Paying Attention to What Matters: Building a Dynamic Advancement Program in Small Institutions of Higher Education

Higher Education Webinar
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Today’s Panelists

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Today’s Agenda

I. Challenges for Small, Private Colleges

II. The Reality for Development Offices

III. Responding to Challenges—A Paul Smith’s College Case Study

IV. Panel Discussion & Audience Questions
Challenges Facing Small, Private Colleges
Challenges Facing Small, Private Colleges

- The HigherEd Landscape
- Internal Challenges
- External Challenges
- Know Your Market
- The Need to Communicate
The HigherEd Landscape

- It’s Ever-Changing
- The Value of a Degree is in Question
- An Institution’s “Case” is Crucial
Internal Challenges

• Tuition. Tuition. Tuition.
• Diminishing Resources
  – Financial
  – Professional
  – Time
• Identifying New Sources of Revenue
• Acquiring and Retaining Top Talent
• Getting Everyone on the Same Page
External Challenges

• Public Perception—*Is it worth it?*
• Fiercely Competitive—*Is holding our own good enough?*
• Whose Next?—*Dowling, Sweet Briar, Antioch...*
• State, Federal Implications
  – NYS Excelsior Scholarship
  – “Free-tuition” programs in Tenn, Maine...
  – Reducing, resetting, what’s next?
  – Political and social impact
• Keeping Your Audiences Informed
Know Your Market

10 years 3-5 Years Today

Now 3-5 Years 10 Years

- How have our programs changed?
- How has your student body changed?
- How did outside forces impact strategy and performance?
- Have we made decisions based on assumptions, not on evidence?
- What was the outcome?

- Strategic planning
- Demographic (diversity)
- Economic implications
- Institutional (ex. new academic programs, facilities, etc.)
- Audience attitudes and behaviors

It is critical to consider both how this knowledge impacts your strategy and how well-informed (or not!) your multiple audiences are about the trends impacting your institution’s existence.
The Need to Communicate

Understanding what matters to your audiences— and demonstrating that through strategic brand and development communications – will result in more loyal, supportive donors. This requires coordination, collaboration and consistency across your entire institution.

- **Impact, Impact, Impact**: How will you leverage my support? And how will you measure it so that I know?
- **Investment, not Charity**: What is the long-term gain (ROI) from my short-term support?
- **Engagement**: How can you use what is between my ears as well as what is between the covers of my wallet?
- **Sustainability**: How will the good you do go forward when I stop giving you money to do it?
- **Current Events**: What are the financial implications of recent political and social events?
- **Finances**: How does the institution make decisions on the investment of my philanthropic contribution?
- **Accountability**: Report on my money, but also on financial performance.
- **Leadership**: All of the above starts from the top.
The Reality for Development Offices
“The new language of money is based in two principles: diversify institutional revenue streams and reduce tuition dependence by increasing gifts, grants, and contracts....advancement has become a contact sport. In which success is gauged directly by personal contact with the donors. A more realistic way to hold advancement officers accountable is not via dollars raised, but, rather, by setting “deployment goals” which include an annual number of donor visits with comprehensive follow-throughs. Move from building an effective ask to building a web of leverage.”

**Turnaround: Leading Stressed Colleges and Universities to Excellence**

**Martin, Samels and Associates**
Questions that you need to consider:

• What is the degree to which alumni are actively engaged in the life of the institution?

• The number of major donor prospects?
  – What is a major donor?

• The adequacy and depth of donor management systems?

• The extent to which we cultivate constituents?

• The status of major and planned giving programs?

• The sufficiency of expert systems to support the work of the office?

• The success of the last capital campaign?
The Fundamentals of Advancement Success Within An Institution of Higher Education

Identify constituents who have both the inclination and capacity to support the organization

Record and administer the gift and steward the constituent for additional contributions

Act to secure the support
Execution of These Fundamentals Relies on The Appropriate Mobilization of Three Distinct Resources
The Reality for Development Offices

People:

• Recruitment:
  – Lower engagement thresholds encourage compromised competencies and capabilities
  – Mastery of multiple programs (annual programs, major gifts, planned giving) is sought but rarely achieved

• Employment:
  – Competing and ad necessitates circumstances and priorities dilutes focus
  – Key functionalities are pushed to the margin

• Retention:
  – Learn and Leave
  – Low engagement thresholds promote rapid turnover
Technologies:

- Data
  - Legacy systems are retained to preserve cost containment
  - Regular maintenance of donor data is neglected
  - Essential data overlays are not implemented
  - Emerging technologies are either ignored or are maintained in a haphazard fashion
Systems:

• The annual program lacks the intelligence and resources to effect appropriate levels of donor acquisition, retention and upgrade
• The annual program has an over reliance on single channels
• Major gift programs constitute “rounding up the usual suspects”
• Lack of business intelligence informs a compromised major gift/planned giving effort
In Small Institutions of Higher Education

• Personnel are hired who lack the foundational skills to execute to expectation (which is often unreasonable)
• Personnel are asked to execute to expectancies that are not scaled to capabilities
• Core functionalities (major gifts, planned giving) are neglected
• Development technologies are neglected and immediate neglect leads to long term deteriorations that does not provide data driven decisions
• Solicitation methodologies become hallowed by practice and condemned for performance
Responding to the Challenges—
A Paul Smith’s College Case Study
When it comes to cookie-cutter colleges, Paul Smith’s is anything but.

In fact, we’re the only 4-year college inside the boundaries of the world-famous “forever wild” Adirondacks.

Students at Paul Smith’s College experience a hands-on education that combines proven career training with a meaningful exploration of self, society and the earth.
Living and learning here requires a special kind of student!

The college enrolled its first students in 1947 – 70 years ago. It was founded through the will of Phelps Smith, son of Paul and Lydia Smith and is on the site of the original Paul Smith’s Hotel.

We enroll just under 800 students in a broad range of academic programs from forestry to culinary arts.
Key Historical Challenges

• **Our demographic** has always been largely white males; that has to change. Our location, while spectacular, is remote (15 miles from Saranac Lake, 25 miles from Lake Placid, 30 miles from Malone). Winters are amazing – but long. It does indeed take a special student to live and thrive here.

• **Our legacy programs** – forestry and hotel/resort management – are not among the most popular majors (though there is a cry in both industries for skilled workers).

• **Our endowment** this year reached $30 million thanks to a $2.2 million estate gift and a strong market. But that is 30% of what it should be. It has grown by about $10 million since 2010.
Paul Smith’s Development 2006-2011

Annual Fund

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Paul Smith’s Development 2012-2017

Annual Fund

*Includes $1 million anonymous match
Significant major gifts since 2015

- $2.1 million for athletics
- $1 million for the Science Center
- $5 million anonymous annual fund match
- $2.2 million scholarship endowment
- $1 million scholarship endowment
- Also significant grants ($2.7 million NSF S-STEM; $1 million NY State DEC; $2 Million EPA; $1 million NY State DOL)
How you did we do this?

- **Steady growth** for annual fund through disciplined
- **Consistent ask strategy** including digital media & student callers
- **Strong Giving Tuesday** (raises over $100K last three years)
- **Major gifts** – $70 million raised between 1989 and 2014; 90% from 118 donors
- Sounds like a **capital campaign**!
Questions?