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Development and implementation of the University of Northern Iowa's "Students First" capital campaign: A case study

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DEVELOPMENT AND IMPLEMENTATION OF THE UNIVERSITY

OF NORTHERN IOWA'S "STUDENTS FIRST" CAPITAL

CAMPAIGN: A CASE STUDY

A Dissertation

Submitted

in Partial Fulfillment

of the Requirements for the Degree

Doctor of Education

Approved:

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May 2003

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DEVELOPMENT AND IMPLEMENTATION OF THE UNIVERSITY

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An Abstract of a Dissertation

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ABSTRACT

A case study was conducted of The University of Northern Iowa's Students First 100 million-dollar comprehensive capital campaign. This study examined the predominant forces, activities, and participants associated with employing the capital campaign strategy at a public comprehensive university. When, how, and in what sequence did these major forces, activities, and participants converge to develop and implement the capital campaign? The study also describes major challenges incurred during the campaign cycle. The initial interview questionnaire was adapted from a study by Leonard Moisan (1986) of the University of Virginia's capital campaign. Seventeen people were interviewed including the President, development staff, and the external consultant. Analysis of the data revealed that four major categories emerged as most related: Leadership, Organization, Planning, and Implementation. Major forces affecting the campaign process were strategic planning, needs assessment, case statement, the feasibility study, setting of campaign priorities, and organizational capacity building. Development staff, aided by the consultant, were primarily responsible for the organization, planning, and implementation of the capital campaign. Presidential leadership was found to be an essential component for conducting a successful capital campaign. The President was the key figure in both providing leadership to attract affluent supporters to the campaign and in assisting the University community in overcoming psychological impediments in regards to the University's ability to launch a comprehensive campaign. The President was also instrumental in utilizing the catalytic nature of the capital campaign strategy to raise private funding, enhance the University's

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image, change the institution's organizational culture, and achieve his vision of UNI as being best of its class.

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CHAPTER I

INTRODUCTION

A paucity of state and federal funding, combined with the escalating costs of general operations and student services, capital outlay enhancement projects, and compliance with the Americans With Disabilities Act, has created a true sense of urgency in American higher education. Culmination of this crisis has forced higher education leadership to call for fiscal reorganization and search for additional means of funding. One major source of revenue sought by private higher education institutions has been fundraising (Miller, Newman, & Seagren, 1994).

This study explores the predominant forces and activities that facilitated the organization, planning, and implementation of the capital campaign process at the University of Northern Iowa. Examination of the 2001 "Students First" capital campaign highlights major problems incurred and resolutions employed. When, how, and in what succession did the major forces, activities, and participants come together to organize, plan, and implement the capital campaign? Central development leadership benefits from a case study depicting their campaign experience, while providing indicators of a highly efficacious organization in campaign mode.

Higher education fundraising has gained increasing significance at public institutions due to cuts in state legislative appropriations. Capital campaigns are one of the tools of choice used in raising large sums of money for public and private universities. Whereas private institutions have always relied on private funding, public institutions

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have only more recently sought advancement of their institutions through private funding sources.

In an annual report on philanthropy, the American Association of Fund Raising Council noted that giving to educational organizations increased from 25.32 billion in 1998 to 27.46 billion in 1999. This 8.5% increase for 1999 means that colleges and universities now account for 14.4% of total philanthropic giving.

Historical Perspective

Historically, the earliest record of philanthropic giving was recorded in Egypt's Book of the Dead in which homage was paid to those who provided for the less fortunate (Gurin & Van Til, 1989). Examples of caring and giving are also commonplace in the Bible. The first monetary educational gift was given in the fourth century B.C. when Plato arranged a bequest of his estate to an educational endeavor. Statutes of oversight and regulation of philanthropic giving were adopted in England in 1601 (Brittingham & Pezullo, 1990) and are the origin of the philanthropic giving tradition which was brought to America by "men and women who crossed the Atlantic to establish communities that would be better than, instead of like or different from the ones they had known at home" (Bremner, 1988, p. 7).

In America, educational institutions long have had to depend on both public and private financial support for institutional survival and advancement. Colonial colleges were faced with the arduous task of finding funding for salaries and buildings. For example, Harvard University published the first brochure in this country utilized for

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fundraising in 1641 entitled First Fruits. In the beginning, the targeted donors were in England; fundraising in Europe went on for a century, supporting nine colonial colleges. However, due to the hostile political climate that escalated during the American Revolution, England could not be relied upon for support (Brittingham & Pezullo, 1990).

Religious orders associated with educational institutions also rendered support to colonial colleges and, as the early settlers moved West, institutions solicited financial support from the already established East. Moreover, philanthropic giving combined with public taxation provided for the majority of American universities' expenditures (Richards & Sherratt, 1981).

Philanthropic giving to higher education in America includes a rich history of illustrious citizens, including Ben Franklin who assisted in university fundraising and took a leadership role in founding Philadelphia College, which later became the University of Pennsylvania. Reverend John Harvard was instrumental in funding the University named for him in return for his largess. Elihu Yale is noted for his gift of a shipment of commodities from Great Britain to the Collegiate School in Connecticut, and Nicholas Brown made a gift of $160,000 to the College of Rhode Island (Brittingham & Pezullo, 1990). A long and rich tradition of educational fundraising in America began as an integral part of the early establishment of higher education.

The capital campaign as a means to fundraising is a relatively a new concept (Kihlstedt & Pierpont, 1998) and first noted in the late 19th century; Lyman Pierce and Charles S. Ward, both YMCA directors, were moved in this direction due to a lack of

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success in their previous individual method of fundraising. A capital campaign was comprised of the following procedures:

- Establish campaign goals
- Recruit and train volunteers for solicitation
- Formulate timetable (with deadlines)
- Draft case statement
- Plan kickoff affairs
- Make reports
- Culminate with victory party

In the early twentieth century, the capital campaign process came to higher education via the University of Pittsburgh, which used the process to raise funds to build their "cathedral of learning." Worth (1993) contends that initially capital campaigns were employed for a particular project or endowment, with annual giving and planned gifts fundraising separate from the campaign. By the 1970s, in most cases all elements of giving were integrated into a comprehensive effort. Worth goes on to say that capital campaigns are not a component of the development process, but a strategy employed to raise the visibility of the institution and create in the minds of people the urgent need for support.

Statement of the Problem

This study examines the predominant forces, activities, and participants instrumental to the organization, planning, and implementation of the University of Northern Iowa's "Students First" capital campaign. Major problems incurred in this undertaking and measures employed to resolve them are the central focus of the study. There is a limited amount of empirical research on this topic of capital campaigns, and

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often what is available centers around the perspective of a particular practitioner's personal experience. Thus, directions for engaging in capital campaigns are usually sought from consultants, most particularly beginning with a consultant's feasibility study. Although the feasibility study conducted by a private consultant can highlight indicators of a capital campaign's predicted success, a sound body of empirical evidence can prepare development professionals, researchers and their volunteers to comprehend the ramifications for engaging the essential forces and activities undertaken in a capital campaign effort. In regards to fundraising in general "college curricula and degrees have been slow to develop, perhaps because of a lack of literature and a research base" (Hopkins, 2002, p. 35)

There has never been a case study conducted on a campaign for the University of Northern Iowa. This case study depicting the University's experience benefits the central development leadership at this institution and can be instrumental in enhancing the efficacy of this division when it is in campaign mode. This study provides an in-depth examination including empirical evidence that provides insight into the strengths, weaknesses, and best practices of the Students First campaign; that is, such a case study provides reference to applied principles, precautionary measures, and the most relevant aspects of effective methods employed to resolve problems incurred during each segment of the campaign cycle.

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Significance of the Study

This study contributes empirical research that can be utilized by both fundraising professionals and researchers; moreover, it contributes to the literature in the field that will assist in the future development of fundraising models for capital campaigns. In addition, this study explores the essential components and strategies necessary to attain efficacy in the capital campaign process, broaden perspectives on best practices, amass a body of literature that would contribute to the ability to create models in regards to organization, planning, and implementation of the capital campaign. More specifically, this research assists the University of Northern Iowa in reviewing its strengths and weaknesses in the 2001 Students First capital campaign and as a division for institutional advancement. Disciplined inquiry of research provides an opportunity to review and draw parallels and conclusions of both effective and ineffective commonalities among higher education institutions engaging this process.

Research Questions

1. What were the predominant forces and activities, and who were the major contributors to the organization, planning, and implementation of the capital campaign?

2. When, how, and in what sequence did these major forces, activities, and participants converge to organize, plan, and implement the campaign?

3. What problems were incurred during the organization, planning, and implementation phases of the campaign and how were they resolved?

4. Was the campaign successful in reaching its monetary goals?

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Definition of General Terms

Endowment--An interest-bearing fund where the principal amount is invested and kept intact and the interest earnings are used for either general operation or specific donor designated projects such as scholarships.

Institutional Advancement--An umbrella term for activities that are geared towards advancing the institution. The term generally includes activities involving alumni relations, fundraising, public relations, internal and external communications, and government relations.

Development--Generally considered the financial development or fundraising component of institutional advancement.

Capital Campaign--An intense concentrated fundraising effort with specified time limits, goals, and dollar amounts.

Case Study--A detailed examination of a single subject, group, or phenomenon. It normally involves the collection of extensive data in order to produce an in-depth understanding of the entity being studied.

Annual Fund--An annual fundraising drive designed to provide funds usually for general operations (Moisan, 1986, p. 12).

Standards-of-Giving Chart--Or gift table, is the concrete mathematical demonstration of the essential importance of major gifts to a successful capital campaign.

Comprehensive Campaign--A major development program with specific goals and timetables. It almost always includes, under one umbrella, current operations, one-

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time goals, and endowment objectives. It generally lasts for three to five years, although some campaigns are longer, and some are conducted in phases (Dove, 2000, p. 17).

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CHAPTER II

REVIEW OF RELATED LITERATURE

Introduction

In this literature review three major categories of educational fundraising are adopted from Leonard J. Moisan's (1986) study of the capital campaign conducted at the University of Virginia in 1981-1984. After an exhaustive manual and automated search of ERIC and Dissertation Abstracts International, the three major categories adopted in this review of related literature emerged in the concluding evidence of Moisan's study. In an effort to further advance and create a more concise review of the literature, the following categories are used:

1. Organization
2. Planning
3. Leadership

Organization

Literature on educational fundraising shows a directional change in the 1970s, from an external source of funding serving to supplement the institution to external funding becoming commonplace and an integral part of the revenue stream. The decrease in federal and state funding allocations caused public institutions to seek private funding, as had been the case for private educational institutions (Hines, 1984). Identifying funding sources, proficiency in the management of funding, and efficiency in the allocation of funding within the institution became significant issues. In response to this

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situation, universities developed divisions to facilitate fundraising. At present it is commonplace to find this division for institutional advancement headed by a senior executive who is instrumental in the institution's policymaking process (Richards & Sherratt, 1981).

Fisher and Quehl (1989) offers a dual criterion of unequal importance in appointing a vice president for development. Selection should be based upon "track record" and/or "chemistry." Preferably, the choice should be predicated upon a proven history in fundraising effectiveness and a good level of personal comfort between the president and the appointee. Expertise will command a high salary level and should exceed that of the other vice presidents. Advice is offered to seek chemistry over expertise if you cannot get both in a candidate; an abundance of caution is given to avoid disregarding the necessity for good personal chemistry. This issue has been a rudimentary presidential error. A lack of expertise will justify a more marginal salary, but when the path of chemistry is taken over expertise training must be undertaken, and a Council on the Advancement and Support of Education (CASE) Summer Institute in Fundraising, in conjunction with additional conferences on specific topics such as the annual fund, planned giving, and capital campaigns are recommended. The vice president should be made an essential member of the president's cabinet and should be perceived as a "surrogate" of the president. In terms of logistics, presidents usually error in the assignment of an office for the vice president, it is suggested that his or her office,

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if not the entire development operation, is placed adjacent to the president's. The office's interior design should be prestigious and conservatively styled.

Coloia (1980) states that the University development officer has become a key player in all facets of administrative leadership. McGinnis (1980), in his study of fundraising programs at selected state colleges and regional universities, reported that the University president and vice president for institutional advancement provide leadership from planning to implementation in the fundraising course. No elite organizational structure emerged as the first format for educational fundraising. Institutional advancement professionals are given the authority for organizing and launching all aspects of fundraising. This division for institutional advancement provides expertise in planned giving, foundation relations, public relations, corporate relations, and investments management (Sherratt, 1975).

Tromble (1998), in his treatise of Excellence in Advancement, offers a perspective on the development and organization of this division in large, medium, and small institutions. In small operations the composition of staff is often comprised of three positions and possibly one or two additional individuals, depending on budget allocation. The development director is primarily responsible for the management of the daily operations and for major gift cultivation and solicitation, although the latter exists on a small scale. A designated individual oversees the annual fund, and an administrative secretary maintains records, processes gifts, and provides public recognition of donors. Tromble goes on to suggest that in a small unit there is a sense of urgency to cross-train

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everyone and it is customary that all participate in prospect research, public relations activities of programs, and general donor cultivation and solicitation.

In a medium size development office, which is more common for regional colleges and universities, there is more likely to be a vice president for advancement at the top of the unit, followed by a director for development, a director for annual giving, a director for corporate and foundation relations, a secretary or executive secretary assigned to the processing of gifts, and a clerk position. Organizational structure does vary as a result of the priority given to fundraising by the upper administration, a priority that is reflected in the budget allocation. For institutions with student populations of approximately 2000 to 5000, this development structure will accommodate the most essential functions for fundraising. Small to medium fundraising operations are more feasible to the centralized structure (Tromble, 1998).

In a large development office, the organizational structure reflects a more particular/functional approach. At the apex there is the vice president for institutional advancement or vice chancellor for advancement. When the office is structurally centralized, there is an executive director for development and a host of development officers and support personnel. The development officer is often a director for entities such as prospect research, prospect management, advancement communications, donor relations, major gifts, corporate and foundation relations, advancement technology, annual giving, planned giving, and special campaigns. Decentralization of the organizational structure would result in development officers and support personnel

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assigned at the college level in a university setting in congruence with the central office (Tromble, 1998).

Lowenstein (1997) contends that every college and department can profit from establishing an advisory board that is truly functional, whether the institution is in campaign mode or not. The advisory capacity of this board should not be limited to fundraising. It should take a proactive and overarching role in development of the division. Members recruited for appointment usually possess expert credentials or an established level of mastery for the profession, complemented by a long-term interest and commitment to the institution. Advisory council members need not be people of great affluence or high-level corporate leadership, as is the case for capital campaign committee members. Lowenstein goes on to say that the campaign committee, as opposed to the advisory council, is created with the particular intent of assisting the institution in fundraising through a number of strategies such as making personal leadership gifts that create a nucleus fund for the campaign, recommending prospective donors, assisting in the cultivation and solicitation of prospective donors, and acting as liaisons connecting the institution with potential donors. One must be unemotional and strategic in creating the capital campaign committee. Campaign committees must be comprised of powerful people of influence and affluence or their proximate representative. The objective here is to create an elite committee of peers that will emanate with the prestige and efficacy necessary for raising large sums of money.

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Appointment of honorary chairs is recommended not to work on the campaign, rather to bring prestige and status to the campaign with the caveat of making leadership gifts.

The majority of studies concluded that the aforementioned positional roles and their interconnectedness are essential to attaining a prosperous institutional advancement effort. Impediments to success in public educational institutions were insufficient budgetary resources allocated to the fundraising effort, insufficient proportion of workers, and soaring employee turnover rates. Private educational institutions were noted for excessive division of positions (Winter, 1975). An emphasis is placed on the necessity for collaborative efforts within the division of institutional advancement. The assertion is that there is a requirement for the collaboration of entities to eliminate fragmentation and to achieve and preserve unification of purpose (Richards & Sheratt, 1981). Rowland (1977) approves of this perspective in that he suggests that the University's image is directly related to its fundraising ability and that both positive and negative occurrences shall affect the University's image.

Kihlstedt and Pierpont (1998) contend that the capital campaign model is comprehended and accepted by major donors. Donors can be counted on to respond to the strategic call of urgency and the cyclical nature of a campaign from the quiet phase when leadership gifts are granted to the public phase of the campaign and when smaller donors who make up the base of the gift pyramid contribute through the annual fund. In addition to being highly effective in raising large sums of money, the capital campaign model also can be particularly instrumental in fostering real organizational change. This

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phenomenon is achieved by forcing the organization to establish and maintain a concentration on both values and vision. Subsequently, alarge capital campaign can have a transformational effect on the University. Implementation of the campaign causes the institution to develop an organizational structure and culture that is needed to assist it in moving into that next phase of institutional advancement. In other words, a capital campaign can cause an organization to distinguish itself from its peers, establish indicators for success, and incorporate ceremony, ritual, and host celebratory activities that systematize its progress of events. A campaign induces an institution to follow through with organizational processes that are indicative of a highly efficacious organization. Myriad institutions require the catalytic nature of a campaign to prompt these events. Monetary risk and compensation are critical enough to warrant the mindfulness of the administration and the engagement of university funding.

Planning

In their quest to not only sustain themselves but also advance, educational institutions must compete for their market share. Escalating competition in fundraising is the crucial issue that is addressed through the planning process. Complex and refined methods of market research are a means by which universities address this challenge (Hodgkinson, 1980). Efficacy in the process for institutional advancement entails planning, launching programs, acquiring resources, and attending to the evaluation of activities. The planning method of the development process is derived from the strategic plan of the institution. Fundraising efforts are in keeping with the core values and goals

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of the institution's comprehensive strategic plan. Productive development measures generally consist of the annual fund, planned giving, and major gifts, with each program having its own target audience (Smith, 1977).

Winter (1975) studied the job context, functions, and barriers to performance of chief fundraisers. His findings were that proficient, comprehensive, and protracted planning is imperative in university development. Sheratt (1975) contends that the majority of educational institutions have original and intrinsic supporters in alumni, faculty, students, and parents joined by extended community and businesses that supply the institution and recruit its graduates. Privileged relationships exist with friends of the institution with an interest in the service of and enrichment to the community. Each segment of these natural supporters requires a unique plan of action and method of donor cultivation. The approach taken to planning and cultivation is supported by profile information that is recorded and maintained regularly. Development professionals utilize the prestigious image of the University to create faith and confidence in prospective donors with the intent of establishing a sense of shared excellence between the institution and its constituency.

While the literature is saturated with myriad approaches to planning, there remains no one best approach suited to all educational institutions. That said, Murphy (1997) suggests that, in general, planning should be comprised of marketing, environmental assessment, and institutional self-definition. Planning must be a dynamic and competitive process and should possess entrepreneurial character and accountability.

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Murphy goes on to say that strategic planning should foster a sense of direction and coherence in the Institution. An effective strategic plan will entail broad participation of stakeholders because ". . . while the results are predictably disastrous when the process is carried out behind closed doors by a handful of people--the outcome can be profoundly energizing when the community has been substantively involved. All the activities of the institution can be carried out more effectively when the entire institution shares a clearly defined and internalized sense of common direction and purpose" (p. 24). It is also Murphy's contention that strategic planning is instrumental and productive in drawing additional funding to the University. When more constituents participate in renewing and advancing the college, more constituents will be more likely to extend personal commitments.

According to Kihlstedt and Pierpont (1998), a comprehensive strategic planning process derived from the institution's mission maximizes both "opportunities and challenges" and should provide the following:

- Reaffirms organizational values
- Creates stakeholders and beneficiaries
- Acts as a reality check
- Evaluates current enterprise and focus decision making
- Stimulates new approaches and initiatives
- Coalesces common vision
- Creates spokespeople for the plan
- Fosters the engagement that leads to philanthropy (p. 14)

The move from strategic planning to the start of a capital campaign begins with the feasibility study. Kihlstedt and Schwartz (1997) state that the feasibility study is

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instrumental in predicting the opportunity for success before the start of the campaign. This study conveys the probability for success of a campaign, as well as the best measures to employ in reaching the intended goal. According to Kihlstedt and Schwartz, a feasibility study will assess the following:

- How much money can probably be raised for a project
- Outlines the most effective fundraising strategy
- Assesses the organization's readiness for a campaign
- Makes recommendations for a realistic and appropriate campaign goal
- Presents a preliminary campaign timetable
- Provides a host of other insights about how the organization is viewed by insiders and community leaders (p. 43)

There is enormous support in the literature for conducting the feasibility study with the assistance of an outside consultant. Raddock (1981) offers guidelines for maximizing the use of a consultant:

- Prepare in advance by giving the consultant a precise description of the services you require or the problem to be solved.
- Confirm finances and terms in advance.
- Plan the consultant's schedule carefully.
- Clarify the arrangements by making the consultant's relationship with the institution clear to key constituent groups.
- Set the term (time period) for the consultancy (p. 22)

Brakeley (1980) states that this type of study is considered market research; the feasibility study can reveal a clearer picture of how the University performs.

The planning segment of this literature review concludes with the case statement, which simply communicates: "why give"? Kihlstedt and Schwartz (1997) contend that the case for support discusses the logical reasoning for the campaign in a succinct, eloquent, and cogent manner. A sense of urgency and priority is transmitted. These

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guidelines are offered for crafting the message of the case for support, which should provide the following information:

- The community or societal need that the organization addresses
- The organization's goals and programs
- The organization's past and present accomplishments
- The organization's role in the community
- The organization's products and services
- The organization's value to society
- The organization's future opportunities in light of the community's needs
- The organization's requirements for facilities
- The campaign goal
- The key people involved in raising the money
- A realistic plan of action to accomplish the goal (p. 32)

Pickett (1984) concluded from his study on institutional fundraising effectiveness that the case statement is one of the imperative segments of the capital campaign impacting success. Lord (1981) states that all related material stems from the case statement and that its importance is quite significant. The case statement should function as an investment prospectus, be convincing, and construct the advancement of the institution.

Rowland's (1986) contention is that a requisite element of campaigns is the gift table or pyramid. It is a table that is used to designate the number and level of giving necessary to attain the goal. This process of plotting prospective donors creates a visual aid that provides realistic clarity for board members and major benefactors in making leadership gifts; "it can have a sobering influence" (p. 306). Some statistical hypothesizing is applied in crafting a gift table. Rowland goes on to say that the 80/20 rule implies that 80% of the funds raised will be given by 20% of the prospective donors.

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This is general practice, albeit in more recent times myriad campaigns have had 90% of the funds raised donated from 10% of the donors. Ciconte and Jacob (2001) contend that there are customary practices that are currently used to suggest a sequence in gift solicitation and public announcement of the campaign. The sequential solicitation rule states that donations are solicited from large to small in accordance with the gift pyramid. Gifts are termed in that order as "advance gifts, leadership gifts, major gifts, special gifts, and general gifts" (p. 292). The 50% rule is in relation to official announcement of the campaign occurring once 50% of the goal has been attained. Some make exception to this rule touting 30 to 40% is sufficient, however Ciconte and Jacob recommend overall that the dollars are allowed to mount before public announcement. Successful culmination of the campaign is predicated upon the arrangement of activities executed in the early stages.

Leadership

This final segment of the literature review presents leadership concepts related to the development process. Literature on institutional advancement leadership focuses primarily on presidents, board members, and volunteers. The presumption is that leadership happens in every aspect of an educational institution (Moisan, 1986). Leadership that creates change is a concept conducive to the mission of institutional advancement and its related programmatic initiatives. We now live in a time that requires leadership that can revitalize, invigorate, and utilize innovative processes to achieve this renewal. This type of leader is referred to as the transformational leader. Tichy and

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Devanna (1986) state that transformational leaders identify themselves as change agents, and that they are courageous, value driven individuals who believe in people. These transformational leaders or change agents are visionaries, and life-long learners who possess the proclivity to manipulate factors of organizational complexity and ambiguity. James MacGregor Burns (1978) asserts that two forms of leadership are transactional and transformational. The transactional leader is engaged in a relationship of exchange based on the desires of both the leader and the follower. The transformational leader engages a relational interaction with its followers that is reciprocal in nature and about effective organizational change; the relationship approach enhances levels of individual motivation and morality. This concept of leadership is reciprocal in nature, the directional flow of influence is not top down or beaurecratic; both leader and follower are engaged in a relationship that operates based on persuasion and not coercion. And when a change effort is embarked upon, the effort is endorsed by group consensus of a common vision. The leadership relationship induces mutual empowerment and self-actualization in which power is utilized to make things happen and not as a mechanism for control.

Transformational leadership is about change and innovation. The change agent employs a change process that is successful only when mobilized by effective leaders and collaborators, who seek to transform and adapt organizations to change by giving direction to the process through coalition building and inspiring followers through the change. It is important to remember that organizational change is not a function of management, but of leadership that requires creativity and often long-term dedication.

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Successful organizational change is said to be approximately 90% leadership. Management is seen as insufficient in producing change because it addresses issues of budgeting, organizing, and planning, whereas transformational leadership engages issues of organizational culture, values, leadership style, and vision. These characteristics translate into proactive measures that establish direction by employing a shared vision, aligning people through coalition building, and motivating followers to commit to implementing the change by overcoming political, bureaucratic, and resource related impediments. The significant impact of transformational leadership over management is that it produces real systems change (Kotter, 1996).

As a rule, there are eight phases to the process of establishing systems change in an organization. Kotter (1996) offers an eight-stage process for creating major change. His prescription is offered as a guideline to insure success and it includes:

1. Establish a sense of urgency.
2. Create a guiding coalition.
3. Develop a vision and strategy.
4. Communicate the change vision.
5. Empower broad-based action.
6. Generate short-term wins.
7. Consolidate gains and produce more change.
8. Anchor new approach in the organizational culture. (p. 21)

On establishing a sense of urgency, this is achieved by highlighting significant opportunities and depicting a crisis situation or the possibility of one. It is imperative that the guiding coalition for the change process possesses the necessary power to lead the major change effort. A vision is a directional device that aids in keeping the change on

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track, while the strategy articulates how the vision will be achieved. The change vision must be communicated through the actions of the guiding coalition, while utilizing every opportunity to voice the new approach and vision. Empowering broad based action is implemented by removing impediments, revising old structures and processes that impair the new vision, by fostering a stimulating environment that rewards new ideas, and proactive behavior. Generating short-term wins is done by creating successful performance indicators and rewarding all those involved in making the win in a high profile manner. Consolidating gains and producing more change simply means to maximize successful gains by using the acquired credibility as capital to change other systems, policies, and processes that also need revision and are not in accordance with the shared change vision. Also, gains can be enhanced by recruiting, developing, and advancing followers who are capable of making the change vision a reality, and by revitalizing the effort with new initiatives. The anchoring of new approaches in the organizational culture can be established by creating a performance climate in regards to leadership development and voicing parallels between new actions and overall success.

Transformational leadership from presidents can enhance efficacy in institutional advancement. McLaughlin (1984) states that university presidents must be compelled to set goals, objectives, and interpret the desires of the educational institution. Worth (1993) concurs that the president must impersonate the university's achievements and ambition while minding myriad contending issues. The president must assume the roles of "idealistic visionary" and "steely-eyed realist," and often simultaneously. Fisher

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(1980) suggests that "sophistication" commences when the university president completely comprehends that they are not just a "manager" or "coordinator"; however, they are the key figure implementing leadership at the University. It is the president who must first understand that without strength in leadership it is virtually not possible for the University to advance. It is the president who must assume the role of "catalyst" and create change to advance the institution; there is no other who can provide this function. Burlingame and Hodge (1997) contend that an institution's efficacy is predominantly predicated upon the chief executive's exhilaration for leadership in assisting to obtain major gifts. It is imperative that the president in this capacity imbue motivation and ambition by voicing and persuading with great clarity the institution's vision, mission, and goals; vehemently cultivating interaction with prospective benefactors; and including board members in assisting to draw major gift supporters. Fisher (1980) suggests that board members who supplement their positive or negative abilities should envelop the president. An example is offered of a president fearful of soliciting a prospective benefactor for a million dollar gift to the institution, albeit highly articulate in stating the case, should join forces with a board member with strong business experience. Fisher goes on to postulate that the president must skillfully use the board to be effective or the board will handle the president; then it is only a matter of time before trustees move beyond the realm of policy and begin to become involved in administrative matters. Winshop (1984) studied 68 universities and concluded that the president was the most

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significant individual in securing major gifts; however, the best group approach was comprised of the development staff and a board member.

Howe (1991) posits that the function of the board to assure an appropriate funding level is understood to be a responsibility that rests completely with the board. The fundamental nature of the responsibility of a nonprofit board is captured in these three categories: fiduciary, programmatic, and particularly, financial. Institutions that find it difficult to raise funds have un-aroused board members not realizing their full responsibility. A board that is robust equals a board that is fiscally robust; an organization that is fiscally frail is the direct reflection of an ineffective board. Board members must not disregard or delegate this responsibility.

> The board of a nonprofit organization is responsible for governing the organization and ensuring that it succeeds in its mission. That responsibility--no matter what the size of the organization or the nature of its mission--includes seeing that the organization has the resources required to carry out that mission. The board must establish the organization and procedures to get the fundraising job done. In turn, board members must be involved, individually and personally. If an institution is having trouble raising money, don't look to the development office; don't look to the chief executive; first check out the board of trustees. (p. 1)

According to Frantzreb (1981), the advancement of institutions rests with the volunteer. Recruitment of volunteer leadership qualified to execute the functions of trustee is imperative. Frantzreb goes on to argue that the level of success achieved in advancing the institution is predicated upon the degree to which the trustee is dedicated to supporting the institution and utilizing their wealth, and the ability for persuasion for the common good of the institution. Kathleen Kelly said that the "board bears ultimate

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responsibility for ensuring the institution's financial strength and vitality," and Sarah Patton concurs that "giving not only of their time, but their resources, in generous measure, their broad perspective and personal involvement can make them the most effective fundraisers. Especially when they themselves are major donors" (Worth, 1993, p. 52).

Bayley (1988) asserts that volunteer leadership is imperative to the successful employment of the capital campaign strategy. Albeit development staff are responsible for much of the arduous work of planning and training, the overall success of the capital campaign is due to the dedication, trust, and confidence of societal leaders who volunteer copious time and talent to the institution. The most important volunteer appointment for the campaign is that of the general chairperson, whose role demands a high level of active participation and effectiveness. The general chairperson's primary responsibility is recruitment and organization of the campaign steering committee. The scope and composition of the steering committee can be formed to complement the particular institution. Moreover, there are rudimentary structural operations that must be performed; each operation should have a volunteer chairperson and committee established at the beginning of the campaign. Fundamental operations conducted by subcommittees of the steering committee necessitate volunteers appointed as follows:

1. The audit committee. Responsible for collecting, counting, and certifying to the board and to the public at large that the cash and pledges received have been properly handled and accounted for.
2. The training committee. Responsible for instructing all campaign workers in solicitation and reporting techniques used during the course of the campaign.

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3. The prospects rating committee. Responsible for rating prospective donors and rating such donors as to the amount of their potential contribution.
4. The facilities committee. Responsible for providing adequate meeting facilities for training and report meetings.
5. The communications committee. Responsible for providing media relationships and campaign literature.
6. The solicitation committee. Responsible for recruiting sufficient campaign solicitors to contact all prospects identified for solicitation in the campaign. (p. 36)

Literature of the field has revealed the significant role of an attention to detail approach in organization, planning, implementation, proactive leadership, and the transformational powers of the capital campaign strategy utilized in institutional advancement and higher education respectively.

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CHAPTER III

METHODOLOGY

Research Design

The methodology chosen for this study was the instrumental case study research design (Stake, 1995). Through this research design, the researcher examined a single case with implications for generalization. The case was the University of Northern Iowa's Students First capital campaign. This study explored the predominant forces, activities, and contributors to the organization, planning, and implementation of the capital campaign. When, how, and in what sequence did these predominant forces, activities, and contributors converge to organize, plan, and implement the campaign? What problems were incurred during the campaign sequence and how they were resolved? The instrumental case study design entails an extensive review of a particular case. The University of Northern Iowa's Students First capital campaign was selected in an effort to gain insight into the development and implementation of the capital campaign strategy utilized in higher education fundraising. Inquiry by use of the instrumental case study is capable of achieving possibilities beyond comprehension of the particular case in the form of petite and grand generalizations; emphasis is placed on the uniqueness of the case and primarily on an in-depth understanding of the particular case (Stake, 1995).

Data Collection

Data collection was conducted primarily through the interview method. Interviews were conducted with university employees and volunteers who were

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instrumental in the process of employing the capital campaign strategy. All interviews were conducted in person/one on one and recorded in audio and video format. The complete interview content was then transcribed. Transcriptions were forwarded to the interviewee for validation. The interview process was guided by the initial questionnaire established in Moisan's (1986) case study of the University of Virginia's capital campaign. The questionnaire was modified to delete questions concerning campaign success (Questions 17-19). The rationale for employing this measure was that this study was not intended to ascertain the overall success rate of the campaign, but to discover and enhance comprehension of the predominant forces, activities, and contributors to the development and implementation of the Students First capital campaign. Other sources used to confirm and substantiate models and findings were campaign reports, newspaper articles, newsletters, and other printed material.

Participants

Participants in this study were initially identified by the director for central development and recommended to the researcher for participation in the interview process. First, an interview was conducted with the director for central development due to the director's responsibility for managing the daily operations of the Students First campaign. Other candidates recommended for participation in this study were as follows:

- President
- Trustees
- Vice President for Institutional Advancement
- Deans
- Consultant

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During the interview process it was anticipated that other subjects may be identified and recommended by participants for interview by the researcher. This circumstance was evaluated on a case-by-case basis.

Strategy of Inquiry

The strategy for inquiry began with the preliminary observation of activities. Arrangements were made for a doctoral student practicum experience within the central development office for the researcher; the director for central development supervised the practicum and an extensive practical experience was developed by the researcher and approved by the faculty advisor. Practical experience actually began for the researcher in the summer of 2001 in association with a formal course entitled Studies in Fundraising in Higher Education. Formal practicum experience was administratively set for the fall of 2001 semester and was informally extended well into the next academic year. During this period, the researcher negotiated access for the study and began an in-depth review of the division's organization and general operations. There were 17 participants selected for the study. Informants were identified and data collection began through a series of personal, formal, and informal interviews conducted with key personnel in the areas of planned giving, phone-bank operation, alumni affairs, prospect research, grants and sponsored research, central development, and institutional advancement in general. During the practicum experience the researcher also engaged in journal documentation.

The researcher attended several of the campaign meetings among development personnel and other campaign team members, and with the designated campaign

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consultants; the researcher also attended the essential meetings designed for the training of campaign volunteers. The many types of meetings attended by the researcher are listed as follows:

- Campaign Team
- Consultants (fundraising, marketing, and communications)
- The University of Northern Iowa Foundation
- Volunteer Training
- Campus Drive
- Development Staff
- Prospect Research
- Grant Strategy Sessions (with Deans and development staff)
- Publicity Committee
- Cedar Valley Drive Kickoff
- Director of Athletic Development Candidate Interview

Dissemination of invitational letters to selected participants highlighting the nature of the study, key development officers supporting the study, co-chairs for the researcher's dissertation committee, and primarily the request for a personal interview were undertaken. Attached to each invitational letter was a copy of the initial interview questionnaire utilized to guide the interview process. Initial interviews were limited to the content of the questionnaire. Interviews conducted had an actual time range of 30 minutes to 2 hours; an example of a short interview would be the earnest attempt to interview college deans, which revealed only general content knowledge of capital campaigns and no information specific to the Students First comprehensive campaign beyond the needs assessment phase. However, future campaigns probably will entail more proactive involvement in the advanced phases of the campaign cycle as evidence in the effort to conduct educational workshops for Deans and other campus leaders.

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Trustees denied the invitation to interview citing no knowledge of the technical information sought through the initial questionnaire. Deans were open to the interview process; however, no experience was revealed beyond the needs assessment segment of the campaign. Completed interviews were then transcribed and validated.

Data Analysis

Data analysis was comprised of qualitative content evaluation in which interview transcripts were analyzed for patterns and linkages of activities and outcomes. Tentative conclusions were extracted and organized in regards to the emerging of major categories. It was anticipated that the data analysis would reveal information relative to the sequence and confluence of predominant forces, major participants, problems and resolution incurred in the organization, planning, and implementation of the Students First capital campaign.

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CHAPTER IV

FINDINGS

Introduction

Upon his arrival in fall of 1995, the President began his tenure with an assessment of the institution's performance in terms of strengths and weaknesses. This process entailed a sequence of planning undertaken to establish a directional path for the University, which most significantly necessitated decentralizing the institution's budgetary process. The decision to embark upon a campaign effort came from the President only six months after his arrival and was related primarily to three factors. First, the President had a vision for the University to become in the minds of some and remain in the minds of others, "best in its class" of public regional comprehensive universities. Second, the University had some real needs that were being articulated up through the ranks via college deans, department heads, and program directors; these needs ranged from money for scholarships and program support to the need for new construction and major renovations to existing buildings. They were issues of this nature that prompted the President to make his mark on the institution by addressing those needs. Third, he knew it would take private funding sources to meet those needs.

It is essential to highlight that the Students First campaign at the University of Northern Iowa, not unlike many other state funded institutions during this era, was impacted later in the campaign cycle by a slowing economy that somewhat dampened the campaign-giving environment. Due to losses in the stock market some donors became

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more reserved in their giving. In addition, the occurrence of state budgetary problems may have helped the institution's case for needing private support. The President organized a public symposium on this topic in the fall of 2000 for the campus-wide community of interested students, administrators, faculty, and staff, in which he outlined the nature of the budget problems and how the institution would address them. Budgetary challenges were traced back to the Iowa State Legislature appropriations process and resulted at one point in the University actually having to return funds to the state. Although overall state funding to the institution had increased over the years, these increases were felt to be sufficient to accommodate the growth rate of student enrollment and the need to establish new programs.

The President called for a capital campaign for which the title Students First was chosen. This campaign had not only monetary goals, but also other significant objectives, which included building emotional public support for the institution and thereby building a base for the capacity to conduct future fundraising activities. Paramount to the campaign was the President's vision for the University of Northern Iowa's standing on the national stage as the premier institution among comprehensive regional public universities. U. S. News and World Report, in its yearly ranking of universities, had ranked the University as second among the Midwest's public comprehensive universities for several years. There was agreement among all involved that achieving the goal of raising 100 million dollars via a capital campaign certainly would substantially raise the visibility of the institution. Moreover, the President had the foresight to realize that a

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successful capital campaign would strengthen the University foundation, which in turn would strengthen the University over the long term. In the past, the University had experienced a limited capacity to raise extraordinary gifts; a fact that was confirmed in the feasibility study conducted preceding the Students First campaign. A campaign initiative of this magnitude, therefore, would be instrumental in assisting the development staff in strengthening their major gifts fundraising activities. A successful comprehensive campaign would significantly expand the donor base and motivate previous donors to make donations at significantly higher levels than in the past.

Institutional Profile

The University of Northern Iowa, located in the medium-sized city of Cedar Falls, Iowa, was founded in 1876 as the Iowa State Normal School. The institution that now sits on approximately 740 acres continued to evolve under the name Iowa State Teachers' College, which began in 1909 a longstanding tradition of excellence in teacher education. In 1961 the institution was renamed the State College of Iowa and in 1967 it was reorganized again as the University of Northern Iowa. Today the University is a comprehensive regional public institution with 6 colleges that offers 120 undergraduate majors and 12 graduate degrees; there are 880 instructional faculty and 1100 full-time staff. Academic programs most noted are Education, Accounting, and Music. Undergraduate student admissions requirements were as follows:

> Students are required to have ranked in the upper one-half of their graduating class at a state-approved high school, completed the American College Test

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> (ACT) and completed a high school curriculum including four years of English; three years each of math, social studies and science, and two years of electives. (p. 1)

The University received students from 46 states and 57 countries. Student population is comprised of 92.9 % Iowa residents; with underrepresented groups comprising 2.6 % African-American and 2.2% Hispanic, Asian, and Native American combined. The University has a large undergraduate student body with enrollment for Fall 2001 at 12,474. There also were 1,596 graduate students that year. Approximately ¾ of the University of Northern Iowa's graduates find their first employment opportunities within the State of Iowa (UNI, General Information, n.d.).

Previous Campaign Activity

There had been previous limited fundraising efforts, most particularly the 1990 campaign entitled Leading, Building, and Sharing. That campaign immediately preceded Students First and was successful in that it exceeded its goal of 25 million by raising 33.3 million. During that campaign, the Division for Development was centralized. A vice president headed the division; however, there were no development offers assigned at the college level, as in the Students First campaign. In addition, in the central development office there was an assistant vice president, and a director for special gifts, and four directors for corporate/foundation relations, annual giving, major gifts, and athletics. Other essential roles in the prior campaign included a prospects researcher, and a telemarketing group consisting of a coordinator, assistant coordinator, and student telemarketers to operate phone-bank solicitation.

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Advance gift solicitation for the Leading, Building, and Sharing campaign began in the fourth quarter of 1990. Advance gifts simply refers to leadership gifts of 6 and 7 figures made in the "quiet phase" of the campaign. Quiet phase refers to the period of gift solicitation before the campaign is publicly announced. Although some advance leadership gifts were made in that campaign, none were received in the top two gift levels. Priorities for that campaign included student scholarships, faculty enrichment, athletic facilities, and particularly, a fine arts auditorium. The fine arts auditorium was named the Gallagher-Bluedorn Performing Arts Center, after the names of the two families who made leadership gifts to the performing arts center. Their gifts to the campaign comprised of over 50% of the total performing arts center goal. This campaign was successful, with the success being specifically attributed to gift solicitation in the $100,000 to $1,000,000 ranges. However, that gift level is below what is generally thought of as the extraordinary gift level, which is set at seven figures and above. This factor was significant to development staff because it indicated that the major or leadership gifts fundraising program needed improvement. One major lesson taken from the Leading, Building, and Sharing campaign was that the University of Northern Iowa had to improve its ability to solicit major gifts, because, in the end, an effective major gift fundraising program is essential to the success of capital campaigns in general and particularly to a comprehensive capital campaign.

Although the campaign was successful in that the gift totals surpassed projections by 8.3 million, gift solicitation in the $10,000 to $50,000 range did not meet the

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established expectations. What was clear, however, was that there were significant numbers of people willing to donate at a level of less than $10,000. Actually, the average gift level for the campaign came in at approximately $250. The most significant characteristic of the Leading, Building, and Sharing campaign that indicates it was less sophisticated and ambitious than the Students First was that there were no gifts received at the two leadership gift levels of $2 million and $3 million.

The campaign structure for Leading, Building, and Sharing was comprised of a committee of seven volunteers, all from the local Cedar Valley area, a name given to the greater Waterloo/Cedar Falls metropolitan area. The volunteers primarily worked on the identification of prospects and solicitation of leadership gifts for the performing arts center. This small group of seven volunteers assisted development staff in making calls on prospective donors and in soliciting some gifts independently. Although the campaign was judged successful, one thing that was noted was that the development staff made a number of calls to inactive alumni who had no knowledge of the campaign and its priorities. This approach, with a lack of knowledge on the part of many alumni, was not considered an effective one and was not to be repeated in the Students First campaign.

Beyond the local group of seven people, the Leading, Building, and Sharing campaign included another local group of 50 volunteers who were organized into small teams of five. They were utilized to solicit major gift prospects over a period of nine months inside the Cedar Valley area. The volunteers had a targeted gift level of $5,000 and up. As is always the case, what might be called normal "group dynamics" were

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apparent in that some of the volunteers turned out to be more motivated and successful than others. This strategy of using teams was also attempted for regional efforts in Cedar Rapids and Des Moines metropolitan areas. It was soon realized that this was not working because it was difficult to manage the volunteers from a distance. In the end, the combination of variations in motivation and managing volunteers from a distance limited the effectiveness of fundraising activities. Finally, the campaign also included a national steering committee of over 50 prominent alumni. They were aligned with the campaign, but the feeling was that they were not adequately utilized in the campaign process. For example, they were not asked to perform the rudimentary function of reviewing prospect lists. In this case what is referred to are donor prospect lists composed of former classmates and other alumni attending the University during their tenure on campus and those alumni specific to their geographical area.

The Leading, Building, and Sharing campaign taught development staff many lessons that certainly prepared them for future fundraising activities. The experience gained would have implications for future campaigns of both a comprehensive and special nature, perhaps, even for major gifts fundraising in general. Among the most significant of the many lessons learned was how to utilize national and regional committees in a campaign environment. It became apparent to the development staff that committees of this breadth are best utilized in the following manner. First, the traditional function of making individual gifts to the campaign on the part of committee members is essential. Second, national and regional committee members can be, if utilized correctly,

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ideal candidates to assist development staff in identifying, cultivating, and when necessary, soliciting gifts for the campaign. Third, distance would have to be a factor for immediate consideration in the solicitation process. It was the Leading, Building, and Sharing campaign that was instrumental in teaching development staff the model of choice to be utilized in long distance solicitation processes. Development staff would have the responsibility of providing this function of long distance solicitation primarily, but in association with the regional or national committee. In the Students First campaign, national and regional committees would be utilized more adequately, by making allowances for both group dynamics and long distance solicitation.

Leadership

Success of the Students First comprehensive capital campaign was directly related to leadership. Presidential leadership is often cited in the literature as an essential component of a successful institution of higher learning (Burlingame & Hodge, 1997; Fisher, 1980; McLaughlin, 1984), this key factor includes fundraising processes and certainly includes a successful capital campaign initiative. More specifically, the literature suggests that it is presidential leadership that is imperative to a campaign's success, because it is presidential leadership that motivates and draws the involvement of foundation board members to the campaign (Moisan, 1992). The University of Northern Iowa's Students First campaign was no exception. First, it was the President who sought to utilize the catalytic nature of the capital campaign strategy not only to expedite the fundraising process, but also to improve the institution in general. Although this study

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did not primarily seek to measure perceptions or the rate to which this campaign transformed the institution's image, university culture, or campus climate, it is clear that the catalytic nature of the campaign was understood and established as part of the goals and objectives for this campaign. As cited in the literature, capital campaigns are ideal vehicles that can foster a "highly efficacious organization" (Kihlstedt & Pierpont, 1998; Rowland, 1977). It is essential that highly efficacious communications and public relations support are readily available to assist campaign personnel. Such efforts are instrumental in enhancing an institution's image, just as these efforts are imperative to the success of a campaign.

Presidential leadership was an integral part of the communications efforts of the campaign and was utilized to positively influence the giving environment. Initially, there was the issue of what the campaign consultant called "psychological barriers" or psychological impediments that had to be overcome. What the consultant meant is that the University community, as well as the University's extended natural constituencies, had to come to the realization that they could achieve the President's vision. Realization of this vision could only be achieved by systematically supporting the University through making serious gifts to the institution's campaign. The private consultant assisting development staff in this process stated that this is a common factor among regional public institutions (B. W. Flessner, personal communication, 2002). The task of the President was to establish in some, and enhance in others, pride, trust, and confidence in the University. He was judged to have been successful in accomplishing this task.

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Instilling trust and confidence in university stakeholders or constituents directly made a positive impact on the institution's ability to compete for its market share. This was not an easy task in a state with a major private institution such as Drake University. Drake has the advantage of both a generally wealthier alumni and location in the most populated city of Iowa. In addition, the other two state institutions, University of Iowa and Iowa State University presented a competitive challenge. Both institutions have a larger and wealthier alumni base because they have professional and engineering schools. For many previous and prospective donors there was a sense that the University of Northern Iowa was a great school, a great place to study, and a source of fond memories. However, because it was and remains to this day largely a teacher education institution, raising this kind of large funding would be difficult.

Under these conditions the key was to convince the University community and its supporters that the University of Northern Iowa could be a "big league" institution. The challenge to the President was to effectively communicate to all involved that the University was the best of its class and that the success of this campaign was crucial to retain the University's place on the regional and national stage. The message crafted to communicate this point focused on the idea that the University of Northern Iowa was a longstanding and excellent teacher education institution, and now a comprehensive university.

It is important to highlight the change in leadership style, which occurred in presidential leadership before the Students First campaign. This change had a direct

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impact on the organizational culture and the approach taken to fundraising. The previous president, before the Students First campaign, operated with what many referred to as a bureaucratic style of leadership. The University of Northern Iowa had a rather rigid top down organizational culture. For example, the University budget process was centralized and delegation of authority was limited. The Development Office reflected this pattern in that the Vice President for Development leadership style mirrored the President's bureaucratic leadership style. Development staff experienced a limited capacity to set their work agendas. One example of this situation is that development staff was allowed to exercise only limited interaction with foundation board members, both in person and at formal meetings.

With a change in presidential leadership also came a change in leadership style. The President responsible for the Students First campaign exhibited a collegial style of leadership. This in turn meant that power and authority were delegated more equally, instilling higher levels of trust and confidence. Launch of the Students First campaign had not progressed as desired by the President, which resulted in a search for a new vice president to head the advancement division. The search culminated with the appointment of a vice president with a more progressive collegial style of leadership as the President. Development staff was now being lead by a new leader, employing a collegial leadership style. This translated into an organizational culture in the development office that encouraged increased authority delegated to and within the division. For example, in an effort to achieve efficiency interaction between foundation board members was highly

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encouraged. This was evidenced by having both board members and development staff participate in planning retreats, which was contrary to past practices. In addition, board members were educated on the roles and responsibilities of development staff, so that they might directly and advantageously utilize the diverse and varied levels of expertise. Employment of these measures instilled a new level of trust, confidence, and "mutual respect" between board members and development staff. This in turn fostered an effective and performance-based organizational culture.

Planning

Strategic Planning

The University of Northern Iowa strategic plan, which was presented in its final draft form in December of 1996, naturally preceded the Students First campaign feasibility study. The strategic plan articulated the shared values of the University community. This is a vision statement that incorporates and sustains these core values while providing a directional path for the institution. The vision was articulated as follows:

> The University of Northern Iowa shall be a university community that nurtures an environment of intellectual vitality. A commitment to excellence, coupled with continuous improvement, will result in UNI being recognized nationally as an innovative, dynamic, and exciting community in which to learn, teach, and work. UNI will be known for educational quality, a student-centered focus, scholarship, teacher-scholar faculty, and service beyond the campus. (UNI, n.d., Strategic Plan, p. 2)

The strategic plan, in conveying this overarching vision, and set of values was organized around a number of established goals and sub-goals. These goals and sub-

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goals became the benchmarks against which to measure organizational success. And, not surprisingly, their goals and sub-goals were the elements that established the priorities of the Students First campaign.

While not all of the goals and sub-goals need to be discussed, a few examples indicate how the strategic plan was crucial to establishing the priorities of the campaign. Goal Area 1, for example, focused on the need to establish and sustain the intellectual vitality of the University. This general goal was elaborated by various sub-goals such as to "provide and maintain modem laboratories, studios, equipment, and media to affect high quality and effective teaching"; in Sub-goal 1C3 the intent was to "contribute to the improvement of education from early childhood through postsecondary levels in Iowa and beyond" (UNI, Strategic Plan, p. 4). This broad, yet directional goal, can be interpreted as justification for a fundraising initiative in categories such as Program Support, Lang Hall Building and Equipment, and the Early Childhood Development Center.

Goal Area 3 was more direct in that it stated that the University must not only manage internal resources efficaciously, but also actively solicit external resources to support the institution's ambitions. This goal area speaks to the advancement of the institution, which is totally in congruence with a capital campaign effort. Sub-goals 3C2 and 3C3, announce that the University will assure that facilities are regularly maintained and visually appealing, in order to enhance the educational and overall environment. These sub-goals had implications for the fundraising priorities entitled: Russell Hall Renovation and Biology Building Enhancement.

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An even more interesting factor was found under Goal Area 4: "External Relations, develop appreciation and support for the values, programs, and services of the University" (UNI, Strategic Plan, p. 8). Sub-goals 4A, 4B, and 4C, all have implications for utilizing the catalytic nature of the capital campaign strategy. The strategic plan in this category, to enhance efficacy, calls for the review of the communications program systems, coordination of ties to foundations, and an increase in the number of relationships between the University and the business community. Actions taken to improve relations between the institution and its myriad constituents can be traced to development processes of cultivating prospective donors, effective communications, and public relations activities.

Feasibility Study

Planning for the Students First capital campaign began approximately 6 months after the new president's arrival in 1995. One of the first actions of the President was to assess the University's efficacy in terms of its potential for campaign success. The University was also assessed in regards to how well it performed in fundraising as compared to its peer institutions. In accordance with the feasibility study, comparable regional public institutions were designated by two categories, a mid-western cross section and what was termed as top tier institutions. The categories of peer institutions were as follows:

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Mid-Western Cross Section

Illinois State
Indiana State
Western Kentucky
St. Cloud State

Top Tier

Ohio University
Miami University
California State Fresno
Western Michigan

A private consultant was retained to assess the level of support for a capital campaign. This action is customary among universities and non-profit organizations in general. There are two reasons for hiring a consultant. First, it is less expensive than engaging internal institutional resources and time as the institution moves to undertake a comprehensive capital campaign effort. Second, the consultant provides expert knowledge and experience that is imperative with regard to minimizing the margin for error and ensuring the rate of success. Professional consultant services can include strategy development, communications programming, and advice on the solicitations process. For the Students First campaign the consultant's first task was to conduct a feasibility study. The objective was to ascertain an achievable financial goal, to evaluate responses to a variety of proposed priorities and capital projects, and to assess the capacity of the development operation to launch a comprehensive capital campaign. The feasibility study was underway from the middle of summer until the fall of 1997, when the final report was given to the foundation board. The consultant addressed six

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indicators in the process of examining the potential for success of a campaign. The indicators were as follows:

- Confidence
- Case for Support
- Leadership
- Donor Prospects
- Environment
- Infrastructure

Confidence relates directly to how prospective donors perceive the institution. It was and is essential that they have a strong level of confidence in the University's leadership, mission, plans, and academic programming. The University received high marks in the confidence category in that the institution proved to have a strong enrollment and the demonstrated ability to compete for high achieving students. Historically, there was a period of modesty in terms of reluctance among university personnel to voice their reputation for academic excellence. This changed and people were disposed to display a robust image of its self. In part, this change was fueled by an above average campus beautification effort that enhanced the attractiveness of the campus. The preceding president had engaged in a significant amount of new construction and major renovations to existing buildings, which was complemented by large-scale landscaping projects. Confidence in the administration of the University was apparent in that the feasibility study indicated that the University of Northern Iowa enjoyed the public perception of being a highly efficacious institution. For example, the public recognized that the

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academic programs in education, business, and music had achieved recognized reputations for excellence.

Confidence in the institution's fundraising potential received varied responses. There was a predominant perspective that a campaign with a goal of 68 million was not attainable. However, there was the shared belief among interviewees that a successful comprehensive campaign was imperative if the University of Northern Iowa was to compete with Drake University, University of Iowa, and Iowa State University. Many prospective and previous donors were willing to make gifts to the campaign; however, it was virtually impossible to identify potential prospects for the leadership gifts essential to the early phases of the campaign cycle. The absence of leadership gifts prospects raised an abundance of caution, because it is the large campaign gifts of six and seven figures that establish a foundation for success of a capital campaign. The larger the campaign the more essential leadership gifts are to achieving the goal.

Initially, the campaign case for support did not convey a clear vision, which prompted questions in regards to the priorities of the campaign. Ultimately, the University's case for support met the rudimentary criteria of conveying that exciting change was underway and that the needs of the institution were founded upon a true sense of urgency. The appeal to donors was both rational and emotional. Moreover, the University's case for support articulated the challenges of students and met the excitement criterion by coupling the institution's serious minded pursuit of intellectual vitality with a pragmatic project that a much larger audience could rally around. As in many campaigns,

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the pragmatic project for the Students Firsts campaign took the form of a capital project, a multi-sports arena.

Upon careful review of the case for support and the multifaceted campaign priorities presented in the form of a business proposal, potential donors could very well perceive that exciting change was proposed at the University. The emotional and rational criterion was met by the way students' needs for scholarships was articulated in a very thoughtful and professional manner. A sense of urgency for this campaign was established by articulating that although state funding was there, this funding was insufficient and private support was "vital" to meeting the needs of students in this era. The campaign theme or "mantra" brought it all together with the phrase "Students First." How could anyone oppose? Four overarching challenges particular to the students of the University of Northern Iowa were presented in the case statement. Student challenges were articulated as follows:

> Challenge 1: Many talented and deserving students who want to attend UNI, lack the scholarship support that would enable them to do so; and students at UNI frequently cannot afford to participate in the UNI programs that enrich our students' education.
>
> Challenge 2: Students at UNI require instructional facilities that provide the best access to a full range of information resources and academic experiences.
>
> Challenge 3: Students at UNI need the programs, resources, and activities that create "intellectual vitality" on campus.
>
> Challenge 4: Students at UNI lack the full range of sports facilities necessary to compete at their best. (Flessner, Crane, Dreon, & North, 1997, p. 45)

Although the challenges to students were well-articulated among some interviewees, the feasibility study indicated that there was a lack of coherence and

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comprehensive vision associated with some of the priorities presented for the campaign. There was the perception among some interviewees that missing was the link between the vision and campaign priorities. Some interviewees did not articulate a shared vocabulary in terms of the institution. Familiarity with many of the fundraising priorities was nonexistent among prospective donors. This was because many of the projects proposed were found to be new concepts and the respondents were not at all familiar with the developing priorities being established for this campaign. For example, the interviews clearly indicated that the University of Northern Iowa's long and good standing reputation in the field of education had to be addressed because of the large number of responses with reference to the omission of teacher education in the setting of campaign priorities. Respondents in the study generally understood the importance of a successful capital campaign, but there was concern over the need to address specifically the crisis of scholarships and financial aid for Iowans. Alumni identified with the profile of the average native Iowan student being of a modest financial background. Moreover, they perceived the University of Northern Iowa as providing Iowans of the middle and lower social strata with the opportunity for a better life. This is a point of differentiation from University of Iowa and Iowa State University because these institutions are generally perceived as having students who come from wealthier backgrounds.

The feasibility study tested the interviewees, as representative of the giving environment, about the possibility of a proposed campaign goal of 68 million. Accordingly, in an effort to reach this proposed goal of 68 million gift solicitation

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development staff in ranges of $5,000, $50,000, and $500,000 scaled amounts. In addition, among the findings of the feasibility studies were the following: First, the premise of the case statement touting intellectual vitality was well received, but it did not inspire the level of motivation desired. This was expressed by the fact that the case for enhancing the learning environment received mixed responses from interviewees. Second, scholarships for students were a campaign priority that was well received without exception. Third, the issue of laboratories and classrooms was cited as an essential component; however, many perceived these facilities as within the parameters of state funding. Fourth, technology was received as an integral pursuit, but was found to lack luster and donor interest. Fifth, fine and performance arts priorities were perceived by national supporters to be within the realm of the University's local constituency and yet this local constituency was of the opinion that they had already made their gifts to the institution. Sixth, athletics also received mixed levels of support in that although the level of success has instilled pride and provided visibility for the University, the perception of conflict within the Athletic Department was cause for concern.

The University's dome style stadium, utilized primarily for football, which was established in 1976 with a seating capacity of approximately 16,400, was in need of a 5 million addition that interviewees were not aware of. The proposed addition to the University's dome stadium would enhance athletic offerings with a human performance facility comprised of a sports medicine center staffed with physicians, therapist, and athletic trainers. There was a sense of competition between additions for the University's

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dome stadium and the construction of a new multi-sport arena, which was to house intercollegiate sports such as men's and women's basketball, volleyball, and wrestling. The proposed multi-sport arena would provide a seating capacity of 5,000 to 6,000. Many of the respondents to the feasibility study were unfamiliar with the proposed multi-sports arena and perceived that the athletic priorities were too large a portion of the comprehensive campaign; and the cost for the sports arena did not help the case for the proposed additions for the football stadium. This segment of the study did provide indications for prospective donors in that supporters of football were found to be a statewide constituency, whereas supporters for basketball were more localized.

In the case of leadership, the University was able to enlist leaders of both influence and affluence to the campaign--foundation board members who were able to make and solicit major gifts. Although, foundation board members previously had not been active in fundraising, they enjoyed the public perception of being a strong group of individuals. The foundation board membership was predominantly local with 13 members from the Cedar Falls/Waterloo area, 8 statewide, and 8 out of state members. A majority local composition perhaps caused a form of groupthink; this may explain the disinclination of board members to perceive themselves as leaders for the proposed Students First campaign, when interviewees suggested them as potential leadership for the campaign. In addition, foundation board members capacity to make leadership gifts in the six and seven figure ranges was not confirmed.

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The feasibility study also noted that the University president enjoyed a good level of approval among his immediate constituency in regards to his job performance, but he did not have a broad level of notoriety or celebrity on a regional or national scale. This was in part explained by the fact that the feasibility study was conducted early in the President's tenure, and his efforts at relationship building were still in their early phases. Development staff leadership did enjoy strong and longstanding relationships in the community, but again, the majority of development staff, as revealed in the study, were not very well known outside the local community.

In terms of prospects, achieving the campaign goal necessitated that donors possess the ability and inclination to give at a level exceeding 60 million, which ultimately was achieved. Although the feasibility study did not reveal an adequate number of prospective donors for a comprehensive campaign, the University had been previously successful in the Leading, Building, and Sharing campaign by surpassing their 25 million goal by 8.3 million. In the campaign, 1% of the donors accounted for half of the total raised, while the upper 10% of donors accounted for in over of 60% of the total. Overall the University of Northern Iowa had demonstrated the capacity to exceed the majority of its peers in fundraising, but still lagged behind the top tier regional public institutions such as Western Michigan University, Miami University, and California State University at Fresno. This lagging behind was found to be true in the following categories:

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- Alumni Giving
- Planned Giving
- Foundation Support
- Corporate Support

In the Leading, Building, and Sharing campaign the largest segment of supporters turned out to be friends and alumni of the University. The feasibility study for the Students First comprehensive campaign depicted that alumni support would be negatively shaped by a variety of elements. These elements were as follows:

- Cultivation of prospective donors on a regional and national level was limited.
- Networking among affluent alumni was inadequate.
- Senior alumni in the advanced giving stage are predominantly teachers.
- No prospects was revealed for extraordinary seven figure gifts.

Environment was an important indicator considering campaigns do not operate in a vacuum. The campaign would certainly be affected by external factors such as the health of the economy, competition for market share, and regional demographics. In the early phases of the campaign, particularly preceding the terrorist attacks on the U.S. on September 11, 2001, Iowa had been experiencing significant economic growth. The Cedar Falls/Waterloo economy was strong and this was more the case for both the neighboring city of Cedar Rapids and the state's capital city, Des Moines. During this favorable economic period, the University did not have a strong relationship with the region's major employer, the John Deere Corporation (B. W. Flessner, personal communication, 2001). Growth in employment was evident during this period in the retail, service, and financial industries, and household incomes were competitive with the national average. The feasibility study indicated that although the financial markets had

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amassed significant wealth the percentage of Iowa households that attained 6 figure incomes were significantly below the national average. As previously noted, the University of Northern Iowa would face serious competition for their market share from the University of Iowa, Iowa State University, Drake University, and myriad private liberal arts colleges scattered across the state.

Lastly, among the indicators utilized to predict the potential for campaign success was one that is referred to as infrastructure. The entire division for institutional advancement had to be well coordinated with the capacity to launch a large comprehensive campaign while conducting other programmatic operations simultaneously. Central development's structure, although it was gaining in strength and effectiveness, according to the feasibility study, was not yet capable of undertaking such a large and complex initiative as a comprehensive capital campaign. The research capacity of the fundraising division for discovering and soliciting prospective donors needed to be upgraded. This effort would take almost a year. Also changes in the staff of the development office were fairly constant. There were relatively high employee turnover rates and therefore appointments to positions essential to completing the transition to a semi-decentralized fundraising organization were not yet complete. As part of this semi-decentralization effort, college deans and other campus leaders would soon play a more proactive role in university fundraising.

In the end, the feasibility study resulted in a highly impressive, powerful, and convincing marketing tool. The main recommendation of the feasibility study was that

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the University of Northern Iowa should launch a three-point strategy in developing a major campaign. First, there was a specific fundraising initiative directed at scholarships, which would function as a primer to the much larger comprehensive capital campaign effort. Second, there was a move to increase the level of efficacy for the fundraising division, which is also termed capacity building. Third, a comprehensive capital campaign with a suggested goal range of 40 to 50 million was launched.

Campaign Strategy

It was in the early phases of the campaign cycle that the private consultant played his most significant role by making recommendations to the foundation board, president, and development staff. The consultant's role was to assist in forming the overall strategy for the two-phase capital campaign. The feasibility study revealed that the University's constituencies were not informed enough about the proposed priorities of the campaign. As a result of this situation, the consultant recommended a strategy that would address two primary issues. In the first phase the University would launch a campaign with a goal of 10 million dollars. The money raised in this first phase of the campaign would be directed towards scholarships and during this campaign the potential donors would be educated on the priorities to be addressed in the second phase of the campaign. The first phase, a scholarship initiative, began in 1998 and continued through mid 1999. At the same time, the central development staff would engage in intensive planning, enlistment of volunteers, and building the prospect database well into the next year. The

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comprehensive campaign was then to be officially announced in 2001 and continue through 2003. The scholarship campaign goal for 10 million was attained in 1999.

For the second phase of the campaign the goal was raised to 75 million, with a formal announcement of the previously publicized priorities. The comprehensive campaign initiative included an increase in the scholarship fund goal, the creation of an academic programs category, and a focus on a number of capital projects, including a 15 million dollar multi-sports arena. In preparing for the second phase of the campaign, which now entailed the arena, the consultant advised that it was essential that the priorities of the comprehensive campaign be an un-kept secret.

Caution was advised against allowing a situation where a donor's first familiarity with the campaign priorities occurs at the moment the gift is solicited. Moreover, it is fundamentally essential that the interest in the campaign gradually escalate culminating in a crescendo of achieving the intended goals and objectives of the campaign.

Planning Structures

Planning structures for the campaign, which were guided by the University's strategic plan, were perhaps somewhat less formal than what would have been the case at other universities. The lack of formality was due to a strong sense of continuity and cohesion within the University community. There was a consensus among the President, cabinet members, and college deans, as to how the Students First campaign would be designed. Development staff and the President's office undertook almost all of the planning. While the foundation board members engaged in many discussions on the topic

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of planning structures for both pre-campaign and mid-campaign operations, they exercised a less active and more informal involvement in the planning processes of the campaign. This was because a strong consensus of how to plan the campaign also existed between the President and the development staff.

Most universities have a large-scale campus-wide planning process. In this case, the campaign consultant offered the example of a large-scale planning process used at New York University. NYU formed a Commission on the Future, which provided a very large group of stakeholders from both on and off campus who would perform the function of crafting a vision for the institution. The idea of employing such a measure is that this planning process produces consensus of a coherent vision, which culminates with the participants becoming donor prospects for the next campaign. This measure was thought to be unnecessary and was not used at the University of Northern Iowa.

For the Students First campaign the President, Provost, deans, development staff, athletic director, and the consultant teamed up to formalize the campaign priorities. Development staff and the consultant completed the pre-campaign planning. Once the foundation trustees approved the second phase of the campaign and set the goal for the arena, the development staff went to work and developed the campaign structure and time line. A five-year plan was forecasted with details developed for one to two years out; the complete five-year plan was consistently revised. The early phases of the plan, which was a local initiative, was work intensive due to the management of a number of small

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solicitation teams. Advanced phases of the campaign were not expected to be so work intensive, but much like the traditional development routine of major gift fundraising.

Timetables

The issue of timetables in a capital campaign, from a consultant's perspective, is influenced by four factors. First are the case standards, which simply refer to the established time-sensitive parameters for the campaign. For example, the timeline set to conduct the Students First campaign was set not to exceed 7 years; and no pledges made to the campaign should exceed a collection period of 5 years. The second factor is related to presidential leadership and tenure in office; the campaign is a device through which presidential leadership can make both a direct and residual impact on the institution. As such, consideration is also given to the amount of time the President wants to stay in office. One cultural norm is that you do not change presidents in the middle of a campaign effort. Third, priority of the proposed projects, such as the multi-sports arena contained a sense of urgency due to the leadership of the athletic director and his individual publicity efforts that built a strong constituency for the project. The multi-sport arena was intended to strengthen an already quality athletic program and provide the surrounding community with a first class facility that could be used for many different types of events such as concerts. The fourth and final factor was related to donor readiness. The campaign had received a broad range of donor support and this was due to the fact that the campaign was launched in the midst of a strong economy. These four

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factors of case standards, presidential leadership, project priority, and donor readiness to support are variables to consider when setting a campaign timetable.

Needs Assessment

An assessment of needs was conducted by having the college deans review the needs of their respective colleges. This information was compiled and evaluated for fundraising feasibility. Some of the college deans knew very well the needs and aspirations of their colleges and made their assessments independently, while others performed their assessments of the college's priorities by consulting with department heads, program directors, and other essential personnel. Based on the information from the colleges, donors could be matched to respond to the needs. Although many of the assessed needs of the colleges and departments were summarized into a category termed academic program support, central development personnel could make no assurances that each priority could be matched with an interested donor. In the end, the priorities that meet foundation fundraising criteria are usually the overarching needs of the University. The development staff worked with the college deans to identify potential donors and to prioritize needs to fit the broad-based themes of the campaign. University needs that made it through the elimination process were related to a clear and present constituency of prospective donors. Some of the needs presented by college deans ranged from new construction and renovation of existing buildings to program support. The primary projects meeting the development staff criterion for appeal to prospective donors were

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primarily the sports arena and scholarships. The arena was deemed a high priority and the foundation board voted to support this project with personal donations.

Standards-of-Giving Chart

The campaign goal was translated into what is often referred to as a gift table or gift pyramid. The point of this table or pyramid is to plot the number and level of gifts needed to attain the campaign goal. The top of the pyramid is designated for large gifts that are few in number. As one works one's way to the base of the pyramid smaller gifts, which are greater in number, are plotted. In Students First, an analysis of donors from previous campaigns was done to project the number of potential donors and their predicted levels of giving. A public regional comprehensive university of the University of Northern Iowa's size tends to have somewhat of a flat pyramid; whereas larger institutions tend to have pyramids with steep angles. For example, an institution such as Stanford University, with an established and sophisticated fundraising division, will have a pyramid with very steep angles, meaning that they are able to solicit few, but very large gifts at the top. In contrast, the University of Northern Iowa had to rely on a large number of small gifts to meet it's campaign goal. The reason for this was the already noted fact that the University of Northern Iowa alumni base consists largely of teacher education graduates.

One approach to this teacher education alumni base was to encourage the planned giving fundraising model. Since teachers could not be relied upon to make a number of

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substantial gifts in their lifetimes, due to the modest incomes of their profession, they were approached to make gifts to the campaign via their wills.

An official College of Business was not established until 1968. During the period that the Students First campaign was conducted the College of Business was one of the largest colleges, with the beginnings of some affluent alumni, but the real benefits of this potentially more affluent alumni base will not be enjoyed until later campaigns. Outside of the limited exception of some teachers having embarked on successful business careers or social factors such as wedding the affluent, this campaign development staff would have to contend with a larger proportion of teachers in their alumni base than is the case at other universities.

Students First capital campaign goal was therefore set at 75 million; moreover, in the setting of this goal it was during the planning process that the consultant expressed an abundance of caution, as consultants traditionally do in these matters. However, the campaign leadership sought to take advantage of a healthy economy. Most university campaigns set financial goals with caution because they don't want to publicly miss their goal; it is easier and more advantageous to later raise the campaign goal. Although the goal was set at 75 million for the second phase of the campaign, with an abundance of caution, the campaign leadership later raised the goal to 100 million.

Overall, the central development staff identified funding sources for the campaign by an analysis of the gift pyramid and their historical database of prior donors, indicating their previous gift level. The process of identifying prospects for the Students First effort

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entailed screening previous donor lists, volunteer referrals, and new research conducted to identify new donors. Geographic analysis, a market research tool, is utilized to depict the affluent members of the community. This task was done primarily in the first few years of the campaign. Development staff and volunteers were then sent out to cultivate potential donors into making gifts to the campaign.

Organization

The development staff had just completed a campaign that was structured on a much smaller scale. The campaign entitled Leading, Building, and Sharing, which raised just over 33 million, ended in 1995. Although the next campaign was anticipated it was about two years before the comprehensive Students First campaign was launched. Launching a comprehensive capital campaign effort required an organizational capacity and structure that were more sophisticated than the ones previously in place. The proactive and aggressive nature of the capital campaign strategy dictated such. What increased the level of sophistication for the fundraising division was an expansion in the methods of approaches utilized to reach donor prospects. Efforts to improve prospect research for donor identification and to increase the number of staff utilized in solicitation were instrumental in elevating the level of efficacy in the Students First campaign. Growth in terms of the number of development staff had been more than doubled. In 1990 the fundraising division, which included the alumni relations staff, was cited at 15. Keeping in mind that new presidential leadership arrived in 1995, by the year 2002 staff numbers had more than doubled to 37. Organizational structure had reached a more

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sophisticated level, which led to enhancement of the division's overall capacity to do fundraising. For example, prior to the Students First campaign, a bookkeeper and two clerks administered all financial records, leading up to and during the Students First campaign the financial staff had been increased and reorganized with a director for accounting, two staff accountants, and two accounting clerks. There was an apparent shift towards expansion and specialization.

The composition of the organization assembled to implement the capital campaign strategy was traditional at its core. In addition, the organization included some specialized roles in regards to the division of labor. The Vice President for institutional advancement and foundation president stood at the apex of the division. There were the foundation board members and a director for central development. In central development there was a stewardship coordinator with the responsibility of maintaining relations with previous donors, and a proposal writer who targeted private foundations and also provided assistance to development leadership in the drafting of proposals for corporate prospects. In the case of planned giving, the organization moved from utilizing a consultant to appointing an in-house director. A systems administrator was utilized and supported by three data processing specialists. Lastly, but certainly not least, also located in the central development office was a donor prospects researcher who provided the fundraising process with profiles of individuals to be cultivated for the solicitation of gifts to the University.

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The consultant recommended major systems changes to improve fundraising effectiveness. Overall the advancement program had been progressively strengthened. but as indicated by the feasibility study, advancement programs and operations were not ready for a comprehensive campaign. A systems change was conducted in that more advanced financial software was approved for usage and new database software had to be installed for use; this particular revision alone required a nine-month implementation process. Previous donor profile information lacked the required depth essential to effectively identify prospective donors; to resolve this problem the fundraising division needed to improve their ability to more efficaciously conduct prospect research. Systems change called for by the central development leadership was complimented by broadening the breadth of fundraising within the institution by adding a collegiate based approach. This semi-decentralization effort was achieved as a professional gift officer was assigned to the colleges with the primary purpose of gift solicitation. Implementation of this measure made a universal impact on the organization in that with the advent of collegiate gift officers, college deans would now be active in going out and actually assisting in making the gift solicitations. The stigma of "them and us" between academics and development officers was to some extent alleviated by this move. Responsibility for fundraising would now be shared across the institution and there would now be a new team effort for gift solicitation at the college level comprised of a development officer and a college dean. Cabinet members and college deans' roles in fundraising were escalated beginning with involvement in an educational seminar; their first tasks in the

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campaign were the articulation of needs in the setting of priorities for the Students First comprehensive capital campaign.

This increase in organizational sophistication can also be attributed to experience. In the Students First campaign the organization demonstrated more "savvy." For example, unlike previous fundraising activities, in the Students Firsts campaign, the national steering committee was better utilized to review lists of potential donors and often to assist in approaching the prospects for solicitation. This achievement was interpreted by the director for central development as quite significant; "I think this is a tremendous level of sophistication we have advanced" (R. Ratliff, personal communication, 2003). In the previous Leading, Building, and Sharing campaign members of the national steering committee who volunteered in the campaign were not given well-defined roles and they were left insufficiently utilized in the fundraising process. Moreover, the use of affinity groupings, in lieu of the captain/team member model, was utilized in the regional and national initiatives. An affinity grouping merely refers to a strategic effort to bring prospective donors together centered on a common interest. Development staff utilized this strategy to induce interaction and sustain motivation about the University's campaign among affluent alumni. Focusing on affinity groupings in Students First was certainly a more sophisticated model to employ. For example, alumni and other prospects of influence and affluence sponsored social gatherings based on mutual interest and as a segment of these social gatherings the case was made for supporting the campaign.

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Development staff had become much more refined at deciding whom to invite and how to follow-up with the prospects gathered at these affinity groupings. This increased level of sophistication and efficiency fostered the ability to better understand how many prospects could be realistically approached and how to accurately identify the best prospects. Volunteers were then utilized primarily to assist in making initial contacts with the prospective donors.

It is essential to point out that an increased level of sophistication included having acquired the capacity to delegate responsibility. The luxury of having more staff and previous campaign experience allowed for an efficiently run campaign. Due to a lack of experience, previous fundraising activities resulted in everyone being involved in all phases of the planning. However, in the Students First campaign experience combined with additional staff allowed for particular assignments to be made to specific people with the desired expertise essential to getting the job done. This caused planning to become more efficient and task specific in regards to who really needed to be involved in which aspect of the campaign process. An increase in the development staff's level of confidence and ability to conduct a campaign allowed for increased levels of delegated decision-making and an overall more sophisticated approach to the division of labor.

Implementation

The Students First capital campaign was implemented by development staff and a host of volunteers recruited first from the foundation board, followed by alumni and members of the community. Alumni and community members were responsible for the

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majority of the campaign's volunteer workforce. In the beginning, as development staff went out to cultivate potential donors and solicit gifts, an informal survey was conducted to identify more volunteers to work on the campaign. This process was normal in that the campaign needed people who could give gifts and recruit others to volunteer their services and also make gifts. It was an important matter to identify key people who would lend both their influence and affluence to the campaign; this is a key element and particularly important when the campaigns co-chairs were recruited. Campaign co-chairs' first responsibilities were to make significant personal gifts and provide leadership throughout all phases of the campaign cycle. Their leadership entailed enlistment of the campaign steering committee, which was comprised of 15 volunteers. Campaign co-chairs were also instrumental in the solicitation of top donors and monitoring campaign progress, and they also functioned as spokespersons. In aggregate, the campaign needed volunteers in a range of 300 to 400 to implement the entire local, regional, and national phases of the campaign; and those volunteers would not be recruited all at once, but on a systematic basis. In consideration of the gift chart or donor pyramid, as the solicitation process moved from the few large gifts at the top to the many smaller gifts at the bottom the need for more volunteers increased as they advanced through the campaign cycle. The local and regional advisory teams were recruited early on in the campaign cycle and years later it was appropriate to start recruiting volunteers for the national steering committee when preparing to enter that national phase of the campaign. It would have been an error to recruit more volunteers than needed too early in the campaign cycle. In

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short, there would have been nothing for them to do and the excitement and momentum of the campaign would not gradually escalate and reenergize with new volunteers to move into that next phase of the campaign cycle. Although all volunteers were recruited in accordance with the scheduled need of the campaign cycle, they were identified well in advance. When recruiting volunteers for the advisory team and the national steering committee consideration was also given to appointing affluent individuals for whom it would have been important to be a part of such a group. Some community leaders or prospective donors do not care about serving on these types of committees, but it is essential to identify and to utilize with well-defined roles those who do.

Gift Solicitation

Five types of teams were formed to review prospect lists and make calls on prospective donors. People were accepted on a team but only after having made a gift to the campaign themselves. The five groups utilized for gift solicitation in the field were as follows:

- Advisory Team
- Local Steering Committee
- Teams of 5 w/Captain
- Regional Advisory Committee
- National Steering Committee

There was the campaign advisory team, which primarily targeted large leadership gifts. The advisory team consisted of 15 people. Although they did not meet frequently, they provided their support by associating themselves with the campaign. An open line of communication was maintained with this group and, on occasion, additional requests

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for assistance were made such as making gifts to the campaign and reviewing prospect lists, both for providing referrals and sometimes by assisting in the solicitation process.

The local steering committee for the campaign made significant personal gifts to the campaign and was also engaged in soliciting leadership gifts in a range exceeding $100,000. This group, with a local focus, often made their calls assisted by development staff and foundation board trustees. Steering committee responsibilities included assisting development staff in identifying prospective donors to make gifts in the six and seven figure ranges. In particular, they worked with the University president and development staff to develop strategies for solicitation of upper echelon prospects. Each member was assigned four to six prospective donors; the goal for the steering committee was to solicit approximately 75 to 90 prospective donors in order to reach the campaign goal. An equally important responsibility of this group was the recruitment of more volunteers for solicitation.

The next solicitation group utilized in the campaign had a local force and focus; they operated in teams of five and each team was assigned with a designated captain. Overall 12 teams were established; a total of 60 people made calls for gifts under this structure. This team effort solicited gifts in a range of $15,000 to $100,000. Volunteers were allowed to review prospect lists to choose potential donors with whom they may have had some kind of connection and contact. This measure alleviated the problem of making cold calls to donors. Cold calling is what is referred to as the solicitation of a prospect occurring when that prospect has limited or no knowledge of the campaign

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priorities. This is essential when you consider the fact that the capital campaign strategy is intended to expedite the fundraising process, and the success rate of this strategy is highly predicated upon good communication. The best-case scenario is when a prospect responds that he or she is familiar with the campaign, its priorities, and perhaps even offers support for project A or B.

National and regional initiatives for Students First utilized a loosely coupled approach. Regional advisory committees were utilized in the Cedar Valley, Cedar Rapids, and Des Moines. Other cities targeted were Minneapolis, Denver, Kansas City, Chicago, Davenport, Bettendorf, Rock Island, and Moline. The captain/team member model was proposed for the regional effort but it was decided that it was not manageable due to the distance and the work intensive effort it would require; development staff were utilized instead in association with alumni. The national steering committee was comprised of 50 people from the ranks of the alumni across the country. This group was expected to make gifts to the campaign and particularly make referrals and give suggestions on how best to identify prospects and even make some calls on behalf of the campaign itself.

<u>Prospect Management</u>

It is significant to highlight that the development staff, which included the Vice President of institutional advancement, the director for central development, a number of gift officers, and the prospect researcher, in conjunction with the alumni director and some volunteers, was responsible for prospect management responsibilities or "moves

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management." This process entailed weekly meetings designed for moving prospects through the cultivation, ask, and solicitation closure phases. In these weekly meetings prospects were assigned to the aforementioned; the donor cultivation process, gift potential, and readiness to make a campaign gift were monitored in this forum. In managing prospects, development staff responsibilities included, but were certainly not limited to, assisting volunteers; coordination of the solicitation or "ask" with the most appropriated staff member, volunteer or combination; coordination with the President's or vice president's schedule for significant gifts; preparation of proposals, these approaches were used to ensure an overall proper and efficient solicitation process.

Progress Evaluation and Reporting

The central development research staff did the actual job of generating myriad campaign reports. Reports included rudimentary information such as: How many prospects are to be seen? What numbers of potential donors were solicited for gifts? What is the time frame for closure/completion of the solicitation? In particular, the question is answered, "whom should we ask next?" It was from information of this sort that reports were derived that stated progress in terms of the actual progress made toward the established campaign goal and time line. In addition, the research staff was essential in providing information that projected what was to come in the future. For example, one issue involved what particular donors were expected to close on their campaign gift to the institution and in what projected time frame? Another important question that was answered in the reporting process was how many calls are actually needed in order to

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reach the campaign goal? Reports were done so that one could evaluate people and to decide on a time sensitive basis whether there were an adequate number of prospects to complete the campaign. This process of evaluating progress was employed on a continual basis and generally culminated in a presidential report.

Progress of the campaign was reported to the foundation board at its regularly scheduled meetings. Progress of the campaign was also reported via e-mail, university website, alumni publicity channels, publications, press releases, television and news paper coverage, statue cutouts made in the image of the athletic director depicting campaign goal levels achieved, by the President at foundation board meetings, at various kick-off events, and during other public forums. Central development staff worked with college development officers to assure that donor prospects received periodic communications from the University highlighting general information about the University and particularly the campaign's progress. Donor recognition reporting was done once the campaign was officially announced and this was formulated into a report to donors format for formal communication. This reporting was followed-up with more elaborate donor recognition; public relations activities and donor stewardship programs such as The President's Club fulfilled this function. Donor stewardship programs such as The President's Club are utilized to give recognition and distinguish donors who give at serious levels. Moreover, when the idea of raising the campaign goal to 100 million was discussed, development staff came to a consensus to go back to the campaign's largest

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donors to notify them and thank them for their support. The development staff would then be open to additional gifts.

Evaluating campaign progress is always a challenge in campaigns. It is most important to keep focus on the monetary goal that is the primary measure of success. It is possible to get caught up in publicity efforts, volunteer organizing, and lose focus on the categorical monetary goals of the campaign.

In the Students First comprehensive campaign there were also some problems with the database. These problems diverted staff attention from evaluating and reporting campaign progress for a period. In applying for a challenge grant with the Kresge Foundation the institution had to articulate a plan for reaching the campaign goal and especially articulate how this campaign would provide a foundation for future fundraising activities. This measure turned out to be an instrumental element that produced an intensive report in the process of evaluating and reporting campaign progress. One critical factor in evaluating campaign progress is that you do not want to meet your goal too easily and not seize the opportunity to develop your prospect base for subsequent fundraising activities. Expanding the prospect base should always be a continual effort in fundraising.

Capital Projects

Of all the Students First campaign priorities capital and equipment projects also presented a challenge. There was a great deal of intensity that surrounded the sports arena project before the extraordinary leadership gift came in. This was due to a

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demonstrated difficulty by development staff in raising major gifts in the previous campaign. The largest gift made to the Students First campaign, in the amount of 4 million, came from individuals on behalf of the corporation entitled Mc Cloud USA. This lifetime achievement gift resulted in the naming of the proposed 15 million multi-sport arena. In the University of Northern Iowa's 124-year history it was the largest gift ever made to the institution. It is important to highlight that capital projects tend to fall into an all or nothing category, in that you are committed to revising the total cost of the building when fundraising efforts fall short of the designated goal. There was one building project and two equipment projects for which it was difficult to raise funds, because the projects only had marginal appeal to the donors. This created a definite challenge for the development staff. Projects emerging from the established priorities of the University had to be aligned with the interest and appeal to donors. Major priorities and capital projects of the comprehensive campaign were as follows:

- Scholarships
- Sports Arena
- Biology Building Enhancement
- Early Childhood Education Center
- Lang Hall Building and Equipment
- Russell Hall Renovation
- Human Performance Center
- Program Support

When undertaking a capital campaign of this magnitude problems and challenges can arise in the organization, planning and implementation phases. Fundamental problematic issues that occurred in the Students First campaign included staff changes,

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which caused some prospective donors to go unattended for a period. Development staff effectiveness was also challenged when development officers were out on extended maternity leave. During the campaign there was a change in vice presidents for the fundraising arm of the University, which resulted in an interim appointment for a period until the permanent appointment was made. Resolution of this matter entailed a serious discussion as to what kind of leadership this division should have at the Vice President for institutional advancement post. The concept of collegiate officers, which is a model that is commonly used, was a new approach to the University of Northern Iowa and implementation called for teamwork between the college deans and central development staff.

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CHAPTER V

CONCLUSION

Summary

Kihlstedt and Pierpont (1998) stated that the capital campaign strategy is relatively a new concept. The founders of this aggressive strategy, Lyman Pierce and Charles S. Ward, were successful in devising a method to expedite the fundraising process. The procedures outlined in the late 19^{th} century to establish goals, recruit and train volunteers, formulate timetables, draft case statements, and write reports, complemented by kickoff and victory parties, comprise what we refer to as a capital campaign.

In an effort to provide greater clarity into this process it is perhaps best to start by defining this powerful strategy of myriad competing relevancies as a type of intensified major gifts fundraising. Development professionals have a very unique and powerful tool in this capital campaign strategy. No other division on campus has the benefits of attracting the direct involvement of the institutions' upper echelon of leadership, which includes the President, his cabinet members, Deans, and especially foundation board members. In addition, the President, while in campaign mode attracted the involvement and support of the most influential and affluent members of the community. The University of Northern Iowa had strong leadership at the helm of this campaign. Significant is that the President utilized the perception of a strong foundation board and recruited Co-Chairs for the Students First campaign from the foundation board. This

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measure was successful in that it was the foundation board members who voted to individually provide leadership gifts to support the multi-sports arena. These leadership gifts set a foundation for success in the campaign, by establishing a custom of mandatory giving on the part of every foundation board member and campaign volunteer.

Organization

Success in the organization, planning, and implementation of the Students First campaign can be attributed in part to the development staff meeting challenges by taking the steps essential to become a more highly efficacious division in order to conduct a successful campaign. Evolution of the organizational structure was a continual process. Between 1990 and 2002 the number of development staff members more than doubled, which strengthened the organization. Appointing collegiate gift officers was an effective measure utilized to build the organizational capacity necessary to improve their performance in gift solicitation. Equally important, the fundraising agency improved upon their ability to conduct donor prospect research.

Planning

Students First campaign was successful in part because of a detailed, agile, and protracted planning process. The institution's strategic planning process was instrumental in providing a structural framework of the core values and overarching goals to guide the needs assessment and the setting of campaign priorities. Although the campaign could have benefited from a broader planning process, development staff was effective in establishing a consensus among the President, foundation trustees, cabinet members, and

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college deans in regards to campaign design and priorities. A broader planning process, like the example given of NYU, and the use of a commission on the future, would have influenced and provided an immediate broad base of prospective donors. The level of success gained in utilizing this measure would have resulted in improved communication of the campaign's priorities among the interviewees in the feasibility study. Well-articulated in the case statement were challenges posed to students in regards to scholarships, and as a result, development staff received overwhelming support for this campaign priority.

Retaining a professional consultant provided a level of expertise in the campaign planning process. The consultant increased effectiveness in the plan to utilize volunteers and improve on their ability to draw major and extraordinary gifts. It was through the use of a private consultant that a more efficacious plan was implemented to improve the University's rate of success. The consultant was instrumental in keeping the campaign on track. However, this was achieved only after having assessed the campaign environment through the feasibility study, which provided development staff with indicators for success. These indicators for success helped shape a campaign strategy that could accommodate the strengths and weaknesses of the organization and the campaign-giving environment. The organization was evolving as it focused on the need for capacity building; this form of organizational evolution created a more robust agency.

The feasibility study assessed the campaign giving environment and projected four significant challenges to the success of a campaign. First, development staff had to

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improve on the cultivation and solicitation of prospective donors at the regional and national level. Second, the level of networking and interaction among affluent alumni had to be increased. Third, alumni in the advance giving phases of their lives were of the less affluent teacher profession. Fourth, the development staff had to overcome the fact that the feasibility study revealed no prospects at the seven-figure extraordinary gift level. Success in the Students First campaign can be attributed to development staff meeting these four challenges.

Implementation

Experience was a factor instrumental in the success of the campaign. First, development staff had prior experience in recruiting steering committee volunteers at the regional and national levels, but in the Students First campaign, they more adequately utilized their volunteers to assist in further cultivation and solicitation. Second, the lack of networking among affluent alumni was addressed through the affinity groupings activities. Third, the advanced giving stage of alumni donors being predominantly teachers was addressed by gift solicitation through the planned giving program. Fourth, the development staff was also successful in drawing a few extraordinary seven-figure gifts to the Students First campaign. The path to success in the Students First campaign can also be attributed to a feasibility study that culminated into a good marketing plan. Derived from the marketing plan was a three-point strategy to engage a two-phase campaign. The three-point plan entailed implementation of a small scholarship initiative

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for the first phase, the second phase involved organizational capacity building, and a publicity effort for the other campaign priorities.

Development staff in partnership with volunteers undertook implementation of the Students First campaign. A significant aspect of the fundraising division's evolution was that they built on previous successes and minimized prior mistakes. In the previous campaign entitled Leading, Building, and Sharing, development staff exceeded their campaign goal by 8.3 million. This provided a level of confidence to engage the next campaign. The Students First campaign goal, raised from 75 million to 100 million, was more than twice the amount of the previous campaign. Volunteers were utilized more efficiently than in previous fundraising activities. Volunteers were not only cultivated for making gifts to the campaign; they were asked to assist development staff in the identification and cultivation of other prospective donors. Volunteers among the regional and national committees also provided assistance in these processes. In some instances committee volunteers solicited gifts independently.

Prior campaign experience was also instrumental in highlighting the necessity to alleviate the previous practice of making cold calls to donors. This was a vital lesson considering the good communication is a significant part of what expedites the capital campaign strategy. Experience from previous campaigns provided development staff with insight into the best practices for engaging gift solicitation from a distance. Development staff was primarily responsible for regional and national solicitation efforts.

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Leadership

The key element contributing to success in the Students First campaign was leadership. The key figure providing leadership for this campaign was the President. However, there were other distinguished figures providing leadership for this campaign. such as foundation trustees and the Vice President. The collegial leadership style utilized by the President and his appointed vice president was instrumental in promoting the professional competencies of development staff. This measure of employing the collegial leadership style was significant in that it fostered a change in organizational efficacy by moving staff members from a limited locus of control in their work to establish an organizational culture that imbued increased levels of trust, confidence, mutual respect, and the delegation of power and authority. It was the President's collegial leadership style that transformed the organizational culture. Presidential leadership was instrumental in drawing the essential affluent volunteers to the campaign; instrumental to laying a foundation for a successful campaign was the President's recruitment effort of strong volunteers. Presidential leadership was essential to the success of this campaign because this president had a vision to advance this institution to a status of "best in its class."

The challenge of meeting the institution's needs was met, and the importance of pursuing private funding was clearly recognized. The President knew that private funding was necessary if the institution was going to advance. In addition, he was aware of the catalytic nature of capital campaigns creating positive change within an institution. Going into a campaign required the creation of a communications plan, in which the

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President's role was to enhance the level of trust and confidence held by his constituency and remove psychological impediments to the University of Northern Iowa achieving his vision as best in its class.

Catalytic Nature of the Capital Campaign Strategy

The catalytic nature of the capital campaign strategy refers to the transformational powers of a campaign, which are caused by a number of factors. First, preparing for a comprehensive capital campaign, as described in this study, transforms a fundraising division into a more efficacious organization in general. This organizational transformation in Students First is attributed to the organization pursuing the building of capacity to do more fundraising through staff development, reorganization, and expansion; systems change; comprehensive planning incurred to conduct the campaign, and the implementation of sophisticated solicitation strategies such as affinity groupings and moves management. Transformational effects can also be attributed to coalition building among stakeholders across the institution and within the community, region, and on a national scale.

Second, the catalytic nature of the capital campaign strategy is strongly linked to an efficacious campaign communications plan. This factor is related to the transformational effects on the giving or donor environment. Leadership, public relations activities, and deliberation on the part of donors in regards to preparing to make a gift to the institution impact the giving environment. This in-depth thinking is guided in part by the campaign's case statement, which is utilized to emotionally and rationally convey the

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needs and priorities of the campaign to draw support. It is factors of this nature combined with achieving the campaign goal and implementation of the various projects proposed as priorities in the campaign that contribute to the transforming of an institution's image. Therefore the catalytic nature of the capital campaign strategy can be scaled as any positive transformational effects caused by elements of the campaign cycle on the organization and its environment. This includes the effects caused by leadership style and the employment of strategies from preparation to implementation of the campaign.

Recommendations

The following recommendations are guided by a confluence of elements, such as parameters of the research questions, literature of the field, expert opinion of the consultant as an interviewee in this study, and the interpretation of experiences by the researcher.

First, at the close of the Students First campaign, it is recommended that the institutional leadership make the distinction between a feasibility study and a performance audit. A management or performance audit is a direct assessment of an organization's level of efficacy to conduct programmatic initiatives. Whereas a feasibility study is limited in its assessment of an organization's capacity, it focuses primarily on the campaign environment in reaction to the institution in campaign mode (Fisher & Quehl, 1989). The University of Northern Iowa must engage this process in order to gain an accurate assessment of their overall organizational evolution and the actual impact of their capacity building efforts. A performance audit will provide the University's

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leadership with the information they need to embark upon endeavors that will create a more highly efficacious organization.

Second, it is imperative that development staff increase their ability to attract major gifts in the six-figure range, and particularly, extraordinary gifts in the seven-figure range. In consideration of the 80/20 rule, which states that 80% of campaign gifts come from 20% of the donors; today this ratio can be as steep as 90/10, however the ratio is predicated upon the profile of the institution's gift pyramid. This phenomenon alone makes major gifts fundraising essential to the success of a capital campaign.

Third, the University of Northern Iowa's next campaign should target endowments. Development staff must meet the challenge of creating a sense of urgency and building a case for a campaign to strengthen the institution's endowment. The President will have to take the lead and start articulating to supporters years in advance the need for an endowment campaign. With an alumni base that is largely comprised of the less affluent teaching professions, this institution has utilized its planned giving program to reach this audience. Development staff has interpreted this factor of a predominant teacher alumni base as problematic to their fundraising efforts when in fact, this poses an opportunity for a successful endowment campaign. The campaign consultant utilized in the Students First campaign indicated that many large endowments have been created through planned giving.

Fourth, the University and foundation president must work to broaden the regional and national profile of the foundation board. It is essential that the foundation board be

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expanded with affluent members from regional and national areas with the greatest potential for prospect development. The new board members would become a part of the foundation's board culture of giving gifts and asking others to give. For example, university leadership must increase efforts to cultivate the potential for turning serious prospects into board members from cities such as Des Moines and Chicago.

Finally, with regard to <u>institutional advancement</u>, the President must call for broader participation in the institution's strategic planning processes. Finally, with regard to <u>institutional advancement</u>, the President must call for broader participation in the institution's strategic planning processes. The University must position its self to take advantage of the potential to cultivate a large and immediate prospect base of stakeholders identified through a large planning process. A planning process of this magnitude will provide an increased level of communication and interaction among affluent alumni and friends of the University, while achieving a more broad appeal in regards to future campaign priorities. The NYU model for a commission on the future should be implemented at the University of Northern Iowa. One development staff person raised a note of caution to this idea due to a lack of administrative expertise in participants; however, this planning process can be restricted to the values and overarching priorities of the institution.

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