

Development Issues, Strategies and Roles for Deans – and Others

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Session Overview

- I. Overview: Art & Science of Development
 - Key principles
 - Some theory and philosophy about philanthropy
 - Practical tactics for moving through the cycle of successful development
- II. Roles for Deans and Others in the Development Team
- III. Observations on this economic climate



Gifts and Donations

GIFT: a tangible symbol of feelings
(usually between people)

DONATION: a tangible symbol of support
(to a cause)



Development and Fund Raising

DEVELOPMENT is about creating meaningful, often lifelong, relationships with people, characterized along the way by their desire to make gifts to express their feelings (e.g., loyalty, gratitude, intellectual or emotional engagement) and to be a part of a cause or institution that means a great deal to them.



Development and Fund Raising

FUND RAISING is the business of raising funds – procuring money for a project, a building, a cause.

It is usually characterized by goals and timelines set by the organization.



Development and Fund Raising

A **GIFT** is to **DEVELOPMENT**

as

A **DONATION** is to **FUND RAISING**

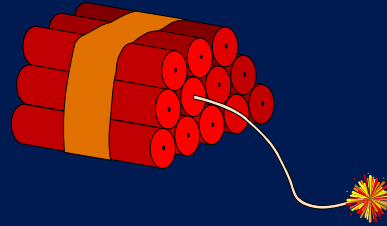


Inappropriate terms...

- hit up
- put the arm on ...
- squeeze
- loaded

- "... should give"
- "... ought to give"
- "... owes us"

- low-hanging fruit



Annual Donations vs. Major Gifts

Annual Donations

- frequently asked/given
- discretionary income
- unrestricted funds
- mailings, events, phone

At mature development programs:

- 90% of transactions
- 10% of dollars
- 1st step to major gift
- very, very important

Major Gifts

- infrequently asked/given
- from assets: stop/think
- relationship required
- targeted/restricted projects

At mature development programs:

- 10% of transactions
- 90% of dollars
- often repeated over time
- critical to success



The Scary Math of Major Gift Work

- For each major gift, you need (at least) 3 prospective major givers
- On average, a major gift is closed after 9 meaningful contacts, or between 6 months and 2 years...
- ...therefore, to get 5 new major gifts requires $3 \times 9 \times 5 = 135$ meaningful contacts



ULTIMATE GIFTS

- "Once in a Lifetime" Gift
- Combination of Giving Methods; Many People Involved
- Total Commitment to Institution's Mission
- Long, Emotional Relationship (and possibly several previous major gifts)
- Often Involves Major Naming Opportunity
- 1,000-2,000x Annual Gift / 10-20% Net Assets – or much more



Thinking About Donor Motivation

- Considering possible motivations for giving is important in making artful asks – and providing meaningful stewardship
- People's motivations change throughout their lives – and even as they go through the development cycle
- Do not be cynical about others' motivations; respond to help meet givers' needs while achieving organizational goals



Some Common Donor Motivations

- Prestige – by association
- Giving something back
- Networking opportunities
- Recognition
- Validation
- Fulfillment – by proxy



The Cycle of Development (Traditional Definition)

IDENTIFICATION
CULTIVATION
SOLICITATION
STEWARDSHIP



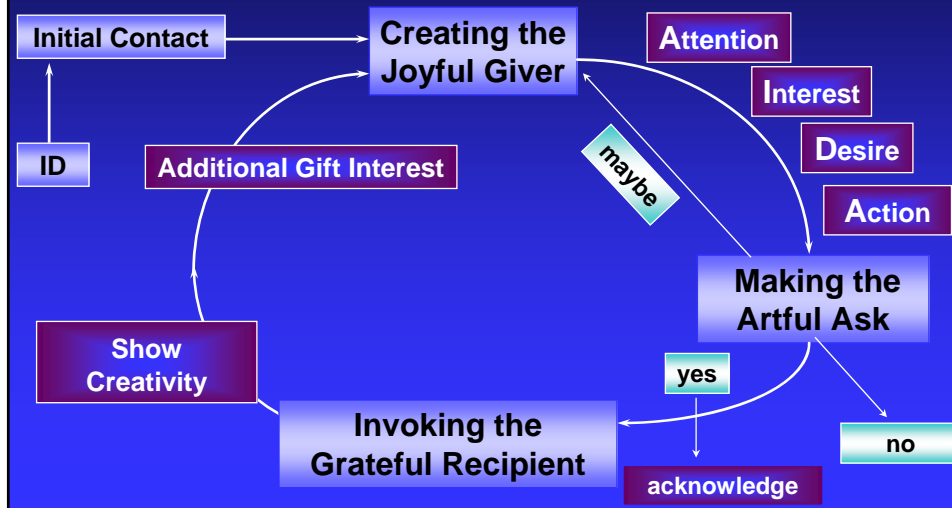
The Cycle of Development (An Alternative)

THE MYSTICAL MINGLING of
A JOYFUL GIVER
AN ARTFUL ASKER
A GRATEFUL RECIPIENT

- Douglas M. Lawson (1936)



The Cycle of Successful Development



Creating the Joyful Giver

(Often – more crassly – known as “cultivation”)

- Get the potential giver's **attention**
- Identify mutual interests; develop the potential giver's **interest** in your project/institution
- Fuel a **desire** by the donor to become more involved
- Take or facilitate **action** – leading to a gift

Elements of a Good Meeting

- You are **prepared**
- You leave with a **next step** planned
- You **record everything** immediately afterward
- You went in with **objectives**; they must be:
 - *Specific*
 - *Realistic*
 - *Donor-Focused*

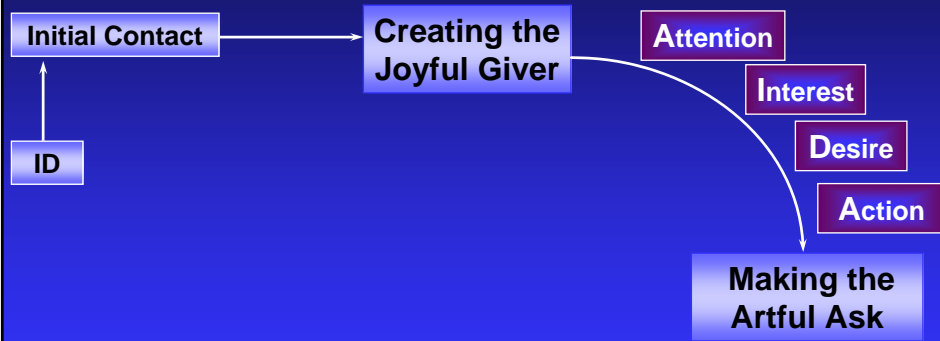


Joyful Giver Phase

- Get the person involved!
- Secondary methods: events, mailings, mass marketing, programs (gets **attention**, helps develop an **interest**)
- Primary methods: high-level and well-orchestrated volunteering, one-on-one discussions, special access/special events, board membership, (further **interest**, leads to **desire** to make a gift)
- Concentrate on primary methods
- Remember the "9 meaningful contacts"



The Cycle of Successful Development



Making the Artful Ask

(Often – more crassly – known as “solicitation”)

Making an Artful Ask

- bestow honor/praise
- show organizational pride (*knowledge, commitment, passion*)
- be *considerate*; ask for consideration
- state specific amount
- state specific purpose
- be quiet



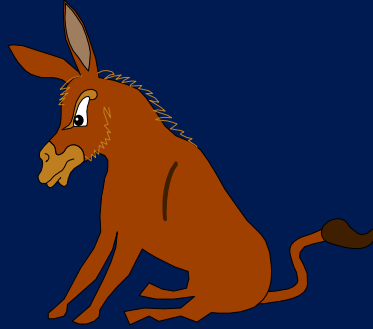
Adages about Asking

- You almost never get the gift you do not ask for
- You (or someone) must ask
- You must earn the right to ask
- Most common response to the question "*Why didn't you make a gift?*" is "*No one asked me*"
- Three "No's" is halfway to a "Yes"
 - **Timing** might be bad
 - **Project** might be wrong
 - **Amount** might have missed the mark
 - **Wrong person** might have asked
 - **More engagement** is needed

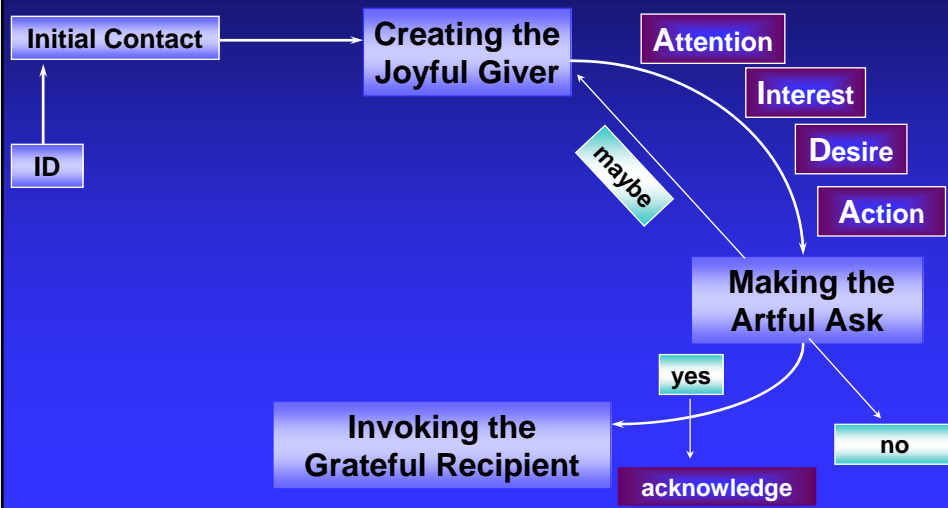


Common pitfalls

- We talk too much
- Ask sounds cold or inconsiderate
- We use words like "should" and "ought"
- We ask apologetically and are embarrassed
- Eye contact breaks down
- The ask is rushed
- We break the silence too soon after ask is made



The Cycle of Successful Development

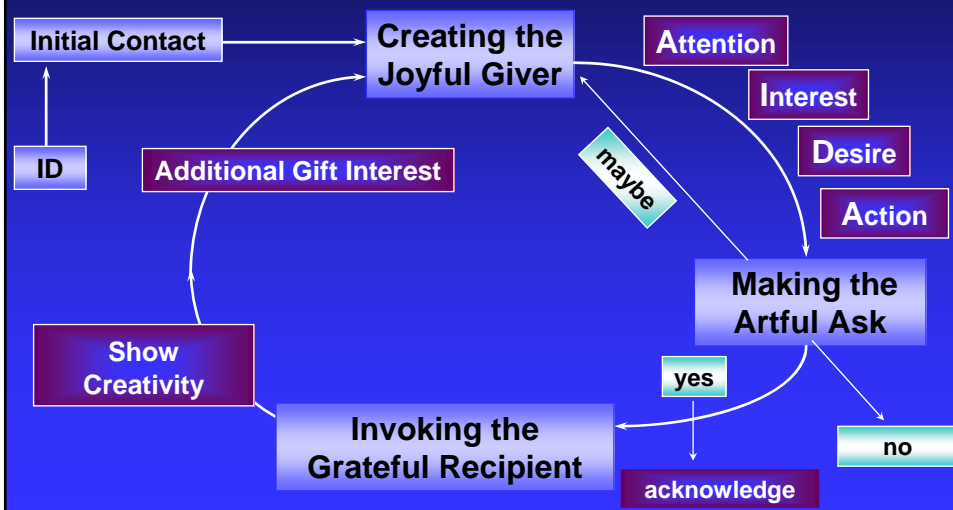


Invoking the Grateful Recipient (Often—only partly accurately—called “stewardship”)

- It is the right thing to do
- It is the perfect path to the next, larger gift
- Be creative
- Be sincere
- Make it a priority
- “The giver has a right to enjoy the giving”



The Cycle of Successful Development



The Development Team

- President
- Central advancement / development: Vice President, Director of Development
- Dean
- College development officer
- Support staff
- Alumni office
- Faculty and department heads
- Volunteers and givers



Deans (and other academic leaders): Roles in Development

- Create a compelling vision
- Manage the academic priority-setting process
- Set development priorities and goals – in conjunction with university and development leadership
- Articulate the case for support
- Collaborate with professional development staff
- Facilitate faculty partnerships
- Identify prospects
- Maintain relationships for the long term
- Ask
- Thank and recognize givers



Create a Compelling Vision

Dean as leader-figure

Develop YOUR shared vision

Absence of a clear vision will result in one being created for you!

A compelling vision creates excitement in the eyes of the donor



Manage the Academic Priority-Setting Process

Where is our field going?

What are our strengths and competitive advantages?

Where are our greatest opportunities and threats?

What do we need to get where we want to go?

Most importantly, be clear about what you do well (and want to do well) and equally clear about what you do not (and perhaps should not)



Development Priorities

Grow out of institutional / academic / program plans and priorities

“All academic priorities are important but not all can be featured as development priorities”

Are feasible and attractive to potential donors



Examples of priorities that may be suitable for development goals

Faculty support

- Endowment and expendable gifts for recruitment, retention, professional growth

Student support

- Scholarships, loan funds, student research grants, travel grants

Program support

- Endowment and expendable funds for research seed grants, curricular innovation; specific research projects

Equipment

Facilities



Examples not as suitable for development support:

- Budget shortfalls
- Funds to cover basic operations and continuing budget needs
- Core support including clerical staff
- Renovation of facilities that will still be obsolete or have short life expectancies
- Rental of temporary space



Articulating the Case for Support

- How will the world (nation, province, community, academic field) be better because of this?
- And/or how will the University (the faculty / program) be better?
- How do we want to frame the case?
- What makes sense to potential givers?
 - May cut across disciplines
 - Focus on public-oriented issues and problems rather than our own organization chart



Thinking About “The Case”

What (who) is the audience?

Do they care about making your institution better, bigger, stronger, faster?

Or do they care more about problems in the community, the province, the world – problems you can help solve?



Collaborate with Development Staff

Staff Meetings

- Periodic meetings with key development staff
- Share Plans

Stewardship Meetings

- Review major donors
- Review utilization of gift funds

Development Officer as your Liaison

Development Officer as your Coach



Facilitate Faculty Partnerships

- Don't be afraid of faculty!
- Who do alumni remember?
- Be respectful of longstanding relationships
- Discuss fund raising at faculty meetings
- Discuss faculty utilization at development staff meetings



Maintain (and Advance) Relationships for the Long Term

- Recognize the long-term nature of donor relationships *with the institution*
- Be a good steward
- Learn about your donors
- Be compassionate and caring, but don't put yourself on the same level as the donor
- "Cultivate daily"



Ask

Dean as leader-figure may be the best person to ask for a major gift

Dean may also be the best person to recruit a volunteer

A dean who is uncomfortable asking (generally or in a specific case) can work out alternate roles with others (volunteer, development staff, president)



Recognize and Thank Donors

Let donors see what they have done

Put current donors together with recipients (students/faculty), other donors, and potential donors

Don't make every communication an ask!

Send personal thank you notes, make thank you calls



“I don’t have time for development”

Q: How much time does a Dean (or other leader) need to spend on development?

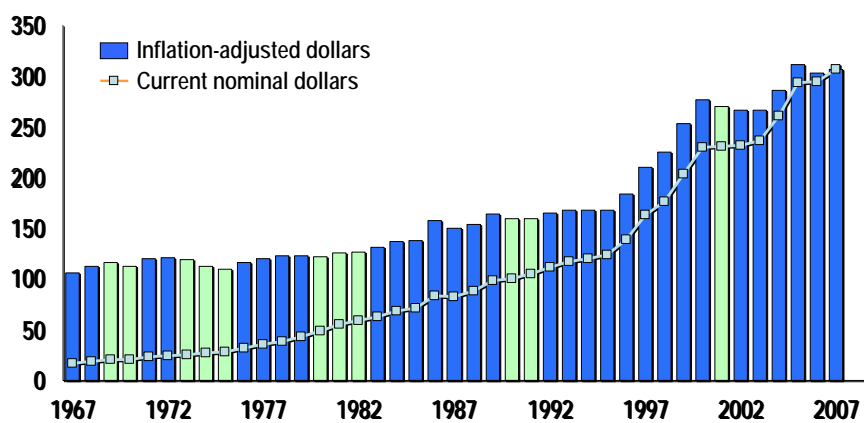
A: As much as it takes...

- To stay in regular communication with key donors and prospects
- To communicate the vision to key constituencies
- To establish clear development goals
- To make asks when appropriate
- To thank everyone who needs to hear that from the leader



Total Giving, 1967–2007

\$ in billions



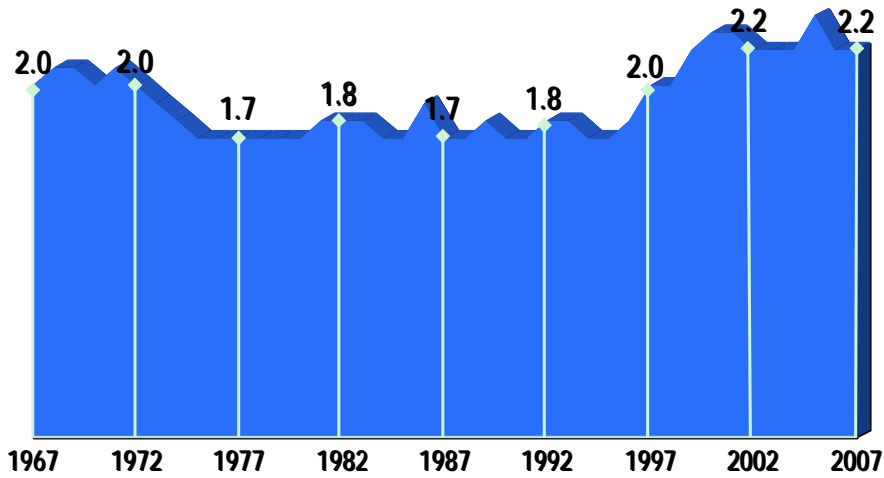
Recessions in light green:

1969–70; 1973–75; 1980; 1981–82; 1990–91; 2001



Source: Giving USA

Total Giving as % of Gross Domestic Product, 1967–2007



Data are rounded.

Marta Lundy

Source: Giving USA

Economic Indicators in Major Recessions

	Highest Unemployment Rate	Stock Market Change (DJIA Year to Year)	Stock Market Change (DJIA - Change from Highest to Lowest)	Gross Domestic Product Cumulative Change (Inflation Adj)	Corporate Profitability Cumulative Change (Inflation Adj)
1929 - 1933 (Great Depression)	38% (1933)	-55%	-85%	-25%	-101%
1973 - 1975 (Recession)	9% (1975)	-15%	-50%	-1%	-10%
1980 / (1981 - 1982) (Recession)	11% (1982)	8%	-29%	1.5%	-9%
1990 - 1991 (Recession)	7% (1991)	2%	-11%	-0.3%	-0.5%
2007 - Present (Recession)	8.5% (April 2009)	-40%	-50%	-1.3%	-12%

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