Excuse Me: Can
Soliciting corporate donors has gotten more complex in recent years. Here’s how to approach corporations and help ensure your institution is at the other end of their giving.

The press announcements made it look so easy: “Irwin Jacobs, founder and chairman of the board of directors of QUALCOMM, along with his wife, Joan, have long shared the conviction that San Diego must have a deeper and broader role in international public policy matters. Now the Jacobs, working with Dean Peter F. Cowhey and the faculty of the Graduate School of International Relations and Pacific Studies at UC San Diego, will significantly enhance the region’s capability in world affairs through a $500,000 annual gift that will establish and support the Pacific Leadership Fellows program and a new Center on Pacific Economies.”

Yet in that same month officials at UCSD were high-fiving this achievement, research and consulting firm Edunet, out of Boston, released its study detailing the pressure development officers at public and private research institutions are under. Sure, they have a century-plus of fundraising familiarity, but it simply isn’t enough to keep up with the sheer scale of today’s financial demands.

“The growing role of private dollars in public higher education is a major factor in the changing landscape of development in academia,” notes Brent Kelton, Edunet’s managing vice president of the Learning Collaborative Program for Development. “In building these new models, development organizations are able to draw on neither the traditional nonprofit culture of the university nor the sales-oriented culture of the for-profit world, but are being challenged to find a unique blend of the two.”

In other words, UCSD’s slam-dunk wasn’t a walk.

“It’s always been pretty challenging to go to a corporation for a gift,” says Ted Grossnickle, chairman and CEO of Johnson, Grossnickle and Associates, a nonprofit philanthropic consulting firm in Indiana. “But in the last decade it’s become more sophisticated. Companies are more inclined to think about the benefits for their stockholders, so it’s a lot more complex and highly nuanced.”

A New Conversation
Nearly all university development officers say getting in the corporate door is the easy part. What to say after the handshake gets stickier. But don’t count Joyce Elam, the executive dean of Florida International University’s College of Business Administration in Miami, among the tongue-tied. “You have to really believe in your program. You open by talking about your school’s vision, and why you need their help to achieve some of the goals you’ve established.”

By Julie Sturgeon

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she says. Currently, her department has raised $10 million of the school’s $15 million goal to construct a new building on campus.

Her approach, while it can work, makes consultants cringe. “Way, way too many organizations say, ‘Here’s what we want to accomplish,’ and they throw a proposal at the corporation. In our experience, that’s not very effective,” says Grossnickle. Instead, the groundswell approach today is to center the conversation on what’s in it for the corporation. Lawyers call it quid pro quo.

After 30 years in this field, George Engdahl, vice president for university advancement at the University of Dallas, labels the switch from a philanthropic to market-driven mindset “a dramatic change.” Still, from his vantage point in Irving, Texas, university officials have embraced the new conversation rules far faster than, for example, the arts community did when sponsorships first washed over its niche in the 1980s. So Engdahl had no pushback bringing Amgen on board to sponsor an annual speaker series (read: marketing visibility) when he worked at California Lutheran University.

Roger Jenkins, dean of the Richard T. Farmer School of Business at Miami University (Ohio), walks into brass-and-glass conference rooms armed with opportunities for endowed professorships and fellowships. “The supply-and-demand curve has gone the opposite direction now for several years, so corporations understand that in order for them to hire good graduates, our business school must have strong faculty,” he says. It’s his most successful pitch, but not his only weapon. Jenkins also encourages corporate partners and potential donors to enroll senior executives who would be willing to speak in classroom situations in the school’s database.

When risk management became the buzzword after 9/11, Miami University seized the chance to establish a center devoted to that specialty. Jenkins naturally called on corporations to help—extend offers to become a sustaining or charter member to core players, such as those in the insurance and actuarial industries. The offers included access to research coming out of the center. Partners of the Center for Governance, Risk Management, and Reporting, which launched in April 2006, also attend an annual conference boasting an impressive marquee of executives speaking on hot topics.

“But in every option, the driving motivation has to be business,” Jenkins emphasizes. “There is no more ‘give because it’s good to give.’”

And that’s why Robert Pallone has his hands full. As director of corporate and foundation relations at Bates College (Maine), he knows the college lacks the kind of programs companies often want. This liberal arts college doesn’t even have a business school. Furthermore, it competes with the Ivy League for students, so folks consider it a rich man’s campus. Playing with those cards, Pallone has been known to turn to Bates vendors for donations, since that’s who he enjoys a business relationship with.

Pallone has established a scholarship endowment for local students longing to attend Bates. “We can choose from anywhere in the world, so it becomes harder for us to admit students who might have a large financial aid bill,” he explains. Local companies grasped the marketing benefits to this emotional case and jumped onboard with the Alonzo Garcelon Society, as Bates refers to this donor group. In just over a year, Pallone secured half of the anticipated $1 million endowment.

Amos Drory’s task is still more daunting. The executive vice president of American Associates has been charged with fundraising in the United States for Ben-Gurion University of the Negev, in Israel. Yet his spiel reeks in who he needs to reach: international companies like Motorola, IBM, Microsoft, and Exxon that do business in that country and would like to team up to support specific research projects in their fields. He even persuaded a German-Dutch telecommunications company to open a development center at his university.

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gram and the quality of education that donors buy,” Engdahl says. Such precise jockeying greatly reduces competition among large and smaller schools vying in the same region; too, Grossnickle claims. After all, a Wabash College (Ind.) offers different program benefits than a Purdue University up the road.

“It really helps when a corporation comes to understand that it is getting many of its top executives from private liberal arts colleges,” he adds. That’s why Roger Jenkins approaches a company with hard data showing how many Miami University business school alumni already work there, their pay ranges, and their corporate achievements. “If you’re pleased with our graduates, in order to keep that pipeline open and the flow high, it takes a continued investment,” runs the speech. “The students you hire are a raw material source.”

His approach has raked in approximately $75 million in five years, and he rarely hears a no after slapping those numbers down in front of corporate executives. Taking a page from this book, Elam brings students with her on sales calls, and invites the C-level folks she meets on personalized visits to Florida International’s campus.

What companies tune out these days, says Jenkins, are offers to put their name on a piece of real estate. As part of a $65 million building campaign, he trotted to the obvious candidates, suggesting conference room sponsorships and the like. “I got a chorus of no responses. I will wind up getting the name of a successful alum who feels much of his success came from his years at Miami University on that room,” he predicts.

Forbidden Fruit
Capitalism means that plenty of companies will ask for specific considerations to go along with their dollars—and it’s up to the college or university to nix proposals that may be inappropriate. For instance, many times a corporation requests that Engdahl’s graduate school of management hold classes at its site. He’s fine with that. But should they request that the b-school create a course for its employees that doesn’t fit the school’s direction, kiss those dollars goodbye.

“So we get 50 grand to put into the pot and it helps the budget. But how much time and energy are we spending on the project, event, or class that doesn’t match up with where we are and where we’re trying to go?” he reasons.

Don’t overlook ethical ramifications, either. Engdahl once landed an offer from Philip Morris that didn’t fly with his institution’s higher-ups because they preferred an anti-smoking image. Likewise, Pallone respects when his economy professors assure him that a corporation is perfectly legal and legitimate—but he still must weigh the esoterica. “We are in Maine. Would a paper company be a good name to put on a scholarship or program where students and faculty might object to it?” he asks. “You have to think through the ethos on campus or risk putting a stick into a bee’s nest.”

Jenkins made sure to leave another aspect off limits: student recruitment. Under no circumstances will he tolerate a sponsor corporation circumventing the normal process by calling a professor to ask, “Who are your best students?” “We never want to get to the point where a company thinks that because it’s giving money, it has access to our student data,” he says.

The Foundation Question
APPROACHING A CORPORATION AND A FOUNDATION FOR funds differs, even if the foundation is an arm of the corporation. Foundations are fundamentally more philanthropic in nature—and therefore exercise more control over the entire application process, says George Engdahl, vice president for university advancement at the University of Dallas. “Your project has to fit within their guidelines. You’re graded on the quality of the proposal and whether you follow the rules.” On the other hand, he adds, “In a corporation you really have to know people.” And that, he says, makes the corporation conversation more entrepreneurial.

Roger Jenkins, business school dean at Miami University (Ohio), also finds the foundation application process to be more precise. Foundations aim to move a needle in society, so development officers must frame their proposal within that narrower context. “I can’t go to a foundation and say, ‘Because we produce X number of accounting majors, you should give us money.’ You can’t make a business case model there.”

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Technology to the Rescue
Of course, there are ways to get into a corporation’s wallet that don’t involve boardroom powwows. Some corporations will match, double, or triple employees’ contributions to 501(c)3s—dollars that can add up to significant bucks. And occasionally an alumnus CEO of a private company will support his or her alma mater, no questions asked.

But such routes require good records and a coordinated communications campaign. Even the partnership angle cries out for top-notch organization skills, points out Brian O’Rourke, director of development and alumni affairs at Clemson University (S.C.).
that executives want one contact at the university—a go-to guy they can pick up the phone and call with questions. “And they want the university to present priorities. They don’t want each department coming to see them,” he says.

Certainly that’s the direction University of Dallas has adopted. While various schools do make personal contacts on their own, the actual funds flow through one office: Engdahl’s. “We’re not trying to centralize it, but my office has become more of the coordination point,” he notes. His arrival on campus also signals a move toward an integrated marketing communications plan where websites look the same, messages are consistent, and “our partnerships are barking up the same tree,” he adds.

Jenkins relies on questionnaires sent out to business school graduates their first and fifth years out of school, along with alumni surveys to collect and monitor the sales data he needs. But Jenkins’ system isn’t enough for Juan Garcia, executive director of development information services at The University of Texas at Austin. Instead, Garcia is tinkering with building template reports from the university’s business intelligence tool that sits on top of an Oracle database.

A veteran of the corporate world himself (he previously worked at Arthur Andersen accounting firm), Garcia began his research by chatting with colleagues at Duke University, the University of Southern California, the University of Illinois, UCLA, and Purdue University in an effort to get a handle on how folks manage fundraising relationships effectively. “One of the things that kept popping up was getting a broad view of corporations’ activity within a university,” he says. “Recruitment activity, licensing deals, research, vendor contracts all sit in separate databases, so pull all that into one place and you can understand the total relationship and find the connections.” At present, many universities can’t even lump subsidiaries together; thus they would treat a General Electric, General Electric Turbine, and General Electric Finance as separate entities.

Companies like Datatel in Fairfax, Va., are already in step with Garcia’s observations. It recently rolled out its College Advancement program to help universities organize communications electronically—which are, therefore, trackable. Its shared data module allows a development officer to review a company’s vendor status, previous gifts, foundation connections, and primary contacts by office on one screen.

“So often someone from a university is trying to cultivate a relationship, only to embarrassingly find out there’s another conversation going on he didn’t know about,” says Anita Lynn, the lead consultant for Datatel’s Institutional Advancement Client Practice Team.

Of course, Garcia and IT gurus like him don’t draw the line at collecting the information. Next step in his grand plan is to computationally score corporations to help officers analyze their best prospects. “And if we really do our job right and tie into economic conditions,” he dreams, “if we can begin to foresee who will recruit

Look Who’s Talking Now
THE DAYS OF SEALING A FUNDRAISING PLEDGE OVER A round of golf between the university president and his buddy, the Fortune 500 CEO, may have hit a sand trap, but that doesn’t mean the upper echelons aren’t communicating.

In fact, when it comes to corporate fundraising at universities, everyone is a potential salesman. “There’s no one way the connections happen,” assures Ted Grossnickle, chairman and CEO of Johnson, Grossnickle and Associates, a nonprofit consulting firm. “We have seen situations where a university corporate gift officer initiates a discussion with the corporate foundation gift officer. I have seen research folks at the university have initial conversations with researchers in companies. And I’ve seen situations where the company goes to the university and says, ‘Is there some way we can be of support to you, and vice versa?’”

Robert Pallone, Bates College’s director of corporate and foundation relations, often invites a corporate partner to lunch to maintain friendly relations. But if the Maine institution’s dollar intake rested solely on his meal availability, “not much would be happening here,” he admits. So every time a faculty or staff member volunteers in the community, that fuels a good fundraising image. Tree giveaways, public lectures, a chapel available for public weddings, the college’s service learning program—they all add up to valuable relationship building in this fundraiser’s estimation.

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—George Engdahl, University of Dallas

and who will pull back under certain circumstances, we could be more proactive about managing those relationships.”

Jenkins would just be happy with anything that helps him reduce the wait time. Right now, the earliest he can expect an answer on a fundraising proposal is 30 to 60 days. He’s spent the past year conversing with one company about a $1 million gift, and that still doesn’t hold the record. He’s been in talks with a Big Four accounting firm for at least a year and a half. “I know they are going to make a nice gift and I know why, and still it isn’t nailed down yet,” he says.

Welcome to the new world of fundraising.

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