

Your Turn

By Len Jessup

Lessons in Fund Raising

During my first week as dean of the business school at Washington State University, I had coffee with one of WSU's most illustrious alums. This serial entrepreneur—the founder of a high-tech firm with a market cap of about \$48 billion—wanted me to totally reinvent the way we taught entrepreneurship and promised millions of dollars to help me do it. I was either the luckiest dean in the world, or I was about to learn a lot about fund raising.

As it turned out, I learned a lot about fund raising—and not just from this potential donor. In my seven years at WSU, I've held a variety of positions that required some fund-raising skill. I've been head of the business school's information systems program, dean, vice president for university development, and president of the WSU Foundation. I really began to understand fund raising once I got out of the business school and could look back at it as one of many hungry mouths to feed on campus. I learned a great deal that I wish I'd known when I was dean—and that I'd like to share.

Be quiet and listen. Both as a department chair and as a dean, I was so passionate about what we were trying to accomplish that I couldn't wait to tell people our story. When I worked at the Foundation, I learned that it is much more effective to listen to donors than it is to talk to them. You can still sell your school and describe your needs, but you should spend less time talking. Spend more time asking questions and listening to the answers so you can learn what donors find important.

I've become a better fund-raiser by asking a variety of questions: *When did you attend our program? Why did you choose our program? What did you enjoy about the program? If you make a gift to our program, what kind of impact would you like to have?* Soon you'll be engaged in a productive conversation about what the donors want to help you with, for how much, and when. You'll also learn what barriers need to be removed or managed before they can make a gift.

Realize that you don't own the donors. As a department chair, and to some extent as a dean, I assumed that we "owned" the alums from our program and that no one else on campus should consider them prospective donors. Not until I arrived at the Foundation and talked with a wide variety of donors—some alumni and some not—did I realize that donors have their own varied interests, passions, and relationships with all parts of the university. More to the point, they can decide what they want to do with their money. Once you, too, reach this conclusion, you'll be significantly less stressed when business alums decided to put their money elsewhere—for instance, in a new campus sports arena.

In fact, **you should be glad when they invest in that stadium.** As you think about the downstream implications of the stadium project, you soon realize that it ultimately benefits you. The new sports complex provides an excellent venue for you to engage prospective donors. If the team is doing well, alums will come to campus to see the games, and while they are there, they can get a close look at your program.

Similarly, you benefit from every



gift any other alumnus makes to the university. That endowed chair in liberal arts might attract a top scholar who will teach business students their general education courses

and who might want to collaborate on research with your faculty. Donors often make more than one gift, so if you keep up your relationship with them through a series of gifts to the university, some of that money is likely to come your way.

Align your interests with the donors' interests. I once saw Bruce Flessner of the consulting firm Benz Whaley Flessner use an excellent prop to demonstrate the concept of intersecting interests. Imagine two circles that slightly overlap, like a Venn diagram or the MasterCard logo. Your program needs are in the circle on the left, while the donor's interests fill the circle on the right. In the left-hand circle there will be plenty of program goals that this particular donor will have no interest in funding; the right-hand circle will contain projects that a specific donor would like to fund but that you feel are wrong for your program. Somewhere in the middle should be projects that appeal to both you *and* the donor. The Venn diagram will look different for every benefactor.

Find out what motivates donors and play to that. Your benefactors have varied interests, values, purposes, agendas, and levels of vanity. Some want to give small gifts annually; some want to make a major one-time contribution; and some will leave money to your school in their wills and estates. Some donors want to see their names on scholarships, endowed chairs, classrooms, buildings, and programs, while others want to

ALL FORMS OF FUND RAISING INTERRELATE AND ONE CONVERSATION OR GIFT CAN LEAD TO ANOTHER.

remain anonymous. Some donors like tangible brick-and-mortar projects; others want to upgrade program operations. All of them want to have an impact on your students—either directly, through scholarships, or indirectly, by providing salaries that pay for great teachers.

Another thing they all have in common is the desire to know that their gifts are continuing to provide value. You can bet that nearly all of them will want periodic updates from the dean, the professors holding the endowed chairs, or the students attending school on their scholarships. If you show good stewardship of their gifts, donors will be pleased with their contributions and start thinking about their next donation. The best sources of future gifts are happy prior donors.

Understand that relationships are key—and so is asking. Fund raising is definitely about building productive, long-lasting relationships. Some people would say that actually asking for money harms the relationship; others would argue that if you build the relationship right, you never have to ask for money.

I disagree with both positions. I believe that if you can build a true partnership with donors, they will understand that their giving is a critical part of the partnership. But they're unlikely to be able to read your mind and know exactly when to give you precisely the funding you need. Don't be afraid to ask for the gift. Perhaps you feel some donors have become close friends, and that asking and giving should not be the basis of that friendship. In that case, you should be visiting with them on your own dime, not taking them out to dinner at the university's expense.

Remember the “E” in fund raising.

Successful entrepreneurs give more money than executives, professionals like CPAs, or even corporations. This is true among WSU's donors and is consistent with national and global reports about philanthropy.


Even donors who are not entrepreneurs themselves tend to like giving to entrepreneurship programs. Entrepreneurship resonates with these individuals because it is applied and tangible, and it has value to the economy as well as the university. It's also a “hot” topic on college campuses. For instance, the fall 2007 meeting of the National Consortium of Entrepreneurship Centers had 215 participants and dozens more who were turned away. As a result of heightened interest, the officers of the organization plan to morph it into the Global Consortium of Entrepreneurship Centers and expand membership. All of this bodes well for program growth—and for more giving centered around entrepreneurship.

But be careful what you wish for. Be aware that entrepreneurs are likely to be high-maintenance donors. They are skeptical of academe and often feel they were successful despite what they learned in business courses. When they give money, they often want to be deeply involved in helping you figure out how to use it. They also expect to see transformational impact, and they are likely to demand both accountability and return on investment. Expect them to require more donor stewardship than you would ordinarily provide.

Finally, analyze your value chain. To make sure that your fund-raising efforts support your vision for the school, apply value chain analysis to your program. Your vision should

drive the actions you take to meet program goals, set objectives, and allocate resources; these actions in turn should drive fund-raising priorities, affect the makeup and focus of the advisory board, and set the tone of external relations. When your vision guides your actions, you can implement a focused fund-raising strategy that fuels program change.

Once I completed my assignment on the WSU Foundation, I returned to the College of Business. Because of everything I have learned about fund raising, I believe I'll be able to secure substantial gifts for our school in the future.

As for that serial entrepreneur I met more than five years ago, he never donated the big gift we were discussing that day. However, I learned a great deal from him about how an outsider thought our program could be improved, and I used that knowledge to rethink the way we teach entrepreneurship at WSU. Our reengineered program attracted a \$3 million donation from another alum, and that gift launched an interdisciplinary and tremendously successful entrepreneurship effort between the business school and the engineering program. This experience showed me firsthand that all forms of fund raising interrelate and that one conversation or gift can lead to another. Fund raising is a process of building—relationships, endowments, programs, and dreams. I look forward to whatever I can help the school build next. 

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