

SAMPLE

FUNDRAISING FOR DEANS

A GUIDE

JAMES M. LANGLEY

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JAMES M. LANGLEY

STARTING RIGHT

You've just been named dean of the College. Congratulations. No doubt you feel reasonably well suited to the task. After all, you have achieved a measure of distinction in the tripartite expectations of your field—in teaching, research and service. You acquitted yourself quite well in a highly competitive search and were deemed to have the best vision, leadership style, and temperament to meet the demands of the job.

The only area where you may feel less than fully prepared and therefore confident is in the area of fundraising. The subject of fundraising came up frequently in your interview process. Some faculty grouched about how far current fundraising efforts had fallen short of their expectations while others gleefully imagined how much more productive it would no doubt be under your tenure. The provost and president spent a great deal of time quizzing you about it—stressing its importance and inquiring as to your willingness to pursue it with vigor.

You have some familiarity with fundraising, of course. You have given numerous talks at various alumni gatherings over the years and have met with donors at university events. And, from all you can tell, it's not exactly rocket science. There's certainly nothing particularly challenging about the terminology of the field. The AVP in central advancement stresses performance metrics and seems to be cajoling everyone under him to "meet their numbers." Your presumption is that if they do as he urges, results will be ever rosier. The development officer in your college says, "it's all about relationships" which sounds like an unimpeachable, if unquantifiable, assumption. So you

wonder about the conjunction of metrics and relationships.

You note, however, that your new colleagues, the other deans, manifest a variety of styles and approaches. The business school dean is viewed as aggressive, opportunistic, eager to ask, and willing to “challenge” prospects to do more than they might otherwise. The dean of humanities, on the other hand, says she has achieved great success through her advisory council and by taking time with each significant prospect to “bring them along.” You wonder which of these approaches, or more subtle variations of them, would be most productive.

Further, the advice you receive on the subject also runs the gamut. A prominent alumnus urges you to take the time to listen and to get to know people. The chair of the advisory board you inherited stresses the need for you to be “out there” as a visible, confident, enthusiastic fundraiser. Several successful business people on that board stress that you be “active in fundraising.” You listen to all of them and then resolve the best way to learn is by doing.

The College’s development officer (or DO, as he is commonly referred to) has received mixed marks during your search process. Some say he’s fallen well short of the promises he made when being considered for the job. Others say he worked hard but was hamstrung by your predecessor, who had come to be caustically characterized as being “all send, no receive.” Still others blamed byzantine bureaucracy of the central development, and the president’s propensity to poach your best development prospects.

You decide it only reasonable to give your DO a chance and see how he does. You set up a meeting to seek his advice on how you can get started. You assume he will have you on the fabled “rubber chicken circuit” before

long, if not orchestrating some heady opportunities—perhaps making a case in a corporate boardroom, hobnobbing at a private golf club, or sipping expensive wine at sumptuous dinners with avid donors in tony eateries.

GETTING STARTED

If he's a very good DO, he will come to that first meeting prepared to focus your subsequent efforts on the two essential parts of the fundraising equation: **case** and **connection**, or “What do we hope to raise money for, and who is most apt to support the project?” For the time being, let's focus on your potential sources of support, or your connections.

Connecting with Your Development Officer

Your DO should come to your first meeting with an in-depth analysis of the College's prospect pool. That pool should be tiered according to those who have the highest capacity and propensity to give.

- **Capacity** will have be determined by some sort of “wealth screening” or scan of public records to determine each prospect's net worth, if not the make-up of their assets.

- **Propensity** will have been assessed primarily by a review of each prospect's philanthropic history. Ideally, that giving will have been to your college or university. If not, a record of giving elsewhere still suggests that you will be dealing with someone who feels grateful for what life has provided and possesses a corollary commitment to giving back.

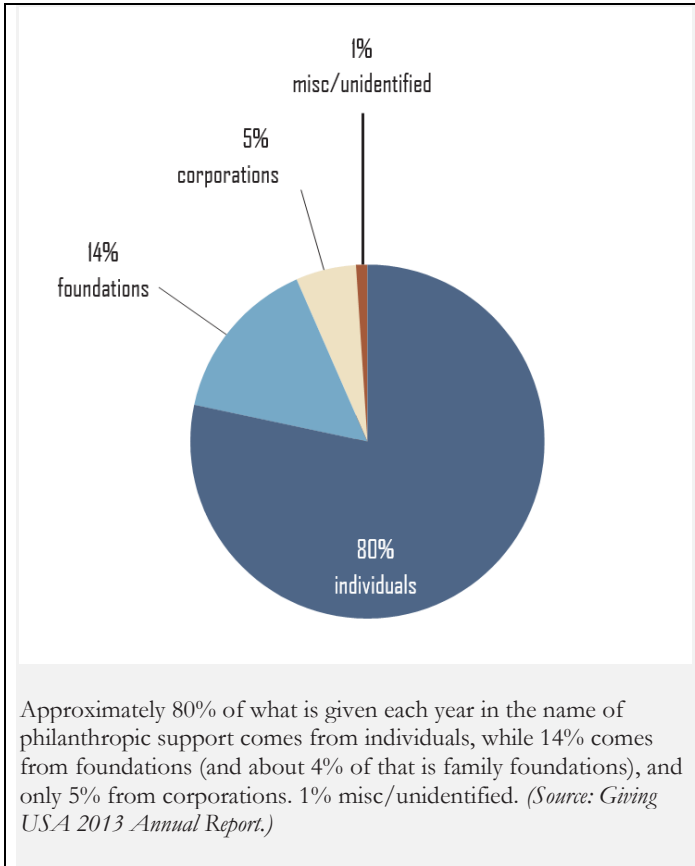
If your DO comes with a list of names, absent an analytical rationale for their ordering, you should ask for the rationale before proceeding. The absence of analytics will make it very difficult to determine who you should see first, why, and what you should say. Yes, the judgment of a DO and the experience borne from it is of immense value, but the art of fundraising is not without science. You should see evidence of both art and science.

The art of fundraising is not without science.

Your DO should be able to articulate the criteria that was applied to the shaping of the list, including how the giving potential of each prospect was calculated. He or she should point out that calculations of individual net worth are based only on aggregations of public records (real estate deeds, stock purchases, significant acquisitions and sales, etc.) and whatever your development operation has been able to glean from the prospects themselves (and they are often remarkably open about the subject).

Further, your development officer should explain that capacity ratings, the estimate of what a prospect might give, is based on a formula (usually 5% of his or her net worth) but that such ratings are only given under certain circumstances.

The preponderance of your prospects and the focus of most of those analytics should be individuals, not foundations or corporations.



If your school or college is more technical, you may see a larger percentage of your support coming from corporations than is the national norm, but spending most of your time on individuals is almost always the most productive strategy. Here's why: corporations give to achieve corporate objectives, and, according to numerous

interviews I have conducted with corporate leaders, the foremost among their reasons for giving to educational institutions are:

1. To improve their ability to identify and recruit talented graduates.
2. To glean knowledge from faculty research that will aid in business development.
3. To sell their products to students in hopes of forming lifelong habits.

Corporate support, therefore, can be more market sensitive and can change as leadership and businesses' strategies shift.

Foundation support, particularly that which comes from the large, national powerhouses, is given along programmatic lines, usually to support internally developed and strongly held beliefs. The Gates or Lumina Foundation, for instance, has given magnificently in the name of educational reform but they have clear ideas, based on their own research and practice, on how it is best achieved. The Kauffman Foundation, to cite another example, has very firm beliefs on the best ways to advance entrepreneurship. The viability of any proposal you may submit to them will not rest entirely on the strength of your arguments or the proof of your capabilities but on your ability to demonstrate how you can work within their guidelines to achieve their goals. It is best that you know what makes them tick.

Individuals also come with strong belief systems and preconceived notions as to where their philanthropic support can have the greatest impact. Yet, individuals will become more trusting of institutions through substantive interactions with leaders, with ROI- oriented stewardship, and through the benefit of time. The longer an individual

gives to an institution, in general, the more apt they are to see it as an extension of their values and purposes. And the individuals that are most likely to manifest these qualities are your grateful beneficiaries, also known as alumni. In fact, there is no more predictable, probable source of significant giving—be it for major, principal or estate gifts—than loyal individuals. The more consecutive years they give to your school or institution, the greater those probabilities.

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Indeed, one of the wisest actions you can take in your early days as dean is not only to ask for a list of the twenty-five largest gifts to your school, but to ask, in each case, the number of years donors previously gave to the school before those large gifts were received. If the average number of years is less than ten, your donors are highly anomalous. While there is no single source for the data, various analyses conducted in recent years at multiple institutions suggest the average number of years preceding a gift of \$1 million is twelve to fifteen.

If the prospect list you are presented is analytically sound, you can begin to plan which prospects you should see and in what order. You might be wondering if you should ask these prospects to support the college at the first meeting, either in broad or specific terms. Chances are you should not. Based on Langley Innovations' multiple-year analyses of over forty successful fundraising universities, I can add that even when dealing with the best of prospects, it takes, on average, twenty-one months and nine interactions to

secure a major gift. Even if you have a subset of prospects who had been highly engaged with the previous dean but never asked for a gift, it doesn't mean that they are ready or prepared for you to ask them. The only exception would be those prospects who had been in discussion with your predecessor about a particular project or initiative, say an endowed chair. If there had been a series of discussions about that chair and a specific gift amount had been discussed but never committed to, you could broach the topic to determine how you might pick up and advance those negotiations.

Even when dealing with the best of prospects, it takes, on average, twenty-one months and nine interactions to secure a major gift.

Yet, even when you have inherited strong prospects who have been discussing specific commitments with the previous dean, you should look at another set of facts—the dates of the last two interactions with each. If your DO insists, for instance, that a particular couple is “just waiting” to be asked, but you see that the last visit with them was five months ago, and the visit before that six months before the previous visit, you should resist. If gift negotiations are proceeding positively, no more than six to eight weeks should elapse between interactions. It is not dissimilar to a romance: the more often two people see each other, the more time they spend together, and the more commonalities they find, the more it suggests they will commit to a future together. The implications of the inverse are obvious.

But, the overarching point is this: your development plan needs to be built on a clear-eyed assessment of the field of prospects you have inherited. For instance:

- If you inherit a large number of well-developed relationships, including a healthy number of alumni and friends with years of giving under their belts, you can broach the subject of fundraising in your early interactions with them.
- If the vast majority of your prospects have not interacted for any length of time with your school and/or those interactions have not been recent, you should avoid rushing into a selling or even an institutional advocacy mode. It would be far wiser to ask the prospect's personal, civic, or professional aspirations to see if there is a potential of aligning purposes somewhere down the road.

In other words, the style of fundraising that one might adapt—forthright or patient—should be determined by the strength and recentness of the relationship with the prospect.

Understanding the Dean's Role

While some fundraising relationships between dean and donor become personal, they should begin on a professional level. The dean's role in building such a relationship is to:

- Define the highest and most enduring purposes of the school/ college.
- Determine, through research and planning, where additional resources will allow the school/ college to give students a jump on the future, or to serve society through the application of new knowledge or responsive service.

- Explain where and how specific levels of investment can achieve those specific goals.
- Listen to donor interests and intentions and frame gift agreements that align purposes and manage expectations.
- Report in a frank, factual, and timely way on progress made or unexpected obstacles.
- Share successes and honor service of experienced faculty, staff, students, and volunteers.

While there are many other niceties that will help cement more personal bonds, none of them will substitute for these professional responsibilities. Conversely, their fulfillment will generate the most valuable form of advertising—word of mouth praise from a discerning investor.

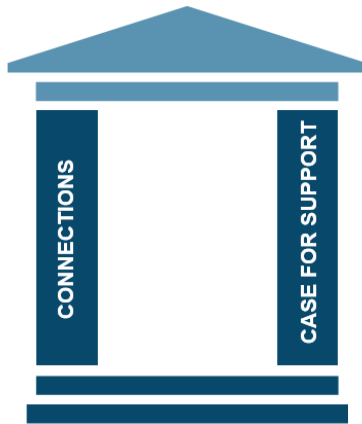
Understanding the Case for Support

The second pillar of successful fundraising is the case for support. In an increasingly competitive world—one that has a growing number of philanthropy-seeking organizations with ever larger fundraising staffs clamoring for ever more support—a distinctive, compelling, strategic case for support has become of the utmost importance. The elements of the most effective cases are clear, factual, content-rich elucidations of:

- A gap analysis that defines, in specific, factual, and compelling terms, the gap between the current

level of service being provided and what the future will demand. This will ensure, for example, that the school's graduates are adequately equipped and prepared for the greatest opportunities and obligations they will face;

- Where the formulation and delivery of new knowledge, service, or innovation can improve the human condition in concrete ways; or
- How a particular service, based on a particularly rich competence, can ameliorate a problem and/or create a virtuous societal circle.



ACTIVITY: ASSESS YOUR CURRENT CASE FOR SUPPORT

Do you have your case for support on hand? Is it clearly articulated? Does it incorporate the preceding three points? If not, gather your staff and begin to work through these questions. Also, be sure to seek alumni and prospect input.

Examples include:

- A school of education at a prominent public university seeking funding to create a model charter school because fewer and fewer graduates of the local public high schools are qualifying for admission.
- A business school seeking support to create a cadre of consultants from its current and future faculty to provide practical advice to fledgling companies in its host city.
- A school of psychiatry/psychology proposing to create training, mentoring, and support to counselors in local schools who are overwhelmed by a growing host of emotional struggles that manifest in their students.
- A college of liberal arts striving to respond to a spiking demand from students and employers for more competence in Mandarin and Arabic by creating new class sections, relevant study abroad, and “cultural internships” that will ensure both language and cultural proficiency upon graduation.
- An engineering school proposing to establish practical internships and problem-solving sessions with nonprofits to give their students real-life opportunities and to provide nonprofits with a skillset that they, all too often, fall short of.

ACTIVITY, CONTINUED

- A library is armed with the results of a study correlating student academic success with the number of hours spent each week in the library in study groups. It is proposing to create a honeycomb of study group nodes by adding a wing equipped with wireless capability and increased reference librarian services. The new wing would be designed with large windows for students walking by to see the scholarly, social activity within and feel induced to join in.

Understanding Donor Psychology

As you consider these kinds of possibilities, and imagine ways that you can leverage the unique capabilities of your school to address issues of great external import, you may find yourself wondering, “Yes, but what about the bread and butter of what we do; what about funding for core purposes?” Well, fundraising is about the alignment of internal expectations with external realities. One such reality is a culturally entrenched but unwritten compact. It is lodged in the psychology of philanthropists. It is the widely held belief that philanthropy is not about responding to emergencies or the underwriting of everyday functions and purposes, but about providing the margin of excellence, about taking an organization, or some part of it, from good to great. Philanthropy, in the minds of many who give and those who give the most, is not about the margin of survival or making recipients happy, or creating

Lake Woebegones or social utopias. It is about leveraging existing strength to create even greater strength.

Fundraising is about the alignment of internal expectations with external realities.

Yes, people do give to pressing social needs, natural disasters, and humanitarian efforts. Those are acts of charity. But the plain and simple truth is that people give far less in the name of charity than they do for philanthropic purposes. They will, in short, give less “to give a man a fish” and far more to anything that “teaches him how to fish.”

And, yes, there are those who give to core purposes of schools, colleges, and universities, but, in the vast majority of cases, they come from long and/or deeply involved alumni who give at modest levels. The more one is apt to give, the more one wants to know that he or she is not “throwing good money after bad.” Donors want to know that their gifts are building strength and improving delivery systems, not patching up flawed, outdated systems or perpetuating mediocre performance. Grateful, debt-free, actively engaged graduates of private colleges may be more inclined to give unrestricted gifts to support their alma maters, but their numbers are in decline in the vast majority of cases. In fact, higher education’s most likely source of significant and sustained support—their alumni—has been eroding for the past twenty years. When contributing alumni of the top 100 institutions of higher learning in the U.S. were asked why they did not give more to their alma maters, the most common reasons, according to a study done by Engagement Strategies Group, were:

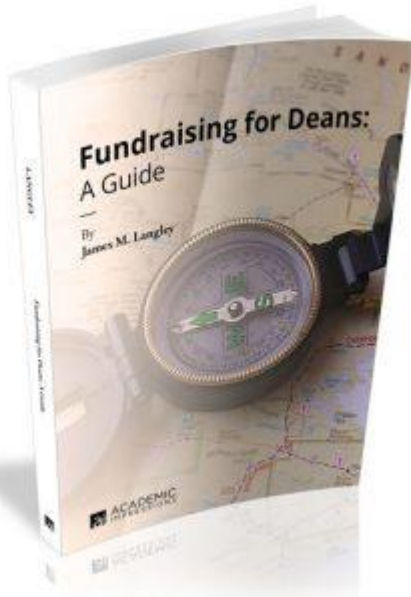
- I feel that I have paid enough already for tuition.
- I don't think the school really needs the money.
- I haven't been given a good enough reason to give.
- I don't feel a deep emotional connection to the school.
- They haven't done enough to connect with me beyond asking for money.
- I feel like donations go into a "black hole."

As you can see, the making of a strong case for private support entails anticipating and overcoming these concerns and objections. In the past quarter century, four-year institutions of higher learning increased tuition by 440%, according to the National Center for Public Policy and Higher Education. As they did, more and more alumni began asking, "If you're getting that much from tuition revenue why do you need private support, particularly for core purposes?" So, in making a broad case for private support, it is wise to explain that while tuition dollars are used primarily for core purposes, private dollars may be used to strengthen select initiatives or further amplify key capabilities. Tuition dollars should work hand-in-hand with private support. Conflating the two or failing to explain how tuition dollars can be leveraged by private support will weaken your ability to make a case for the latter, to build credibility with prospects, and to win the support of generous but discerning donors.

READ MORE

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