gift officers became more familiar with the different vehicles.

While we found that there isn't just one way to begin a planned giving program, we also found that the key to increasing individual gifts and gifts to the endowment was through the use of planned gifts. Although you may be reluctant to start a program that will take time to show results, the worst thing that you can do is to get stuck and not begin. Every day that you delay can be the loss of an important gift that will enrich your institution for the future.

PROSPECTS

The key to building any planned giving program is to identify the most likely prospects. From an HBCU perspective, the grantees focused their initial efforts on alumni, trustees, faculty and staff, and individual donors. Again, there was a significant difference in results between the schools based on who their primary constituents were. Meharry, for instance, had developed a significant pool of individual donors through years of an aggressive direct-mail program. They learned that some of their primary donors were non-alumni who had given regularly over the years. After they analyzed that donor list, they could determine likely prospects for a planned or major gift.

The other grantee institutions first targeted alumni and trustees, while working on other fronts to develop stronger relationships with people in their communities. First, they looked at who had already made bequests to the institution. Since a donor has no obligation to notify a designated beneficiary, these gifts often arrive too late to appropriately thank and honor the donor.

Several of the grantees, when notified of bequests made to their institutions, wrote letters requesting that the donor sign an agreement to allow the school to include and recognize them as a donor. They also sent mailings to those alumni over age 60 to ask whether they had thought to include their alma mater in their wills. These mailings uncovered a number of previously unknown gifts.

One example was a Johnson C. Smith alumnus who read about annuities in the planned giving newsletter the university sends quarterly. The alumnus is advanced in age and had had a number of low-performing investments in 2003. He called to discuss annuities with the advancement office. Because of his stature in the community, they had him speak to the president. She talked about what the annuity could accomplish at JCSU and the benefits to him. The president then asked the vice president to visit the donor in his home. He took a representative from the Presbyterian Foundation with him to answer specific questions about the annuity and answer any technical questions about tax benefits. Following a number of discussions over a period of six months, the donor made a sizable gift of an annuity.

The grantees also included a form in their alumni publications asking whether alumni had included the school in their estate plans, or whether they would like someone to help them do so. All of these efforts helped solidify the grantees' planned giving programs, and began their legacy programs.

The next step was to review the list of regular donors to the annual fund. Sometimes this was a good indication of donor interest; however, in some cases, the best planned gift prospects had never given to our institutions. The reasons vary from one institution to another, but in many cases we learned that providing good information about how an alumnus could make a significant gift, and following with a personal visit, was the two-part key to a successful solicitation.

Sharing information with and educating potential planned gift donors was a vital strategy for both the planned gift and major gift programs. The grantees included educational sessions as part of their comprehensive alumni outreach. At each session, they shared how, by looking at all of their assets and determining their personal philanthropic goals, each donor could make a larger gift.

Most of our HBCU alumni have never been asked to consider making a significant gift, nor have they been shown how to structure their gift to maximize their tax benefits and reach their personal philanthropic goals. These sessions were enthusiastically received and served several purposes.

It seems that, no matter what other kind of outreach took place, the single most important thing the grantees did was *to talk with their alumni and empower them to make the kind of gifts they had always dreamed of giving to their alma mater.* It was always impressive to watch a donor when she realized that she had the financial means to make a significant gift to the school that meant so much to her.

MARKETING

Several grantees spent significant money having brochures prepared by one of the companies that regularly markets planned giving materials for smaller non-profits. Each mailing was a step in educating potential donors, but in many cases, these efforts yielded few immediate results. Once again, it seemed that the most successful marketing required face-to-face communication. On the other hand, all of the educational sessions and seminars were well-received, and may result in future gifts.

Planned giving is a process – one that often takes several years to produce significant results. It is likely that all of the grantees' efforts will yield planned gifts in the coming years. One thing is certain: every effort the grantees made led to enhanced giving and, eventually, a more successful overall advancement program.

PLANNED GIVING OPTIONS FOR HBCUS

There are many vehicles to help donors make significant commitments to your institution. However, your fiscal office may not want to manage every one of those vehicles. In fact, you may decide to begin with only one or two options – those that seem most promising. The following examples proved successful for the grantees.

■ **Appreciated Securities:** If a donor has stock or bonds that have appreciated greatly, he/she can save a significant amount of capital gains taxes if he/she gives the asset directly to your institution. You should make certain that you have easy-to-follow instructions for accepting these securities, preferably directly to your accounts. Be sure to discuss this process with your finance office.

■ **Charitable Remainder Trusts:** This vehicle enables the donor to give a significant capital gift and retain income for another beneficiary. The corpus is transferred to the college when the trust terminates. The donor receives a federal income tax deduction and avoids capital gains if the trust is funded by appreciated securities or real estate.

Here are some examples to help you get started:

A CASE STUDY FROM MEHARRY MEDICAL COLLEGE

Dr. X, an alumnus of Meharry Medical College, was identified as a planned giving prospect as a result of information gathered from his donor profile. Dr. X has been a consistent donor to the college for 27 years, and his average gift is $3,650. He is an heir to an old-line family insurance and funeral home business. He is 54 years old, married with one child, and he and his wife are expecting another child. After listening to our estate planning presentation, Dr. X expressed an interest in charitable estate planning and in making a deferred gift to Meharry. He provided us with access to his financial information through his accountant who has handled the family's financial matters since before his father's death.

When we began the charitable estate planning process with Dr. X, he was nearing the end of the construction of a $1M medical office building. Although Dr. X has a dedication to Meharry, his primary interest was in securing his family's financial future. His estate was valued at $12M. During this process, we learned he had made Meharry a five percent beneficiary of a $1M annuity. After working with Dr. X, his accountant, and the financial planner, we were prepared to ask for a charitable gift to Meharry of $1M.

The vehicles used for this gift include a charitable lead trust, establishment of a family foundation, and life insurance. This determination was based on an estate analysis with the idea of reducing the value of the estate by making a contribution to Meharry. When the final proposal was submitted to Dr. X in March 2005, he asked us to revisit some of the information in the proposal. We anticipate closing this gift before the end of 2005. Meharry has averaged approximately $2 million annually in planned gifts (primarily bequests) over the past seven years. These results are evidence of the importance of increasing and keeping the pipeline filled with deferred gifts.

A CASE STUDY FROM XAVIER UNIVERSITY

A 92-year-old donor, a widow who had been a 1935 education major, was identified as a planned giving prospect. She consistently gave $1,000 to the Annual Fund. The donor was visited by a major gift officer to ask for a major gift and to have Xavier University be included in her will.

The donor informed the major gift officer that she had lost a daughter several years ago and wanted to set up something in her memory. She was not sure how she could afford a minimum cash gift of $25,000 to set up an endowed scholarship. Through continued contact and cultivation visits, it was determined that the best way for her to establish the scholarship was through a gift of real estate.

The donor gave property that was sold by the university, and the cash was used to fund the *endowed scholarship. Since that time, the donor has been featured in the Xavier University planned giving ads. In addition to the endowed scholarship, the donor agreed to continue to give $1,000 annually, and included Xavier University as a beneficiary in her will.*

A CASE STUDY FROM DILLARD UNIVERSITY

The call was made to a male 1971 Dillard graduate, who agreed to meet with the major gift officer in his office. The intent of the visit was to assess his ability to contribute a major gift. During the call, the development officer realized that the potential donor did not have the capacity to donate $10,000 to the university at this time, although he seemed willing.

During the conversation about what he would like to do for Dillard in the future, estate planning was mentioned. Although he had children to consider, the alumnus was very open to the idea of establishing a life insurance policy with Dillard named as the beneficiary. Understanding that his premium payments would be eligible for tax deductions, he purchased a new policy designating Dillard as the sole beneficiary. He also made a current gift and indicated that he intends to give to his alma mater. His combined current and planned gift enabled him to fulfill his desire to provide immediate financial support, while ensuring the university would receive more substantial resources in meeting its future needs. A second contact was made about three months later and the policy was received within two months of the second follow-up.

CONCLUSION

Planned and deferred gifts can be powerful tools for HBCUs to use in helping alumni, trustees, and other interested individuals make significant gifts to your institution. We can no longer avoid adding these techniques to our advancement programs. To do so will mean that we will continue to lag behind our competition in receiving the kind of gifts that can truly transform our institutions.

If we think about the term "advancement," we realize that our actions have a profound and lasting impact on the futures of our institutions. The grantees learned that planned giving is neither too complex nor difficult to be mastered with study and perseverance. The future is truly in your hands.

If we think about the term "advancement," we realize that our actions have a profound and lasting impact on the futures of our institutions.

Developing a plan to build a planned giving program is essential to your development of a sustained effort.

Tools for You to Use

Here is an example of the plan developed by Bethune-Cookman College to build momentum in this important area.

A Plan of Action from Bethune-Cookman College

Objectives

- Educate alumni, friends, faculty, and staff on planned giving
- Position our planned giving program as an integral part of our fund raising strategy
- "Piggyback" planned giving with our annual giving campaign, major gifts program, as well as our future capital campaign
- Give credibility to the planned giving program
- Create process and infrastructure to handle financial instruments
- Acquire level of competence to become self-sufficient (technical competence, operational competence, and infrastructure support)

Action Steps/Activities

1. Hire consultant to help develop the program
2. Work with VP of fiscal affairs to determine the financial instruments to be used in our planned giving program
3. Develop planned giving strategy and create a framework/process to jumpstart the program (including a prospect call plan)
4. Develop annual plan/calendar with emphasis on the first six months
5. Develop prospect list
6. Take inventory of existing planned gifts and donors and recognize them in our publications

7. Attend the National Planned Giving Institute

8. Develop and print a planned giving brochure

9. Develop a planned giving website

10. Organize planned giving seminars (alumni and other prospects)

11. Incorporate a planned giving message in all college advancement materials and publications

12. Purchase planned giving software

The Results

Secured in first year:

- a $500,000 life insurance policy with Bethune-Cookman College as owner and beneficiary

- a $25,000 planned gift from an alumnus

- two charitable gift annuities in the amount of $20,000 each

"What you are speaks so loudly
I cannot hear what you say."

– Ralph Waldo Emerson

CHAPTER 11

appreciating your donors

If you haven't yet read the chapter on Marketing, you may want to read it now. Donor relations is a critical component of the marketing perspective advocated in that chapter. If you haven't embraced the philosophy of thinking from the donor's perspective, you will never have an effective donor relations program.

Donor relations is much more than simply managing the thank-you process or hosting a donor appreciation event. To be truly successful, a sense of reciprocity must permeate everything you do – both before and after receiving the gift. Remember that your donors share your commitment to your institution. They are investing in its well-being.

To the donor, you are the institution. You have an awesome responsibility, one that is much bigger than you or the donor. Your responsibility is to connect the generosity of the donor to the spirit of the institution that is so vital to generations of graduates. Too often we think of donor relations as a series of tasks that must be completed, instead of truly sharing our gratitude and joy with the donor in a way that makes them feel involved, appreciated, and valued. If you are genuine in your thanks, donors will recognize that, and their reaction will be a positive one.

In today's instant world of email, faxes, and text messaging, it is easy to forget the personal touch. Some of the most successful advancement programs have a philosophy of reciprocity and appreciation to donors. This is especially true for many HBCUs, since many have had to manage so long without adequate resources. Often, we are still trying to regain a donor's trust from a previous oversight or problem – real or imagined. The grantees had to deal with these issues, but they found that a strong commitment to accuracy in everything they do, timely acknowledgments, frequent reports to donors, and consistent communication with donors made the difference in their ability to raise new money.

Your responsibility is to connect the generosity of the donor to the spirit of the institution that is so vital to generations of graduates.

This is an area where *all* aspects of your advancement program need to be aligned. If the communications pieces aren't timely or a donor receives more than one copy, it reinforces the feeling that the organization does not care. If the alumni relations programs don't include all alumni or the alumni association is working at odds with the university, donors always blame the institution. If a major gift officer promises to send a follow-up and it doesn't come, or if the student callers during telethon assure the donor that he/she will receive a quarterly pledge reminder and it never comes, the relationship between donor and institution is damaged.

Marc Barnes, director of major gifts at Dillard University, puts it this way, "One of my roles as a major gift officer is to personalize the university for the donor prospect. We have been taught that "people give to people," but we tend to forget that in the day-to-day activities of advancement. The most important things we can do are to say thank you, listen to donor concerns, and share our own enthusiasm for the university with others."

COMPONENTS OF A PROGRAM

There are a number of ways to organize a program, but before focusing on tactical matters, let's look at the things you need to be most concerned with to develop a strong, effective, and truly responsive donor relations program.

1. **Philosophy:** You must develop your own sense of what it means to have a truly donor-centered advancement program. The Association of Fundraising Professionals (AFP) adopted a set of standards for public accountability that include legal, ethical, and fiscal considerations. They state that your institution should provide

accountability "to all those it exists to serve, to all those who support it, and to society." Without that commitment to be accountable, you may struggle to have a strong stewardship program, but you will not reach that goal.

2. **Communications:** All of your donor publications must reflect your belief in your donors, and your commitment to include all stakeholders, not just the largest donors, or the most well-known alumni. Each publication or issue should include donor stories, news of interest to your constituents, and tools to facilitate two-way communication such as referrals to websites and surveys. It is absolutely essential that you maintain accurate addresses for donors. Attention to detail is vital!

   Your communication program must include a plan for regular face-to-face visits, not only to prospects, but to donors as well. Don't forget the telephone either. Imagine your donor's face when, shortly after he sends his gift to the college, he receives an excited telephone call from you, or maybe the president. Believe me, he will tell everyone, and you will have gained a lifelong riend.

   Today's instant communications make it more urgent than ever for you to provide timely acknowledgments of all gifts. Sometimes we do a great job of turning around a thank-you for a small gift, but because we want to personalize the thank-you to our larger donors, we often let their letters sit on our desks for weeks, while we wait for time to pen the "perfect" letter. Why not try an instant thank-you – either a handwritten note or phone call – conveying your appreciation and adding that the president will send his own note with the receipt?

3. **Outreach:** If you have developed a constituent relations program as suggested in the marketing chapter, you have the beginnings of an excellent donor relations program in place. Just be certain to maintain your focus on donors, develop outreach and appreciation activities for all of your constituents and donors, and keep in mind what interests your donors. You have to go beyond what you read in books. Talk with your donors, ask about their interests, and then listen to what they have to say. And use that knowledge to build a responsive, caring program.

4. **Data:** We've discussed the need to keep careful records. But how do you report to your endowment and scholarship donors? Our grantees found that being able to report accurately on past gifts, and connect scholarship donors with the students who received the scholarships were powerful tactics to thank donors and promote continued giving. It is very difficult to ask for another gift to a named endowment when the university hasn't heard from you about the status of your fund.

MANAGING THE PROGRAM

All five grantees committed to developing strong, ongoing donor relations programs for their institutions. Each went about it in its own way, using the strengths of its teams and the specifics of its donor profile to craft a personalized program. Although each grantee has spent considerable time developing its programs, only two have assigned a full-time person to manage the stewardship process.

Meharry Medical College started the Initiative with one person assigned to design a system to recognize all contributions regardless of amount. A systematic approach was coordinated by the offices of Donor Relations and Gift Management Services to ensure a timely acknowledgment process. Gifts are acknowledged within 48 hours. The college also uses its Circle of Friends gala to publicly thank donors.

By reviewing previous problems, they implemented systems to prevent these problems from recurring.

Johnson C. Smith University used a model of transparency and inclusion to craft programs ranging from thank-a-thons using student callers to thank donors for previous gifts without asking for a new gift, to launching an online donor newsletter to respond quickly to donor questions and rumors. By reviewing previous problems, they implemented systems to prevent these problems from recurring. Then they kept donors informed of their actions and activities through the newsletters and alumni gatherings.

Bethune-Cookman College had a serious issue with bad data and improper processes for handling scholarships. Before they could raise new money, they had to systematically deal with these problems.

Dillard University had poor addresses and inconsistent record-keeping. The solution: to establish baselines and work backwards to rectify the problem. In the first year of the Initiative, they had to spend a lot of time listening before they regained the trust of their donors. They accomplished this through many face-to-face interactions, along with constant and consistent communications with their donors.

Xavier University had serious issues with its scholarship reporting, until one of the Kresge Fellows decided to solve the problem as her special project. Cathy Smiley, director of advancement services, convened a group consisting of everyone involved in the awarding of scholarships. This included representatives from the finance office, the provost's office, and the advancement office. Together they identified the blocking issues and then worked to craft a plan that would work for everyone. In the process, they fixed the reporting problems and helped other campus offices to understand the need for good donor stewardship.

PUTTING IT ALL TOGETHER

Here is an example from Xavier to help spark ideas about how to put your program together:

Xavier University Stewardship Program

Xavier has developed stewardship policies that define gift acceptance, acknowledgment, and stewardship of the donor.

The key component of Xavier's stewardship efforts is personalization and accountability, particularly with major gift donors. In all areas of stewardship – acknowledgment, reporting, and recognition – we strive to personalize all communications and interactions with major gift donors and show them how their gift is being used.

The principal methods of interaction and engagement include:
- Recognition
- Annual reports on the use of funds
- Special events
- Campus visits
- Regional visits

Acknowledgment and Recognition
The overall goal of recognition is to not only acknowledge the gift itself, but cultivate a long-term relationship with the donor to pave the way for more and perhaps larger gifts.

Publishing our annual Honor Roll of Donors in the university's alumni magazine allows us to both recognize our supporters and offer an incentive for those who may be ready to increase their personal giving level.

In the case of the Alumni Leadership Initiative – dubbed the Xavier 500 – we have constructed a donor wall in the Office of Institutional Advancement with the names of all members. The display sparks the questions that lead to a dialogue about the possibilities of moving from a high-end Annual Fund contributor to a major gift donor. Additionally, we use other opportunities with university publications to publish the names of these leadership donors.

Annual Reports on the Use of Funds
Working with the Fiscal Office, we prepare reports on endowed funds, their growth and their use to all major gift endowment donors. These reports are provided on an annual basis. Additionally, scholarship donors receive reports on the students who have been awarded funds, along with a brief bio and personal information on the student.

For those funding capital projects or academic programs, we work closely with the faculty and staff involved in those projects to ensure reports are made on a timely basis.

Special Events
Events coordinated through stewardship are designed to be 70 percent stewardship and 30 percent cultivation. Every event invitation list will be based on level of giving and a review of major gift prospects where the ask amount falls within the giving category for that event.

Campus Visits
Campus visits have a dual purpose for development. For our current donors, they are an opportunity to see the result of their investment through campus growth, the students, and the caliber of our faculty. Major gift officers are encouraged to invite their donors to campus for the purpose of stewardship and cultivation.

Campus visits are designed to highlight our students and the donor's specific areas of interest.

Regional Visits
For the purpose of stewarding donors not near Xavier, stewardship regional visits can be crucial in keeping the university in their thoughts. Each major gift officer incorporates stewardship visits in travel work plans.

Additional Comments
A close working relationship with the Fiscal Office is critical to stewarding donors. Accountability of funds and their use is primary in the donor's mind, and the fiscal office is the key to providing that financial information.

CONCLUSION

The most important lesson learned by the Kresge HBCU Initiative concerning stewardship donors is that you must adopt a philosophy of inclusion, transparency, respect, and affection for everyone who supports your institution. The West African word *Somaja* means to shower appreciation upon those who have helped you. Let's embrace the power of *Somaja* in communicating and interacting with our donors.

"...Remember to be sensitive to the needs and maturity of your organization and its readiness; a premature capital campaign may leave you with a result you'd rather not have. Better to organize a capital campaign when you can reach a meeting of the minds between fundraisers and planners and when you're strong and sure and almost guaranteed of success."

– John Mutz and Katherine Murray
Fundraising for Dummies

CHAPTER 12

a non-traditional capital campaign

The process of launching a capital campaign can sometimes be overwhelming, and even confusing, for an HBCU president, board, and advancement team. On one hand, the boards expect most presidents to conduct a capital campaign during their tenure. New HBCU presidents are usually briefed about the financial fragility of the institution and immediately urged to embark upon a campaign to solve this problem.

On the other hand, few HBCU boards or presidents have experienced a major campaign at their institutions and are often unprepared for the time required to prepare and mount a significant campaign.

There have been a number of notable examples of successful HBCU capital campaigns. However, in researching advancement at HBCUs, we found that although many raised money, they noted that they had not accomplished all of their goals. Some of the challenges that seem to be most problematic for HBCUs include:

1. The difficulty in finding and hiring experienced fundraisers
2. The lack of sufficient prospects to achieve the campaign goal
3. The difficulty in developing a compelling case to attract outside support
4. The gap between institutional needs and the potential to raise money
5. Little trustee support
6. Insufficient connection with community leaders
7. The lack of a well-known identity

Some of our special challenges relate to the fact that few HBCUs have had the benefit of a comprehensive, ongoing fund raising program. Since historically, most of our external funding has come from the federal government or private foundations as categorical support, few institutions have felt compelled to spend the resources to build these much-needed fund raising programs. Today, private foundations, corporations and even federal and state funders are paying more attention to the level of private sector fund raising success being achieved by HBCUs. We simply must make this a priority, or risk losing substantial funding from private sources.

The primary issue for most HBCUs is the lack of a mature advancement program that has systematically identified, cultivated, and solicited donor prospects at the major gift level.

With this in mind, how *does* an HBCU initiate a significant fund raising campaign?

A capital campaign is a huge endeavor for any small liberal arts institution. There are a number of factors that make it an even larger undertaking for an HBCU. The primary issue for most HBCUs is the lack of a mature advancement program that has systematically identified, cultivated, and solicited donor prospects at the major gift level.

Without the appropriate personnel and systems firmly in place, it is impossible to mount a traditional campaign. Of course, there are examples of HBCU presidents who have single-handedly raised major dollars, but that model is extremely difficult to replicate in today's environment, not to mention how taxing it is for the president. The other problem this model presents for today's institutions is that it does not consider the fact that in the future, the need for additional dollars promises to increase as HBCUs face greater competition for both students and private support. It is prudent and far-sighted to seize the moment and build a continuing advancement program to provide the funding that is so essential to your institution for today and for generations to come.

Dr. Oswald Bronson, former president of Bethune-Cookman College said, "During my tenure at Bethune-Cookman College, we had been pretty successful in attracting federal and state dollars, but we just couldn't seem to raise much money from private sources.

My reason for wanting to be in the Kresge Initiative was to build a strong advancement program that would continue to provide support after I retired."

As you consider whether to move forward with a campaign, it is important to realize that the traditional campaigns described in books or by consultants may be more appropriate for majority institutions than for your needs. HBCUs often do not have adequate staff, ongoing programs, or prospects to complete a traditional campaign. In fact, few HBCUs can identify enough prospects to solicit during a quiet phase to equal 50 percent of the overall goal. The donor base for most HBCUs will most likely be an upside-down pyramid rather than the standard one described and prepared for most campaigns.

What does this means for you? It means that, since you may not identify enough donor prospects at the highest (i.e., over $1 million) levels, you will need to identify and solicit more donor prospects than are commonly suggested. Shaping a campaign in this way makes it difficult to organize volunteer solicitors in the traditional manner. These subtle differences from traditional campaigns can be overcome, with time and the understanding and acceptance of your board and president. If your leaders do not understand this, they can become concerned and dissatisfied that the campaign is not progressing as expected. This discomfort can undermine the work that must occur before the campaign can move forward towards its goals.

As you consider whether to move forward with a campaign, it is important to realize that the traditional campaigns described in books or by consultants may be more appropriate for majority institutions than for your needs.

Dr. Norman C. Francis, president of Xavier University, said: "At first, our trustees wanted us to move more quickly to begin our campaign, but we convinced them that we needed to take the time to develop our staff, prospects, and systems."

All of the grantees were in some stage of a campaign when they began the Initiative. In some cases, their campaigns were extended and in other cases they were postponed primarily due to the fact that the schools were simply not prepared to undertake a significant campaign. They needed to develop their staff and their programs and to cultivate prospects.

In spite of these challenges, all of them moved forward and completed the Initiative far more prepared for the rigors of a campaign than when they began. Meharry Medical College successfully completed its $125 million campaign, and Xavier University and Johnson C. Smith University are preparing to launch a campaign soon. The campaigns at Bethune-Cookman College and Dillard University have been delayed due to presidential transitions.

CAMPAIGN PLANNING FOR HBCUS

1. Determine Readiness

- Take the time to train your current staff not only in campaign implementation, but in major gift fund raising.
- Recognize that you may need to develop a non-traditional campaign.
- Don't think that you can conduct a successful campaign simply by hiring a campaign consultant. They can be helpful, but only if you have built a strong program *before* engaging them.

2. Staffing and Budget

- Do you have enough fundraisers to provide staffing for volunteers and still manage a portfolio of 50–100 prospects each? Where will you find fundraisers with this experience? As noted in the chapter on Leadership and Change, most of the grantees had to "grow their own" fundraisers due to the difficulty in finding and attracting experienced fundraisers who understood and embraced the special nature of HBCUs.
- You cannot expect to launch a successful campaign without investing in your ongoing advancement program. Simply allocating resources to engage a fund raising consultant and print a special publication is not enough to ensure any level of success. *You must invest dollars and time to develop the necessary staff, while engaging your trustees and other key supporters.*

3. Viable Prospects

- This is truly "where the rubber meets the road." And this is where many HBCUs make their most critical mistake. You should not even contemplate a campaign if you cannot identify enough prospects whose potential gifts could provide at least 75 percent of your overall campaign goal. Even more significant is the need to identify prospects who have been involved with you.
- If a person has never visited your campus or met you (or your president), he/she is most likely not a viable prospect. A rule of thumb is that if you or the president has not met with the person in the past twelve months, they are not a prospect.
- You will be able to identify some new prospects and build relationships with them, but new prospects are unlikely to provide significant funding in the short time span needed to complete a campaign.

MANAGING CAMPAIGN PROSPECTS

Please review the section on Prospect Management in the Chapter 9, "Building a Major Gift Program." It is during the campaign preparation phase that the value of having A, B, and C lists is most apparent. If you have been developing continuing relationships with a cadre of donor prospects, you will be able to quickly identify your campaign potential. Without an ongoing cultivation process, it is doubtful that your campaign will generate the level of gifts that you need and are aiming for.

Let's look at how to use the prospect management process (described further in Chapter 9) to determine your fund raising potential.

After rating each of your prospects, you will need to determine their level of readiness. To help you remember how the chart works:

1. Prospects in the A column are those you feel you could ask now without any additional cultivation, and the answer likely would be "yes."

2. Prospects in the B column need at least one more interaction before you feel their answer would be affirmative. You believe they will be ready to ask within 12 months.

3. Prospects in the C column are those with whom you have met and who have shown interest in your institution and its programs. You feel that, with additional work, there is a good probability that they will say "yes" to your request, probably within 12 to 18 months.

Using this system, you can then add up the potential from each column and predict with some reliability how much money you can expect to raise in a particular period. After adding each column, assess the probability ratio you feel is most accurate for each. For example, if the potential in column A totals $5 million, how realistic do you feel the amount is, and how likely are those prospects to really give at that level – is it likely to be 85 percent, or closer to 50 percent ? *Be unflinchingly honest with this*, because over-assessing can easily get you into big trouble.

Our grantees learned that it wasn't the campaign that solved their financial problems, but a solid ongoing program that enabled them to contemplate even larger gifts in the near future.

If you can't do this, don't despair, but know that you need to invest some time and money to develop your advancement program and cultivate your prospects before you embark on a campaign. Our grantees learned that it wasn't the campaign that solved their financial problems, but a solid ongoing program that enabled them to contemplate even larger gifts in the near future.

One of the most critical things to watch for is the expectation of a single significant gift that will make or save the overall capital campaign. If you anticipate that one person will give you the gift that determines your goal, then be particularly cautious in anticipating that gift. For example, during the early stages of the Meharry campaign, they hoped that one donor would contribute $9 million toward their $125 million goal. When that person donated $3 million, they were pleased, but that left them with a gap of $6 million. This is not easy for any institution to accomplish, but it is much more difficult for HBCUs that don't have many prospects at the higher levels.

CAMPAIGN NEEDS

Determining campaign needs is another difficult area for HBCUs. Since we have depended on categorical funding for most of our previous gifts and grants, we are often stymied when the time comes to set campaign goals. If you need a Student center to accomplish your strategic plan goals and enhance student recruitment and retention, but none of your usual donor prospects are willing to donate to the center, how can that be a viable campaign goal? We must begin to build strong prospect pools that will fund our priorities. If we have invested time and involved potential donors in the planning process, it is much more likely that they will understand – and support – our needs, priorities, and goals.

One of the biggest frustrations for a fundraiser is the lack of clearly defined, well-articulated campaign goals and priorities. It is particularly difficult to talk with donor prospects if the campaign priorities are continually shifting. This often happens if priorities are set by what the donor wants to fund. While some tension between the needs of the institution and the desires of the donor is common, gifts that do not reflect your campus priorities are simply not worth it.

To set realistic and achievable campaign goals – and after all, isn't that what it's all about? – requires a multi-step process. The needs you are working to meet should be driven by the institution's strategic plan, but you also must understand and factor in the donor's interests. For example, many HBCUs need to increase faculty salaries and build faculty development funds. However, few donors are interested in or willing to support those needs. In this case, you may decide that you can fund these needs through your budget process, and instead set a campaign goal to increase student scholarships, offsetting the annual amount allocated from the budget for those scholarships.

Before you hire an external writer or firm to draft a case statement, spend time internally to determine:

1. What is unique about your institution?
2. What are your "eminence" programs?
3. What will the new funding enable you to do that you cannot do now?
4. How will the new funding relate to the needs of the donor/community/humankind?
5. What are the expected results?

Finally, how much can you raise? The advancement staff must be a part of the goal-setting process and help set realistic, achievable, but stretch goals. If you can determine, with some measure of certainty, which donor prospects will donate at least 75 percent of your goal, you can realistically hope to build new donors to give the remaining 25 percent.

CASE STATEMENT

In recent years, there has been a growing tendency to produce glossy, glitzy, printed case statements. Unfortunately, no matter how great they look, most of their messages sound the same. This is a particular problem for HBCUs, because many of us have not fully developed or communicated our own identities, separate from our core mission as an HBCU. You can save much money and have a much more effective case statement if you take the time to develop your unique case for support.

Armed with clearly defined and articulated priorities, as well as new technologies, many institutions are opting to design individualized proposals using components from the case statement rather than spending big money on pricey four-color publications that are rarely used or read.

This process can help you to get internal consensus on campaign priorities, identify the words that are most compelling to communicate those priorities, and get your entire team on the same page. From this internal document, an outside writer and/or designer can better convey and illustrate your unique story and priorities. You can use the SWOT analysis exercise outlined in the Marketing chapter, or simply lead a discussion with key campus leaders. You can also use this opportunity to involve donor prospects and other supporters.

Armed with clearly defined and articulated priorities, as well as new technologies, many institutions are opting to design individualized proposals using components from the case statement rather than spending big money on pricey four-color publications that are rarely used or read. By owning the process, you increase your options and enhance your effectiveness.

FEASIBILITY STUDY

The feasibility study is an essential step that is often misunderstood and misused. Unless you have completed the previous steps, you are not ready to embark on a feasibility study. Many of our schools have been persuaded by well-meaning trustees, who have participated in some aspect of a capital campaign at another institution, that they are ready to move forward without fully analyzing the feasibility of what they are planning to undertake. These trustees may be familiar with the trappings of a campaign without fully understanding what underlies the process. You may need to explain to your trustees why the feasibility process is vital, what you expect to accomplish from the process, and where it fits in the overall planning process.

A feasibility study can be a powerful aid in helping you understand how your donor prospects feel about your institution, and determining whether they are truly committed to helping achieve your goals. However, you need positive results and, unfortunately, if you have not been in close continuous communication with those prospects, if you have not interviewed them about their interests and familiarized them with your needs and goals, you are unlikely to achieve the desired results.

Feasibility studies are great tools for established fund raising programs, and can be very helpful to newer programs as well. But you need to be fully prepared before you invest the substantial dollars needed to complete the study. Before talking to anyone about conducting a feasibility study, you must:

1. Identify at least 100 prospects – people with whom you have met in the past year, and who have articulated or demonstrated an interest in your institution.

2. Draft your in-house case statement.

3. Assess your prospect list and know the names of prospects who can give at least 75 percent of the campaign goal.

CAMPAIGN BUDGET

If you have invested in your advancement program and are ready to proceed with your campaign planning, it is time to determine what kind of budget you will need to implement your campaign. There are many good books on campaign planning and you should definitely study and familiarize yourself with a few. Given the unique funding challenges of HBCUs, it is also essential to allocate budgeted funds for:

- Additional staff and equipment
- Campaign consultants
- Additional travel
- Extra postage and supplies
- Special events such as presidential dinners, road shows, and prospecting
- Meetings
- New publications

Most experts say that you should allocate a certain percentage of your overall goal for your campaign budget. In most cases, this isn't possible – or even necessary – for HBCUs. However, if you don't have adequate staffing in place, or a sufficient travel budget or other basic programmatic resources, you need to allocate additional dollars to fund these gaps.

The stakes are high for your institution during a public campaign, so you definitely want to retain advancement experts to help you. Unfortunately, HBCUs often pay for outside expertise thinking that it will raise the money, when in fact we need to spend internally to develop our own in-house experts who can work with the outside counsel to make certain that we accomplish our goals.

QUIET PHASE

There continues to be much confusion related to the timing of a campaign, especially the timing of a quiet phase and what it should accomplish. "Quiet phase" is a term used to describe the period when the first gifts are solicited, usually from trustees and other close supporters. The goal for the quiet phase is to solicit a small number of very large donors whose gifts will total at least 50 percent of your goal. The amount these donors give will help you determine the overall goal to be announced in the public phase.

Since most HBCUs will need to solicit more donor prospects to reach the halfway point of their campaign, the quiet phase may need to be longer than at other types of institutions. Many HBCUs will need to solicit new donors or those who have no history with their institution. These solicitations take a longer time to make and to close, which can delay the public announcement of your campaign and complicate other solicitations as well.

TIMEFRAME

Sometimes we experience confusion about the timing and timeframe of a capital campaign. Comparing the amount raised during a president's tenure with an actual campaign can cause this confusion. While we should definitely celebrate the president's accomplishments, and report the dollars raised during his/her tenure, the purpose of a campaign is very different.

A campaign can raise new money for goals and propel the institution to a new level of prominence and/or expertise. A campaign can be used to enhance existing donor relationships while bringing new supporters to the institution. Most importantly, a capital campaign can build consensus within the campus community regarding your institution's priorities and future direction. For these reasons, a campaign should not be used to define a presidency, but to position the institution for the future.

It can be difficult to benchmark HBCU campaigns because, frequently, they have not used the same parameters to count toward the goal. For example, some HBCUs count government grants and contracts, and others do not. There is inconsistency in the number of years used to define a campaign among HBCUs. And not all HBCUs count bequests or other deferred gifts in the same way.

As HBCUs develop more expertise in this area, we can benefit greatly if all HBCUs agree to use the standards promulgated by CASE. The Kresge grantees used the CASE standards to establish baseline data, and they continue to use these standards to assess their ongoing programs. By using consistent measures, we can all learn more about the potential and reality of fund raising from each other.

Using these standards, an HBCU campaign should last from four to five years, with perhaps an additional two to four years spent in the quiet phase. We should count only those gifts specifically solicited for campaign priorities during the quiet phase.

CAMPAIGN AGREEMENT

The preparation and adoption of a campaign agreement is a vital step that is sometimes overlooked in the campaign cycle. This document should be approved by the board, and include the official timeframe, goal amount, and campaign priorities. The agreement should also include the terms of acceptable pledges, such as the time limit for paying pledges. In most cases, a donor has five years from when he/she makes the pledge, but the last date for a pledge to be accepted is usually five years from the campaign ending date. The agreement outlines whether you plan to count realized bequests, and how they will be designated; whether you will count bequest expectancies; and how you will count planned gifts. The agreement should also list the gifts made to that date that will be counted in the overall campaign goal.

The agreement on what counts and what doesn't can prevent confusion in the future. This will serve you well, especially during presidential or board turnover. It also gives you an opportunity to educate the board about the intricacies (and demands) of conducting a campaign, while reminding them that the campaign belongs not only to the president and staff, but also to the trustees who approved it!

Despite differences in our institutions, we can learn from the successes of these more mature programs.

CAMPAIGN STRUCTURE

Another area that can be challenging for HBCUs is structuring a campaign to involve trustees and other volunteers. This can be especially challenging to a young program, since most of the staffing and preparation work must be carried out by the advancement staff. Another problem we touched on earlier is the lack of sufficient donor prospects that are ready to be solicited.

Traditional logic suggests that the way to raise maximum money is by using volunteers. Since the institutions that raise the most money have mature advancement programs and large pools of prospects to be solicited, this may be true. At one of the first campaign workshops I ever attended, the presenter – then vice president of advancement at Stanford University – outlined the plan for their first billion-dollar campaign. He said that organizing such a large campaign was actually simple, because it was primarily an activity of assigning prospects. When I asked *how* they identified their prospects, no one in the room was able to answer me.

Despite differences in our institutions, we can learn from the successes of these more mature programs. At the same time, it is important to keep your structure in scale, or you will spend all of your time managing volunteers and little time raising money. There are also risks associated with involving large numbers of volunteers in your campaign, especially if you have a small advancement staff or too few prospects to assign to the volunteers.

Dr. Dorothy C. Yancy, president of Johnson C. Smith University, put it this way: "Our last campaign was totally done by volunteers. They ran it from the chairman's office. While this worked at the time, when we began to prepare for the next campaign, we found that most of the donors had not given to Smith, but had given to support the chairman. We had to begin at square one to build our prospect base."

Historically, many HBCU campaigns have been organized by well-meaning community leaders or volunteers to mirror a community campaign for a non-profit entity. While this enables you to involve community leaders (always a good idea), it often pigeonholes you as a "needy" organization, and precludes you from receiving significant gifts. Remember that "people give small dollars to a good cause, but they give big dollars to quality."

Sadly, it is often true that volunteer solicitors may be unwilling or unlikely to ask for substantial gifts for your campaign at the expense of their own pet causes or charities.

What is the best way for you to involve volunteers, community leaders, and trustees in your first (or even second) campaign? While there is no single model that will work for all HBCUs, there are steps to follow that can help tremendously.

After compiling, rating and assessing your current donor prospects, you will want to determine the geographic scope of your prospects. For example, if all of your prospects live out of town, a large community structure will not work best for you.

On the other hand, you may want to use your campaign to reach new donors in your community. You can use volunteers to accomplish this, but it is unlikely that this strategy alone will raise large dollars, unless your institution has a significant presence in the community, with your president serving on key boards and participating in community efforts. Sadly, it is often true that volunteer solicitors may be unwilling or unlikely to ask for substantial gifts for your campaign at the expense of their own pet causes or charities. *Know your volunteers and their priorities!*

The community model that seems to work best for HBCUs at this time is one that brings a small group of top community leaders together with a clear goal for a specific portion of your campaign. Your president and staff must provide appropriate support and guidance to maximize the volunteers' contributions, and minimize their time commitments. Without appropriate staffing, you may alienate potential donors rather than bringing them closer to your institution and campaign.

CONCLUSION

Campaign fund raising is an important part of advancement. It is an excellent opportunity for an advancement office to receive additional resources and the undivided attention of the president and trustees, but most importantly it offers you an opportunity to add urgency to your appeals. It also provides a mechanism for you to reach out to new prospects and devise creative ways to involve them in the life of your institution.

Tools for You to Use

Here is a sample for you:

Policies for Campaign

It is recommended that the following policies be adopted by the board of trustees of Anorak University (not a real name) for the campaign.

1. The responsibility for conduct of the campaign shall be vested in the Trustee Development Committee, which will serve as the Campaign Steering Committee.

2. Only gifts and pledges actually received or committed during the specific period of time identified for the campaign (________through December 30, 2008) will be counted.

3. Pledges may be payable over a five-year period. All pledges must be paid no later than five years dating from December 30, 2008.

4. Gifts and pledges may be counted to only one campaign.

5. All volunteers will make a personal gift proportionate to their ability before soliciting others.

6. Gifts of real or personal property, including securities, shall be accepted in accordance with Anorak's Gift Acceptance Policies. (See attached.)

7. All annual dollars received for the next three years over and above the baseline figure of $________will be applied to the $6.3 million operating goal.

8. No gift or pledge will be counted toward the goal until a signed gift agreement has been signed and dated.

9. Any funds accruing to Anorak University during the campaign period through gifts not specifically designated for other purposes shall be credited toward the campaign.

10. All campaign gifts and pledges will be acknowledged within three days of receipt.

11. The Office of Advancement shall be designated to examine and approve all vouchers submitted covering campaign operations as set forth in the budget.

12. Any unrestricted bequest that accrues to Anorak during the campaign period shall be counted toward the campaign in the following manner. Any bequest under $250,000 will be counted toward the $6.3 million operating needs, and any bequest over that amount will be placed in the unrestricted (quasi) endowment.

changing the odds

LESSONS LEARNED FROM
THE KRESGE HBCU INITIATIVE
PART TWO

KRESGE

changing the odds

LESSONS LEARNED FROM
THE KRESGE HBCU INITIATIVE
PART TWO

KRESGE

WRITTEN BY BILLIE SUE SCHULZE

CHAPTER 1

the kresge hbcu initiative

Over a period of almost 150 years, historically black colleges and universities (HBCUs) have trained and educated thousands of American leaders and committed citizens. This has been achieved despite consistently inadequate financial support and insufficient resources. The history that gave birth to these institutions has left a legacy of underfunding that remains a reality for HBCUs.

Although HBCUs have experienced some successes in garnering support from private sources, more is needed to help the institutions achieve their full potential. The level of private support has varied from institution to institution due to the capacity of the college/university to undertake advancement and development activities. To be viable today, HBCUs must compete with other institutions for students, faculty, and private financial resources. At the same time, HBCUs must change the odds and build their capacities to attract private support from foundations, corporations, and individuals.

HBCUs need to enhance their fund raising infrastructures to remain competitive as a treasured American educational resource. Achieving this objective led to the formation of the Kresge HBCU Initiative.

THE KRESGE FOUNDATION

Since its inception in 1924, The Kresge Foundation has awarded over 8,065 grants totaling over $1.812 billion, primarily for capital projects. Historically, The Kresge Foundation has made significant contributions to historically black institutions to help sustain their educational programs and build institutional capacity to prepare increased numbers of students for leadership and professional positions. Since 1924, the Foundation has awarded 67 grants to private HBCUs totaling $11,675,000, and five grants to public HBCUs totaling $510,000. In addition, the Foundation has awarded four grants to The College Fund/UNCF totaling $21,928,000.

To be viable today, HBCUs must compete with other institutions for students, faculty, and private financial resources.

The Kresge Foundation, at a 1998 board/staff retreat, was reviewing how to increase requests for the core Kresge capital challenge grant program from several categories of institutions. There were two groups of institutions that warranted further study: community foundations and HBCUs.

Although The Kresge Foundation has a long history of providing support for HBCUs through its core program, a number of questions remained:

- Why did so few HBCUs apply for traditional Kresge grants?
- Why were many of the applications from HBCUs not competitive?
- Why did some that received a challenge grant fail to accomplish the challenge?

To find the answers to these and other related questions, the Foundation's trustees commissioned an ad hoc trustee/staff task force to research the advisability and feasibility of an initiative to strengthen institutional advancement and development programs at HBCUs.

The task force concluded that it must acquire information concerning the needs of HBCUs in order to make sound recommendations regarding the scope of any initiative that The Kresge Foundation might undertake to support HBCU advancement. Toward that end, the first activity of the task force was to engage Ayers & Associates, Inc., a consulting firm that specializes in working with HBCUs, to conduct a comprehensive study of the current status of institutional advancement and development in HBCUs.

The findings of the Ayers & Associates study confirmed the need for substantial assistance in the advancement area. All institutions surveyed responded that advancement was a high priority, but resources and expertise were insufficient to grow their programs. Budgets were inadequate. Turnover of both advancement leadership and subordinate staff was a very significant issue: 44 percent of the leadership had held their positions for less than four years; 30 percent had been in their positions for less than two years; and the average number of advancement staff members at HBCUs was eight, but a good many were functioning as support personnel.

The biggest challenges noted in the Ayers survey were inadequate staffing, underfunding of programs, lack of adequate technology, and few resources for training and technical assistance. These findings were substantiated again in the review of the application packets, which described additional needs that eventually helped to further define the program.

After reviewing the findings from the survey, the task force convened a focus group with officers of other foundations, government agency heads, vice presidents for institutional advancement from selected institutions, association heads, and other key leaders in the philanthropic and HBCU communities to gain their perspectives of the issues and possible solutions. In addition, a number of HBCU vice presidents were asked to develop advancement plans and budgets that would move their advancement programs to a new level. Using the knowledge gained from these diverse inquiries, the task force then sought advice and expertise from a number of advancement experts to assist in crafting a special initiative.

The objectives developed by the task force for The Kresge HBCU Initiative were to:

- Support and expand the field of professional advancement officers at HBCUs.
- Ensure the availability of the technology necessary for effective advancement functions at HBCUs.
- Support HBCU presidential leadership as it pertains to the advancement function.
- Help strengthen HBCUs' advancement capabilities relating to alumni relations.
- Enhance the fund raising role and personal giving of trustees and alumni.
- Increase the role and financial support of African American donors generally.

SELECTION

The selection process was a four-phased one and very competitive. **Phase One** required participation in a Pre-Application Workshop by the president, the chief financial officer, and the chief advancement officer. During **Phase Two**, potential applicants submitted a packet that included a letter of intent from the president, a signed commitment from at least one member of the board of trustees (reflecting full engagement of the board of trustees in the application and program), and a five-page narrative. Competition was intense, with more than 70 HBCUs submitting application packets.

During **Phase Three**, the proposals were screened and a group of distinguished advancement professionals reviewed the applications. The screening committees made recommendations to the Foundation, and 12 institutions were selected to receive planning grants.

During **Phase Four**, the institutions that received planning grants submitted proposals in response to a new Request for Proposal (RFP). Those proposals included an institutional plan to upgrade the advancement operation as well as a budget, along with specific goals and objectives, and annual five-year benchmarks. The program director and program officers from The Kresge Foundation made campus visits and prepared recommendations for the Foundation's board of trustees. The Kresge Foundation trustees selected the five final grantees.

The five grantee institutions were selected based on their proposals and their potential for accomplishing significant change. The grantees each received an amount based on their specific requests, but averaged about $2 million per institution. Although the five grantees were at different stages in developing their advancement programs, each demonstrated potential and interest in transforming its program.

Although the five grantees were at different stages in developing their advancement programs, each demonstrated potential and interest in transforming its program.

THE FINAL GRANTEES

Bethune-Cookman College
Dillard University
Johnson C. Smith University
Meharry Medical College
Xavier University

The seven additional semifinalists were given a one-time grant of $100,000 each to use to develop one component of their advancement plan. The monies were used in different ways as determined by each semifinalist. Some of the uses included hiring major gift or other advancement professionals, providing training for advancement staff members, and updating software. The semifinalists were also given special training at an Efficacy Workshop for the entire senior staff, and inclusion in the first two Learning Institutes.

THE SEMIFINALISTS

Alcorn State University
Claflin University
Fisk University
Morgan State University
Oakwood College
Voorhees College
Wilberforce University

PURPOSE

The Kresge HBCU Initiative was designed to strengthen institutional advancement and development operations in four-year and graduate HBCUs. The five-year Initiative was supported by an $18 million grant from The Kresge Foundation.

This significant level of external funding was intended to enable the five HBCUs to improve their advancement activities sufficient to develop a self-sustaining advancement operation. The grant funds were used to:

- Hire advancement staff members.
- Update records systems.
- Enhance operating budgets.
- Conduct prospecting meetings/focus groups.
- Upgrade technology.
- Enhance the annual fund.
- Prepare for a campaign.
- Develop advancement publications and/or other activities.

In turn, the grantee institutions were expected to make a vigorous, dedicated commitment over the five years to transform their advancement/development efforts into a demonstrably strong program. They set ambitious goals that required a total institutional commitment to achieve.

PROGRAM COMPONENTS

The Kresge HBCU Initiative provided significant and diverse types of support to improve the advancement operations at the grantee institutions:

1. Each of the final grantees received a full assessment and set goals and objectives to help improve its advancement operations.
2. Each grantee developed a plan of action encompassing the full five years of the grant period, including a budget to enhance staffing and technology.
3. Unrestricted bonus grants of $25,000 per year were awarded to the grantee institutions as they achieved their annual benchmarks.
4. A one-time challenge grant of $100,000 was awarded to grantees that achieved a previously determined major milestone (e.g., reaching a certain level of gifts in a capital campaign).
5. A Fellows Program provided training, mentoring, and shadowing opportunities for future advancement leaders.
6. During the first two years of the Initiative, an annual conference was held for advancement professionals, presidents, and trustees of the 12 grantee institutions. In the final three years, four Learning Institutes were made available to advancement professionals from all 89 four-year HBCUs.
7. A Peer Modeling Program paired the vice president from each grantee institution with the vice president from a similar institution with a successful advancement program.

MANAGEMENT

The Kresge HBCU Initiative was administered in cooperation with the Southern Education Foundation, Inc. (SEF), which served as The Kresge Foundation's fiscal agent and provided its expertise, physical facility, and other support for the Initiative.

Fundraising results revealed a disproportionately large percentage of dollars received from categorical sources on one hand, and very low gift levels from non-alumni individuals, trustees, and alumni, on the other.

Ms. Billie Sue Schulze, former vice president for institutional advancement at Spelman College, was engaged as the program director and provided day-to-day supervision and implementation of the Initiative, working with the assistance of an assistant program director. An independent firm, Future Focus 2020 from Wake Forest University, was retained to assess the effectiveness of the Initiative in terms of achieving the goals and objectives. Mr. Ernest Gutierrez. Program Director-International Programs, served as liaison between the Initiative and The Kresge Foundation.

SITUATIONAL ANALYSIS

At Implementation

A number of driving forces set the stage for implementing the Kresge HBCU Initiative. The most prominent of those factors included: a booming national economy; the increasing economic clout, disposable income, and buying power of African Americans; the growing recognition by many HBCUs that they could no longer depend on categorical funding sources to achieve their goals; and the successes of Hampton University and Spelman College in their campaigns that raised unprecedented levels of gifts and grants from private sources. In this environment, the Initiative was proposed and launched to help HBCUs shift from mostly reactive fund raising to a more comprehensive and strategic style of institutional advancement.

Findings from the Ayers study and in-depth reviews of the applications for planning grants pointed out a critical need for HBCUs to expand their bases of support. Fundraising results revealed a disproportionately large percentage of dollars received from categorical sources on one hand, and very low gift levels from non-alumni individuals, trustees, and alumni, on the other. The relatively small budgets provided for institutional advancement operations did not allow adequate resources for developing the types of programs that can build strong and ongoing relationships with donor prospects.

As the Initiative Continued

As the Initiative entered its final two years, the situational analysis required careful reassessment because environmental factors had changed and were having an impact on outcomes. The effects of 9/11 and the ensuing national economic downturn spawned the most significant outcomes. These economic shifts profoundly impacted all segments of the society. The declining stock market limited the level of funding awarded by private foundations generally, and especially in support of specific programs at HBCUs. Enrollments and student financial aid decreased due to the slow economy. State budgets were seriously reduced, causing great difficulties for public institutions.

These factors caused problems for all of higher education, but this challenging context created a particularly severe situation for HBCUs, several of which received sanctions from accrediting agencies due to insufficient finances. Some remain in danger of closure.

TRANSITION PLANNING

As an important part of transition planning, a planning retreat was held in late July 2003 to prepare the grantees for fund raising beyond the grant period, train them in the appropriate processes, and provide the Kresge HBCU Task Force with plans from each grantee to determine if continuing needs or problems could be anticipated at the end of the Initiative.

With two years left in the grant period, the planning retreat offered an opportunity for the grantees to review goals and expectations for the last two years and think seriously about the three years beyond the end of the grant.

Six areas were explored:

1. Institutional priorities and self-assessment.
2. Fundraising goals.
3. Developing a plan for action.
4. Budget and organizational structure.
5. Communications plan.
6. Professional development.

After the retreat, the grantee teams were asked to meet with their presidents and other relevant parties to finalize their new five-year plans.

CONCLUSION

The Kresge HBCU Initiative was an ambitious program designed to build capacity at some our nation's most distinctive and important institutions of higher education. It is hoped that the successes of the grantees will help to "change the odds" for other HBCUs, as they implement the lessons learned from the Kresge Learning Institutes and this book.

CHAPTER 2

results of the initiative

After careful study of the challenges HBCUs faced in developing successful advancement programs, The Kresge Foundation conceived and designed the Kresge HBCU Initiative to provide some of the resources that the grantees would need to build a comprehensive advancement program.

The premise was that by building a strong infrastructure, the grantees would be able to develop a stronger and more diverse base of private support to assist them in reaching their institutional goals. By proving this premise, the Foundation hoped to provide a model for other funders and HBCUs to replicate.

THE PROGRAM

Each grantee was given adequate resources to hire the needed staff, implement new programs, upgrade technology, and solidify its position in its community. In addition, the grantees were given intensive training, technical assistance, and coaching to help develop systems and processes and increase staff skills and abilities. Through a Fellows Program to develop future leaders, a Peer Modeling Program to give access to successful advancement programs, ongoing training that included specialized opportunities, and an annual Learning Institute, the grantees were given a wide array of programming to help transform their advancement programs.

The programming was flexible, allowing each grantee to develop at its own pace, but it was firm in maintaining strict accountability and attention to goals.

An ongoing reporting schedule required the grantees to remain committed to their goals and adjust strategies to accomplish those goals. The programming was flexible, allowing each grantee to develop at its own pace, but it was firm in maintaining strict accountability and attention to goals. Each campus devised its own work plan and set of goals and objectives. Working with the Kresge program director, they were provided training and technical assistance specific to their needs.

Much of the advancement training was provided by well-known providers such as The Fund Raising School and the Council for Advancement and Support of Education (CASE.) That training was supplemented with workshops given on each campus by the program director and other consultants, specifically targeted to each campus' needs. In addition to advancement training, there was training and coaching given to develop personal leadership skills for vice presidents, the Fellows, and others in a management position. Each grantee also had a support team consisting of the Kresge program director and an advancement consultant who were available at a monthly support team call, and as needed to help with problems as they arose.

FUNDRAISING RESULTS

All of the grantees increased their overall fund raising results, although some grantees showed substantially more increase. Some of the difference was based on how well the grantee was doing at the start of the Initiative, while for others it was due to how quickly they were able to overcome the obstacles and blockers that each encountered. Today all of the grantees are now positioned to continue increasing private dollars.

Kresge HBCU Initiative Grantee Fundraising Progress

(in dollars)

Grantee	Alumni	Trustee	Individual	Corp.	Found.	Other*	Total
Grantee A							
Before grant (FY 00)	286,004	21,529	126,643	429,661	863,675	1,943,767	3,671,279
FY 03	492,025	98,850	243,141	262,676	7,961,133	1,083,901	10,141,726
FY 04	394,313	62,804	91,156	213,024	4,486,353	871,846	6,119,496
FY 05	621,394	43,434	138,189	327,684	6,338,754	865,235	8,334,690
Grantee B							
Before grant (FY 00)	602,483	361,546	240,466	379,519	2,533,350	1,735,419	5,852,783
FY 03	1,364,423	384,628	421,905	637,365	3,710,996	3,047,535	9,566,852
FY 04	1,566,062	375,744	107,756	1,364,881	4,513,937	2,365,911	10,294,291
FY 05	1,874,121	448,823	891,762	1,025,275	3,735,023	2,826,705	10,801,709
Grantee C							
Before grant (FY00)	271,842	43,325	587,506	477,116	758,357	3,588,902	5,727,048
FY 03	226,642	239,581	377,114	586,805	640,102	2,513,884	4,584,128
FY 04	325,604	1,036,094	724,369	987,081	470,008	2,457,529	6,000,685
FY 05	916,127	885,653	327,044	510,073	1,076,989	2,271,309	5,987,195
Grantee D							
Before grant (FY 00)	1,213,015	136,205	2,789,290	813,199	870,340	972,319	6,794,368
FY 03	1,322,192	110,806	829,930	2,547,060	4,426,629	795,397	10,032,014
FY 04	1,224,211	255,497	798,295	2,610,041	1,495,970	1,056,046	7,440,060
FY 05	1,266,193	390,011	1,567,368	2,315,938	1,988,115	1,085,722	8,613,347
Grantee E							
Before grant (FY 00)	98,676	138,500	697,248	128,325	1,095,847	3,335,569	5,494,165
FY 03	862,050	1,404,769	1,079,542	676,056	2,152,212	2,369,517	8,544,146
FY 04	1,241,396	126,679	1,698,067	921,261	2,061,165	2,303,267	8,351,835
FY 05	464,928	74,184	189,669	177,167	1,691,522	1,937,987	4,535,457

*Includes parents, family and staff, UNCF, churches, and organizations.

Here are some specific things accomplished through the Initiative:

- Collectively, the five grantees raised $21 million more in FY 2004 than in the year before the grant began.
- In FY 2004, alumni giving at the five grantees totaled nearly $4.8 million compared to about $2.5 million before the Initiative began. This represents an increase of 48 percent and more than $2.3 million in new money.
- All five grantees converted records to a new software program and recovered significant numbers of lost alumni. More than 10,000 lost alumni were found collectively.
- Stewardship efforts greatly increased at the grantee institutions, and policies and procedures that ensure a 1–3 day turnaround in acknowledgments were instituted.
- Planned giving efforts increased, resulting in a significant number of deferred and estate gifts.
- Bethune-Cookman College received its first $1 million gift from an individual, and three of the grantees received $1 million gifts from an alumnus(a).
- Dillard University increased participation by trustees in both giving and asking for support, in part through a successful trustee challenge program.
- Johnson C. Smith University increased alumni participation from 5 percent in FY ‘00 to 24 percent in FY ‘05.
- Corporate giving at Meharry Medical College increased by nearly 70 percent.
- Alumni giving at Xavier University grew from $600 K in FY ‘00 to nearly $2 million in FY ‘05.

BLOCKERS TO PROGRESS

The grantees quickly learned how difficult institutional transformation can be. There were many blockers to overcome before progress could be made in the advancement program. Some of the blockers included: difficulty in hiring experienced advancement professionals; significant turnover at both the vice presidential and staff level; unrealistic expectations about the time it would take to effect change; lack of experienced fundraisers, including some vice presidents; difficulties in managing change; institutional cultures that did not always understand or support advancement; staff busy doing things other than raising dollars; presidents with overly committed schedules that did not include a major emphasis on fund raising; disengaged trustees unaccustomed to giving or helping to raise money; dissatisfied alumni due to years of neglect; terrible data issues; and the lack of major gift prospects.

Despite these challenges, each of the grantees has greatly improved its advancement capacity, and each is raising more money than when it began the program. Each grantee has developed a comprehensive advancement program that will sustain it in the years to come. The grantees have developed systems and procedures, corrected long-standing problems with their data, and created new programs that encourage participation and involvement for their new stakeholders. In addition, the internal infrastructure issues that challenged the grantees in the beginning have been resolved.

The Kresge grants had an impact on the institutions, as well as the advancement division. "At Xavier we spent a lot of time on campus creating buy-in. We wanted the entire campus to understand that we could think bigger than we had in the past. Today everyone feels this potential. We know that we have come a long way, but more importantly, this program has helped to shape our future," said Dr. Norman Francis, president of Xavier University.

One of the most far-reaching results of the Initiative is that there is now a new generation of African American advancement professionals and others interested in working at HBCUs who have been trained in new techniques that have been proven successful at HBCUs.

One of the most far-reaching results of the Initiative is that there is now a new generation of African American advancement professionals and others interested in working at HBCUs who have been trained in new techniques that have been proven successful at HBCUs. This cadre of advancement professionals will have an impact on advancement at HBCUs and other educational and philanthropic institutions for years to come. "I had no idea that the pool of advancement professionals was so small. It took us longer to reach this level because we had to spend so much time in finding people with compatible skills and then develop their knowledge of advancement," said Dr. Dorothy C. Yancy, president of Johnson C. Smith University.

PROGRESS MADE BY GRANTEES

Each of the grantees had a basic advancement program in place when it started the Initiative, but the organizational assessments noted areas of concern that would need to be addressed in order for them to improve. These were the factors used to design a program to help each school accomplish its individual goals and the collective goal of building a comprehensive program that would help it build a new level of private support.

The following is a comparison of where the grantees were at the start of the Initiative and where they are today.

- **Advancement was underfunded.**
- **Few staff members were dedicated to direct fund raising/solicitation activity.**

The Ayers survey found that in 1998 the average amount spent by HBCUs for advancement purposes averaged $500,000. All of the grantees had committed to building advancement capacity and had invested resources in building their programs. However, the percentage of the overall budget spent on advancement by the grantee institutions ranged between two percent and three percent compared to a mean average of six to seven percent for all small liberal arts colleges. (Council of Independent Colleges, 1998.)

Before the Grant

Grantee	A	B	C	D	E
Advancement budget*	$717,958	$1.1 million	$743,808	$1.6 million	$853,645
Institutional budget	$26 million	$49 million	$43 million	$82 million	$30 million
# of advancement staff members	11*	9	14	22	15
Percent of institutional budget spent for advancement	3 percent	3 percent	2 percent	2 percent	3 percent

** Some of these positions were clerical or Sponsored Program staff members who were later moved to another area.*

After the Grant

Grantee	A	B	C	D	E
Advancement budget*	$1.6 million	$2 million	$1.7 million	$3.5 million	$2. million
Institutional budget	$31.5 million	$62 million	$40.39 million	$115 million	$51.3 million
# of advancement staff members	14*	28	20		26
Percent of institutional budget spent for advancement	6 percent	4 percent	5 percent	4 percent	4 percent

** Sponsored Programs was moved to another division.*

It is important to note that at the start of the Initiative, the grantees created 60 new advancement positions. During the life of the grant, this number was reduced when some of the positions were merged to attract more experienced professionals.

- **The CAO functioned primarily as grant writer.**
- **The primary source of grants was the federal government.**

The Ayers survey found that for fiscal years 1994 through 1997, 36 percent of the funding for private HBCUs came from the federal government and 24 percent for public HBCUs. Private gifts and grants totaled only 9 percent for private HBCUs and 1 percent for public ones of the total amount raised.

Today, the vice president at each of the grantees serves as a member of the senior administrative team and works closely with other team members to set institutional goals, budgets, and a realistic plan for accomplishing those goals. The vice president serves as the chief fundraiser and works closely with the president and trustees to personally solicit prospects at the highest levels. Other fundraisers maintain an ongoing program of cultivation and gift requests.

Private Giving Compared to Federal Grants

	Year Before Grant	Year 4, FY '04	Year 5, FY '05
Grantee A			
Private support	$3.7 million	$5.3 million	$8.3 million
Federal support	$5.7 million	$5.2 million	$5.0 million
Grantee B			
Private	$5.9 million	$10.3 million	$10.8 million
Federal	$5.6 million	$15.9 million	$16 million
Grantee C			
Private	$5.7 million	$6.0 million	$6.0 million
Federal	$1.2 million	$.26 million	$.27 million
Grantee D			
Private	$6.8 million	$7.4 million	$8.6 million
Federal	$1.5 million	$7.2 million	$4.5 million
Grantee E			
Private	$5.5 million	$8.4 million	$4.6 million
Federal	$4.3 million	$7.2 million	$5.6 million

- **Major gift programs were limited.**
- **There was little or no planned giving expertise or outreach.**

According to the organizational assessments, one of the critical missing factors for all of the grantees was a major gift program with dedicated fund raising staff. Only one of the grantees had a prospect research program, and none had an ongoing prospect management program in place.

Prior to the Initiative, all of the grantees were trying to implement a planned giving program and all of them recognized that this was an area of great promise. Today each of the grantees has made progress in developing a planned giving program that is integrated into its major gift areas.

Now all of the grantees have policies and procedures in place for accepting and managing planned giving instruments and all of them have developed written materials to leave behind with prospects. Each of the grantees has closed a number of planned gifts, including more complicated vehicles such as annuities and trusts. However, it will take continued work and focus by the grantees to grow this area.

- **Alumni programs focused primarily on association members.**
- **The level of alumni giving was low.**

Prior to the Initiative, many of the grantees were spending most of their staff time working with the alumni association. This would not have been a problem if the associations included all alumni, but the association membership represented only 10–20 percent of all alumni. The grantees learned that in order to be truly successful, they needed to reach beyond the association membership to attract the interest and participation of more alumni. In contrast to the experience of many majority institutions, the grantees often found that in many cases the best alumni donor prospects had never attended a function or given previously.

Today all of the grantees reach out to alumni in a number of productive ways. Three grantees integrated alumni programming into the overall fund raising planning and, as a result, they have increased alumni giving more than those that continued to keep alumni programming focused on the association.

Grantee		Alumni Giving	Percentage of Alumni Giving
A	Before grant FY 00	$ 286,004	24 percent
	Last year FY 05	$ 621,394	13 percent
B	Before grant FY 00	$ 602,483	16 percent
	Last year FY 05	$1,874,121	24 percent
C	Before grant FY 00	$ 271,812	10 percent
	Last year FY 05	$ 916,127	17 percent
D	Before grant FY 00	$1,213,015	16 percent
	Last year FY 05	$1,266,193	15 percent
E	Before grant FY 00	$ 98,676	6 percent
	Last year FY 05	$ 464,928	17 percent

* In some cases the percentage of alumni participation did not increase despite increased giving. In some of these cases, the apparent lack of increase was due to inaccurate counting before the Initiative, and in other cases it was due to the large numbers of previously lost alumni.

- **Inadequate program planning.**
- **Insufficient program integration.**
- **Public relations and publications had no direct and supportive relationship to the fund raising program.**

One of the first things noted during the organizational assessments was the lack of a cohesive plan of action that combined the efforts of all aspects of the advancement program. It was common for the public relations office to report directly to the president with very little interaction with the fund raising staff. As noted previously, the alumni office was run independently with most efforts focused on association activities and membership.

Today team building is a significant focus for the grantees, and a great deal of effort is expended to develop and build good working environments. All functions in the advancement area participate in planning efforts and work to achieve institutional goals. This cooperative relationship helps each unit accomplish individual goals without losing sight of the larger picture.

- **Few opportunities were provided for staff development and training.**

The Ayers survey found that 87 percent of HBCUs offered training for advancement personnel, but a closer look at the data shows that most of the training was focused on computer technology. Nearly 90 percent of HBCUs indicated a need for additional training, particularly in the fund raising area, and especially in major gift cultivation and solicitation.

Training for the grantees covered many topics and was available in many forms. Traditional training was supplemented with technical assistance to integrate what was learned into the operation. Training was delivered individually, in groups, and for specific areas.

Training Opportunities for the Grantees

Traditional Training:

- The Fund Raising School
- Council for Advancement and Support of Education (CASE)
- Association of Fundraising Professionals (AFP)
- Association for Prospect Research (APRA)
- Raiser's Edge Training
- Efficacy Institute Seminar
- Harvard/CASE Leadership Institute Seminars

Specialized Training Opportunities:

- Orientation
- Major Gift Workshops
- Prospect Research Conference
- Data Management Workshop
- Major Gifts Case Studies
- Leadership Training
- Transition Planning

Other:

- Technical Assistance Visits (2–3 per year per grantee)
- Monthly Support Team Calls
- Kresge Fellows Training
- Chief Advancement Officer Retreats and Training
- Presidents and Chief Advancement Officers Retreat
- Kresge Learning Institutes

- **Institutional cultures and infrastructures were not supportive of fund raising efforts.**

Some of the early challenges for the grantees developed as a result of institutional processes that were designed more to meet the needs of the academy rather than the bottom-line urgencies associated with advancement. The grantees had to work with a number of other campus offices to help resolve and overcome some of the blockers that were keeping them from making progress. Some areas that required modification were the use of credit cards by fundraisers, prompt reimbursement for travel and other out-of-pocket expenses, orientation of new staff members, setting annual and other fund raising goals, and establishing consistencies in financial reporting with the office of the chief financial officer (CFO.)

- **Little or no stewardship effort was in place.**
- **Serious data issues, including many lost alumni, were prevalent.**

Improvements in donor relations were identified by all of the grantees as an area for improvement. Each grantee designed its individual plan based on the needs of its constituency and the level of stewardship it had been providing prior to the award of the grant. One of the biggest challenges for all five was the need to clean up and update their databases. In addition, they had to work with other areas within the institutions to develop systems and procedures that would provide more accurate and comprehensive information for donors. For example, at Xavier University the advancement staff worked more closely with the business and financial aid offices to develop a more efficient way to manage scholarships.

At Meharry Medical College, working more closely with the office of the CFO resulted in an endowment report for donors to specifically illustrate the use of their gifts. For Dillard University and Bethune-Cookman College, there was the need to design and implement gift clubs. Johnson C. Smith University needed to bring local donors to campus to show them what their investment had accomplished.

- **There was significant lack of coordination between the offices of the president and advancement.**

One of the issues noted at the beginning of the Initiative was a need to build a stronger link between the president and the advancement office in fund raising efforts. Poor communication between these offices had resulted in the duplication of efforts and sometimes lost opportunities. The grantees had to develop systems for prospect review, solicitation, and communication about these activities. Today each of the five grantees has in place a strong prospect management program that provides current and appropriate information to all fundraisers, including the president. These efforts have greatly increased the cultivation of major gift prospects.

- **Lack of trustee involvement in fund raising efforts.**

The Ayers survey found that over 91 percent of the respondents from private HBCUs indicated that the president was the primary fundraiser. Trustee participation in both giving and getting was found to be lacking at all of the grantees. The grantees worked to improve this relationship, and were moderately successful. While trustee giving improved greatly for some and less well for others, there were only a handful of trustees who spent a significant amount of time in assisting the president and advancement office with active gift solicitations. One of the factors for this may be the relative newness of the ongoing major gift program and the fact that the programs are just now reaching the level of development that can fully utilize this important resource.

- **Annual giving programs were not consistent.**

Not having a specific staff member responsible for annual giving and coping with a significant number of bad addresses had combined to result in a haphazard approach to annual giving. Although there were repeated attempts to develop ongoing programs, there was a lack of consistency to the efforts. As a result, the programs usually consisted of one or two bulk mailings annually.

Today, the grantees offer donors a wide range of opportunities in terms of the ways they can give. There are dedicated staff members who analyze who is giving and who is not giving. The staff devise specific programs targeted to the donor prospects. They also solicit donor prospects in numerous ways, including face-to-face, which has proven to be highly successful for HBCUs. In addition, the grantees are now expending significant time and energy in updating addresses. As a result, annual giving has grown for each grantee and continues to grow each year.

BONUS AND CHALLENGE GRANTS

An important component of the Initiative for the grantees was an opportunity to earn an annual bonus of $25,000 to be split with 40 percent for the president's office and 60 percent for the advancement office. The funds were unrestricted, but were expected to be used to fill unexpected needs related to the grant. For example, several of the grantees used their bonus awards to purchase new furniture and equipment for the advancement office. One used the funds as a challenge to alumni, and another grantee used the bonus funds to sponsor an Alumni Leadership Institute. In some cases, the presidents used the funds for additional fund raising-related travel. They sometimes combined the funds with the advancement office to accomplish a joint project.

In addition to the annual benchmark bonus, each grantee was eligible to receive a one-time $100,000 challenge bonus for accomplishing a significant milestone related to its goals. For example, Bethune-Cookman College received its bonus for closing its first million dollar gift from an individual. Johnson C. Smith University successfully completed the first phase of its campaign to receive its bonus. Meharry Medical College secured a leadership gift of $10 million for its campaign, and Xavier University closed over $16 million in major gift solicitations to accomplish its challenge.

The grantees were more successful in accomplishing the challenge goals than the annual goals. All but one grantee achieved the challenge goals. The following chart shows the actual breakdown by grantee:

Grantee	Bonus	Challenge
A	5	1
B	5	1
C	2	1
D	2	1
E	5	0

It is interesting to note that each time a grantee did not accomplish the annual bonus, it was always in the middle of a vice presidential transition.

Other Program Components

LEARNING INSTITUTE

The Learning Institutes were an important component of the Kresge HBCU Initiative. They were designed to provide training for advancement professionals at HBCUs and to disseminate the lessons learned by the grantees to other HBCUs. The first two Institutes focused exclusively on the training needs of the 12 institutions that received planning grants. The first Learning Institute for all HBCUs was held in the spring of 2002.

Each Institute focused on specific advancement or leadership challenges that had been a problem for the grantees.

Each Institute focused on specific advancement or leadership challenges that had been a problem for the grantees. There was a continuous focus on making certain that each of the trainers presented materials as they related to HBCUs. This focus on the needs of HBCUs helped to keep the Institutes relevant and well attended.

Year One – 2000

Audience:	12 HBCUs that had received Planning Grants
Participants:	81 attendees, including trustees, presidents, advancement professionals
Training Focus:	New Approaches to Advancement
Featured Sessions:	Major Gifts
	Leadership
	Working with Trustees
	Presidents' Session
	Building African American Wealth (presented by Earl Graves, publisher of *Black Enterprise Magazine*)

Year Six – 2005

Audience:	89 four-year and professional HBCUs
Participants:	230 advancement professionals
Training Focus:	Changing the Odds
Featured Sessions:	Integrating Advancement Goals with the Strategic Plan Branding Your Institution A special session for Newcomers to Advancement. *Three tracks: leadership, fund raising, and alumni/communications.* A sample of topics: situational leadership, planned giving, alumni publications, managing the advancement program, working with your CFO.

AFRICAN AMERICAN DONORS' RECEPTION

An important component of the Learning Institute was recognition of HBCU alumni donors. The program began as a luncheon panel of significant alumni donors to HBCUs who told the participants how and why they had made the gifts. The purpose was to encourage and show HBCU fundraisers that some of their best giving potential was within their alumni base.

The panel presentation was so inspiring and important to the participants that the next year it was moved to the Georgia-Pacific Company to enable more people to attend. Ms. Ingrid Saunders-Jones, president of the Coca-Cola Foundation, served as emcee. Each participating institution was asked to invite its special alumni and other donor prospects to attend along with Atlanta community leaders.

Each year the event grew in attendance and importance. For three of the last four years, The Coca-Cola Company hosted the event at its world headquarters in Atlanta, and the final event was held at an Atlanta hotel ballroom to accommodate the growing numbers of attendees. The four public receptions averaged over 250 attendees.

In 2004 and 2005, all participating HBCUs were invited to nominate an alumnus/a to be honored at the donors' reception. The response was impressive, and 30 donors were honored who together had contributed over $12 million in 2004. In 2005, 46 donors who contributed a combined $25.2 million were honored. In total, Kresge honored 85 HBCU alumni who contributed more than $53 million to their HBCU alma maters.

THE KRESGE ADVANCEMENT FELLOWS

The Kresge Fellows Program began in 2001 with 15 advancement professionals nominated by their vice presidents and presidents to participate in an intensive program designed to mentor, coach, and train future advancement leaders. Each of the Fellows was identified as having leadership potential. Some were new to the advancement profession, and some had been in advancement for a while and were seen as ready to move to management roles.

The program offered a number of opportunities, including courses at The Fund Raising School, two retreats where leadership skills were taught, and opportunities to network with the CASE Jupiter Fellows. A mentor was assigned to each Fellow to set personal development goals and share feedback and professional coaching. The Fellows attended all of the Learning Institutes, and other Kresge-sponsored training programs. Each Fellow designed and completed a special project to enhance fund raising at his/her institution. They were able to earn a stipend after receiving approval by a review committee.

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By most traditional measures, the Kresge Advancement Fellows Program would not be classified as a success, since only five Fellows completed the entire program out of the 17 Fellows who participated in it. (In the first two years of the program, we allowed a grantee to replace a Fellow who left.) However, on a positive note, those Fellows who completed the entire program have become "rising stars" in the profession. Each has received at least one promotion, and each has earned the respect of colleagues and others associated with the Initiative for his or her professional abilities.

By conducting exit interviews and maintaining a connection with the Fellows who left the grantees, it is encouraging to know that there are 12 former Fellows with training and coaching who will improve the pool of qualified advancement professionals in the future.

Where the Fellows Are Today

Completed the program	5
Still in field at another institution	7
Still in higher education, but not advancement	3
Left the field	1
Pursuing a Ph.D.	1

THE PEER MODELING PROGRAM

An important tool that was used primarily in the early years of the Initiative, the Peer Modeling Program, provided essential benchmarking opportunities for the grantees. The program was designed as a means for vice presidents to have peers at similar institutions with successful advancement programs. Each grantee identified an institution that would be similar in terms of numbers of alumni and students, size of the institutional budget, similar academic offerings, and any other distinguishing factor such as religious affiliation, special mission, etc. Although none of the peer institutions fit all of these characteristics, each did have an excellent advancement program.

The program was informal, with the grantees defining their own relationships. The purpose was to provide opportunities for the grantees to visit the peer institutions and observe first-hand how a successful program functions. For example, during visits to the peer institutions, the grantees observed the moves management process in operation, watched the prospect researcher use technology to prepare briefings, shadowed a major gifts officer on a solicitation call, and talked confidentially and one-on-one with the vice president about the successful management of the myriad responsibilities expected of him/her.

PEER MODELS

Bethune-Cookman College	Rollins College
Dillard University	Carleton College
Johnson C. Smith University	Centre College
Meharry Medical College	Duke Medical Center
Xavier University	Notre Dame University

The Peer Modeling Program was more helpful to some of the grantees than others. Turnover at the vice presidential level at both the grantees and the peer institutions sometimes caused ongoing disruption to the flow of the program for some. All of the grantees utilized the program to gain important insights into managing a more complex advancement operation, but the grantees with more stable advancement leadership gained the most from the partnerships.

CONCLUSION

While this chapter has documented the progress made by the grantees in the Kresge HBCU Initiative, it is likely that the true success will not be shown for many years to come. The ultimate success of this Initiative will come from the hundreds of advancement professionals who received training, mentoring, and coaching through some participation in the Initiative: whether through the intense training of the Fellows Program; the less intense, but nonetheless demanding training resulting from employment at one of the grantees; the teaching of the advancement professionals who came to the Learning Institutes; or the reading and use of this book to help them transform the advancement program at their institution.

> **The ultimate success of this Initiative will come from the hundreds of advancement professionals who received training, mentoring, and coaching through some participation in the Initiative…**

Dr. Norman Francis, president of Xavier University and the longest-sitting president in America, shares his experience in the Initiative, "What Kresge did was extremely valuable to Xavier. When we started the program, we were a long way from having a complete advancement program, despite some successes. It has been nothing short of miraculous – the transformation that has happened. We are light years from where we started."

Dr. Michael Lomax, former president of Dillard University and current president of the United Negro College Fund (UNCF) has stated, "The most transformative of the results of Dillard's experience as a participant in the Kresge program was our ability to tap the resources of the potential contributors who knew Dillard best, stakeholders like alumni and board members. Our success in increasing the funds we received from that inner circle of stakeholders was the necessary prerequisite to our success. Before our Kresge participation, our six-figure donations were few and far between. Post-Kresge, we could legitimately aspire to and achieve higher six-figure, and even the occasional seven-figure donation."

NOTES

The Kresge Foundation is a national foundation founded in 1924 by Sebastian S. Kresge. It is one of the largest foundations in the United States with assets over $2.9 billion. Through its grant-making programs, The Kresge Foundation seeks to strengthen nonprofit organizations by catalyzing their growth, connecting them to their stakeholders, and challenging greater support through grants.

The Kresge HBCU Initiative was administered in cooperation with the Southern Education Foundation, Inc. This Foundation served as the fiscal agent and provided support for Initiative activities, including the annual learning institute.

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Good fundraising is very much like gardening. Your finished product is only as good as the effort you put into it.

First, you must prepare the soil. If you don't till the soil and add the appropriate nutrients, there is little likelihood of long-term success.

Second, you need to select good plant stock. If you don't select the right kind of plants for your environment, it is unlikely that they will survive.

Next, you need to tend the garden while it grows. You must ensure that there is adequate water and that weeds and animals do not disturb the young plants.

Most importantly, you need to allow the time needed for your plants to grow to the appropriate size for the best harvest.

Billie Sue Schulze

Program Director

The Kresge HBCU Initiative was a five-year, $18 million program created and funded by The Kresge Foundation of Troy, Michigan. The goal: to help five historically black colleges and universities (HBCUs) develop stronger self-sustaining advancement operations.

This book shares the grantees' challenges, growth, and successes as they figured out how to adapt best advancement practices to their institutions and survive in the newly competitive environment in which HBCUs find themselves today.

Included are the key steps to building a successful advancement operation, preparing for and conducting a major campaign, key lessons learned, and tools that can be adapted for other institutions to use in setting and reaching their advancement goals.