

Corporate Fundraising for European Universities, in conjunction with Georgia Institute of Technology¹

Summary

Marta Garcia (MG), Associate Vice President, International Development² and Caroline Wood (CW), Executive Director Corporate Relations³ at Georgia Institute of Technology provided an overview of the organisation, performance and operation of corporate fundraising at Georgia Tech. They demonstrated how corporate fundraising was a strategic activity at the Institute with support from its leadership and buy-in from the academic and administrative community. In addition, they emphasized the ‘Critical Success Factors’ for successful corporate fundraising, which, along with active support from leadership included effective networking throughout the institution that had led to mutual trust and understanding. Although the Institute’s development team was now sizable – 95 people (particularly when compared to most in Europe), CW and MG made the point that corporate fundraising success was as much, if not more, linked to effective management of relationships within the Institute and with each company and that the lessons they had learnt from effective operations was applicable to any corporate fundraising team.

Introduction

1. Universities and companies have always worked together. These relationships are often complicated, including as they do, recruitment, research collaboration, consultancy, education, purchasing and collaboration in the economies and social life of cities, regions and countries. Managing these relationships for mutual benefit is a challenge for all institutions, however, institutions in the US, such as Georgia Tech, have had many years’ experience of doing this efficiently and effectively and can provide other institutions with useful insights into the organisation, performance and operation of corporate fundraising; insights that if applied can help institutions ‘accelerate’ the creation of successful corporate engagement and fundraising programmes.

¹ <https://www.gatech.edu/>

² <https://development.gatech.edu/who/international>

³ <https://development.gatech.edu/who/corporate>

About Georgia Tech

a. Overview

- Slides 2 - 5 provide an overview of the Institute. MG said that Georgia Tech is a public university (differentiating it from private universities such as Harvard University, the Massachusetts Institute of Technology and Stanford University). She stressed that this did not mean that Georgia Tech did not need to fundraise (she said that she and colleagues often joked that the Institute had evolved from being ‘state supported’ to being ‘state assisted’ to being ‘state located’).

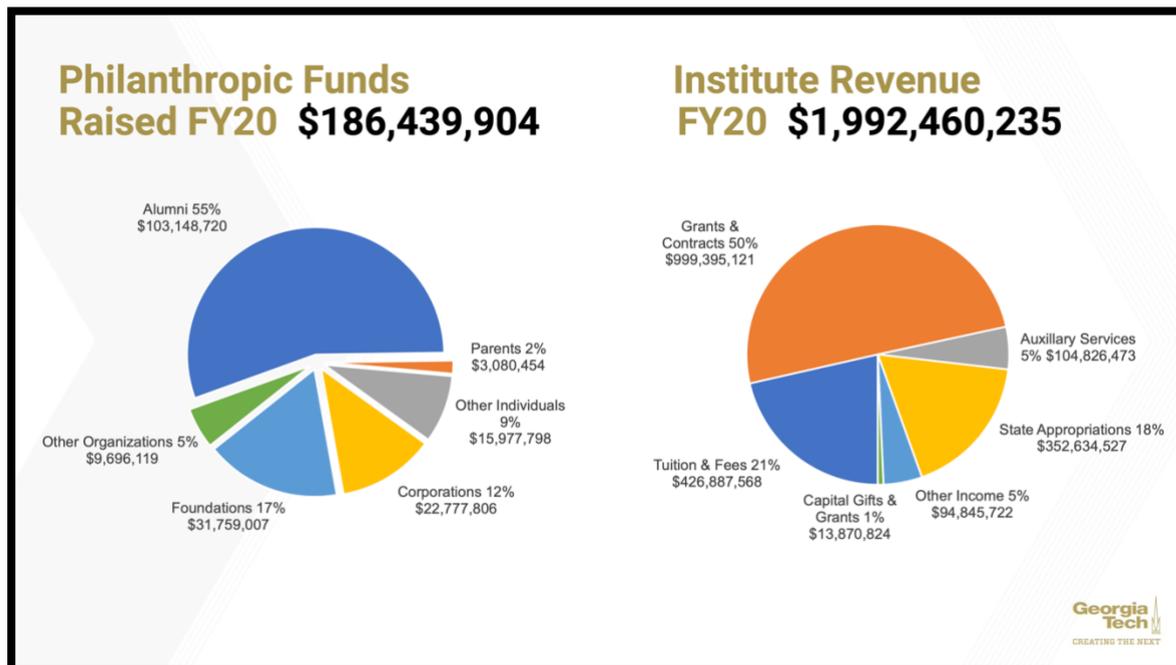
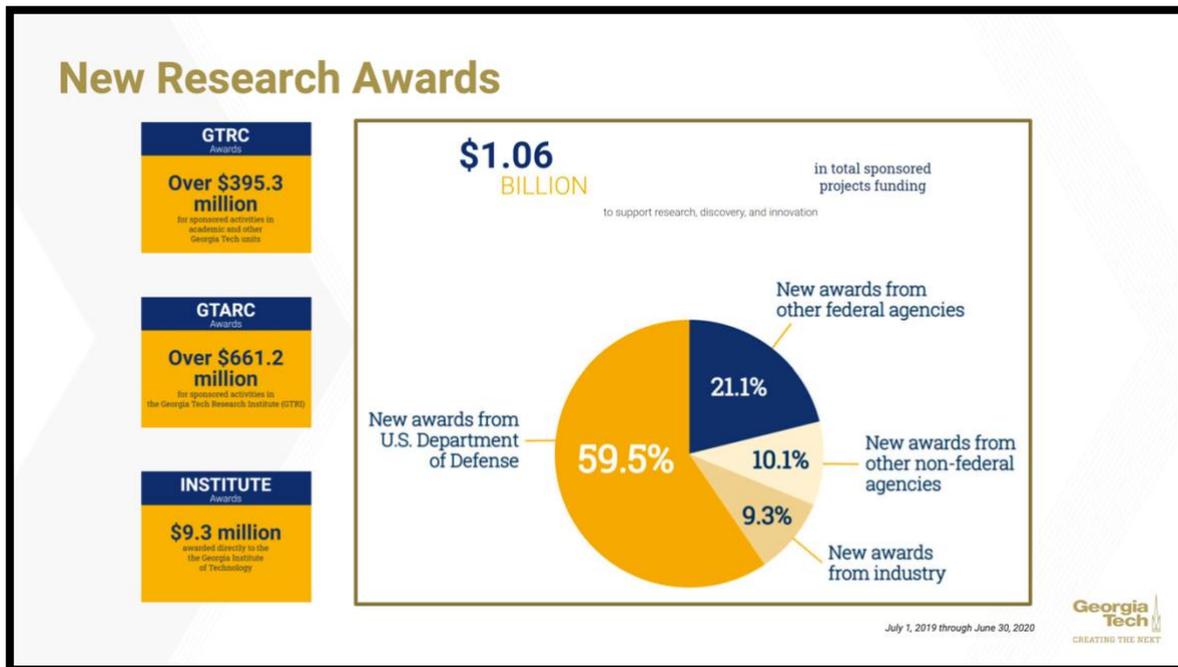


Figure 1: Georgia Tech Revenue & Philanthropic funds 2020

b. Revenue & Philanthropy

- Slide 6 summarises Georgia Tech’s revenue and philanthropic funds raised for the last financial year (Fig. 1). The key points here are that philanthropy contributes approximately 9 – 10% of the total each year, with corporations contributing about 12% of philanthropy in 2020 (in normal years corporate philanthropy is more like 20% of total philanthropy).
- Slide 7 (Fig. 2) puts the corporate philanthropy data into context as it includes the ‘contractual’ funds the Institute received from companies which amounted to nearly \$100 million. Total corporate ‘investment’ into Georgia Tech (philanthropy plus research awards) is approximately \$120 million *per annum*. CW stressed that, although focused on philanthropy, her team had played an active role in developing and managing the relationships that had led to new company awards. A key point here was that her team provided an integrating function for corporate engagement; providing a holistic and strategic view of each relationship, thus ensuring relationship sustainability.
- Although CW did not focus on Slide 8 (Fig. 3) it is useful to look at the proportions of the philanthropic funds raised are assigned to different activities and to note that the largest proportion is allocated to unrestricted funds for departments. This is an important measure

of the success of the programme as, of course, unrestricted funding is funding that all



fundraisers seek and often the most difficult to obtain.

Figure 2: Georgia Tech New Research Awards

Figure 3: How philanthropic income is assigned

c. Organisation

- Slide 9, 10 and 11 (Figs. 4, 5 and 6) are organisation charts for the Office of Development, the Office of International Development and the Office of Corporate Development. The total staff complement is 95.

Corporate Philanthropic Income

Expendable Unrestricted within a College/School/Dept.....	\$34,229,991
Expendable Program Enrichment.....	\$21,737,485
Expendable Research Support.....	\$14,004,560
Expendable Student Support.....	\$3,575,442
Endowed Student Support.....	\$2,108,956
Equipment & Instrumentation.....	\$2,047,440
Facilities Construction & Renovation.....	\$944,750
Expendable Faculty Support.....	\$873,664
Unrestricted Endowment within a College/School/Dept.....	\$273,775
Expendable – use is to be determined.....	\$111,740
Endowed Program Enrichment.....	\$50,000
Endowed Faculty Support.....	\$42,981

Georgia Tech
CREATING THE NEXT

7. MG and CW made clear that their teams had grown in relatively recent times. For example, in 2003 the corporate team had had 2.5 staff. Growth had come as a result of success and

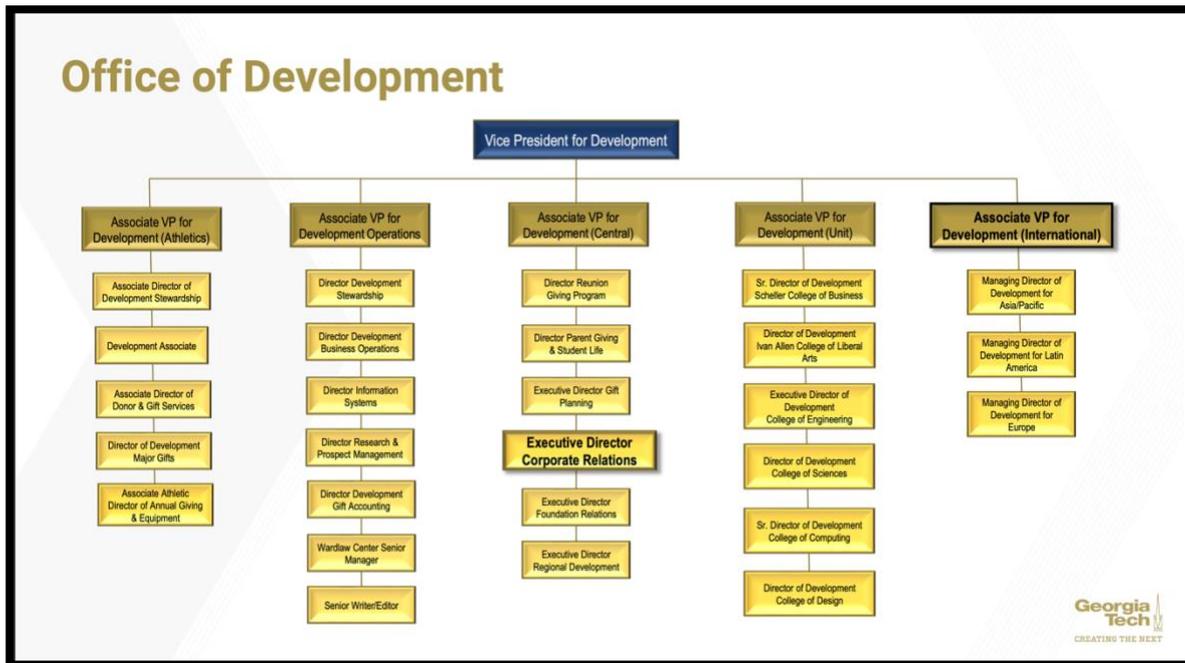


Figure 4: Organisation chart for the Office of Development

the recognition, by the Institute’s leadership, that corporate relations was an important strategic function.

8. CW went on to say that the ability of her team to form strong relationships within the Institute was critical; without these relationships and the deep knowledge of what the Institute ‘had to sell’, the team would not be able to forge financially beneficial relationships with companies. She made clear that each member of her team was assigned

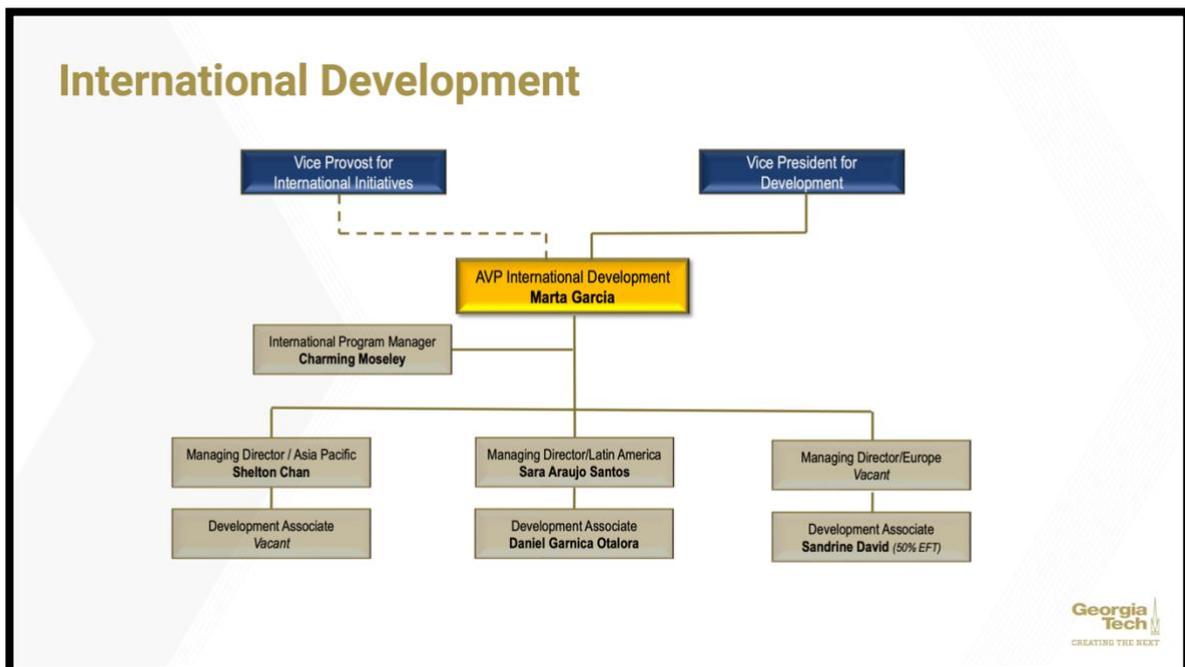


Figure 5: Organisation chart for the Office of International Development

to named academic units. She was particularly proud of the fact that her team were thought of as being part of each unit's staff.

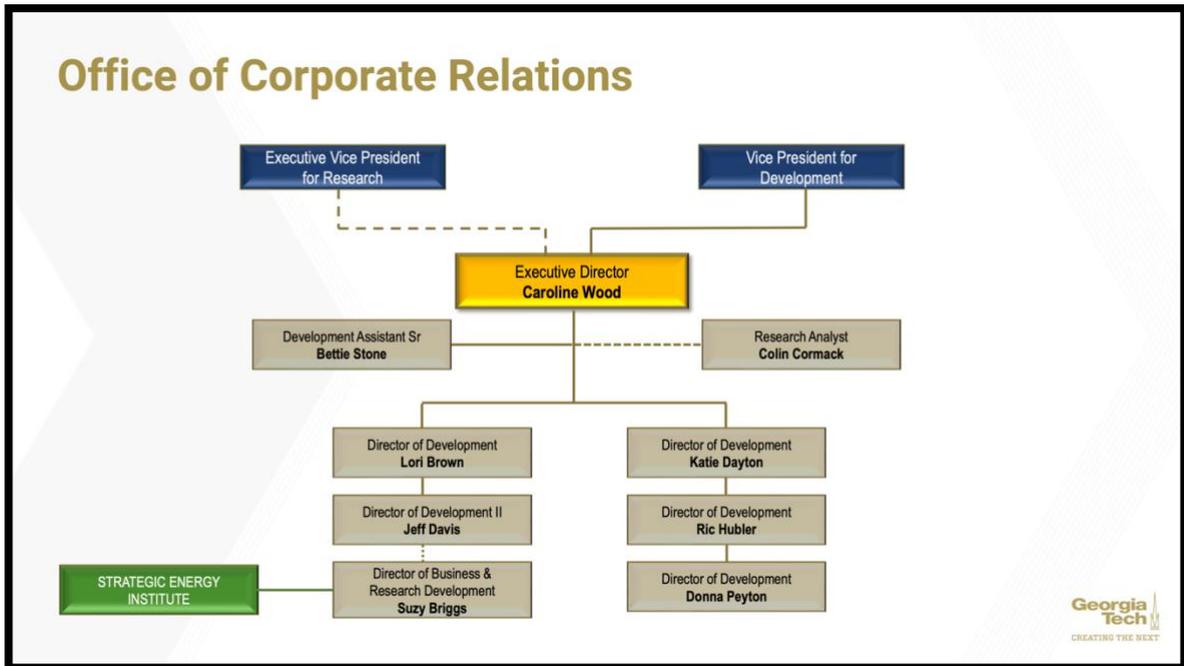


Figure 6: Organisation chart for the Office of Corporate Relations

- As can be seen in the organisation charts, key development staff have dotted line relationships to the relevant leader, thus ensuring that development was embedded at both the strategic and academic levels of the Institute. CW and MG noted that these ‘dotted-line’ relationships had not been created without some struggle, particularly within the Office of Development, where there had been concerns that it might result in a loss of focus on its fundraising goals.

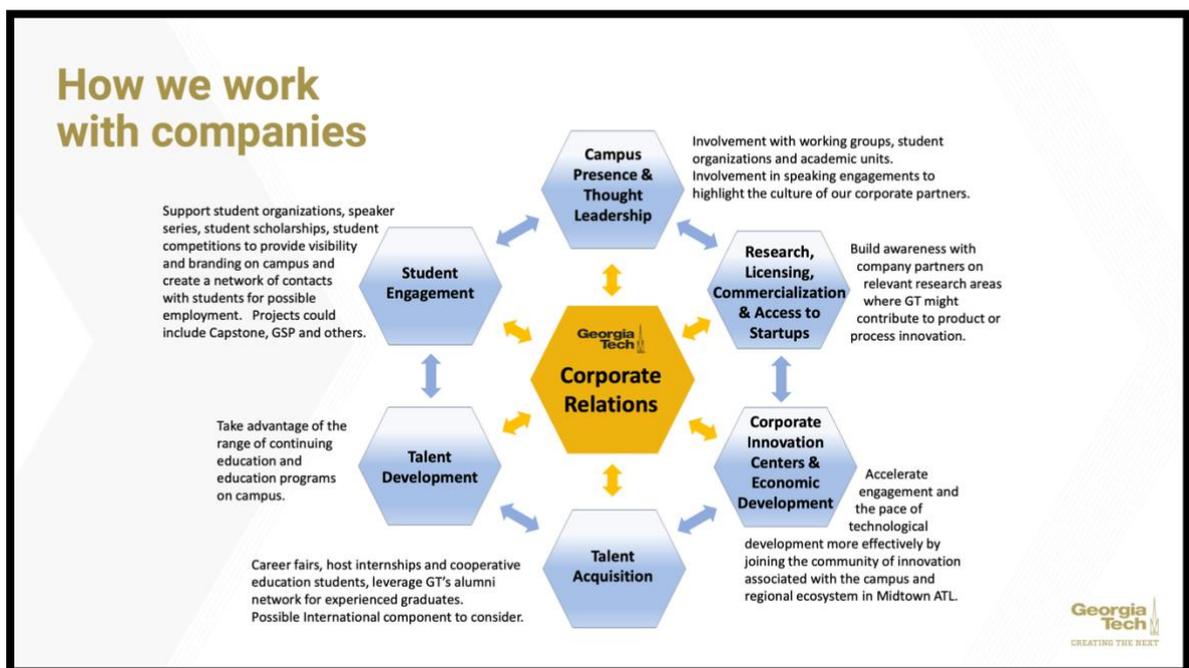


Figure 7: How Georgia Tech works with companies

10. CW went on to say that the dotted relationship with EVP for Research had been possible because it had been accepted that corporate philanthropy was built upon relationships that already existed and that it would not have been possible to achieve the results that the team had achieved without their having knowledge of, and a role in maintaining, these broader relationships.

About Corporate Relations

a. Working with Georgia Tech

11. Slide 14 (Fig. 7) summarises the way in which the Office for Corporate Relations works with companies. The important point here is that the Corporate Relations team has a unique view of everything that goes on at the Institute and works closely with staff responsible for delivery of each ‘vertical’ activity. CW said that she was actively involved in the negotiation of Master Research Agreements, to represent the relationship and had played a pivotal role in bringing both a company and the Institute back to the table.

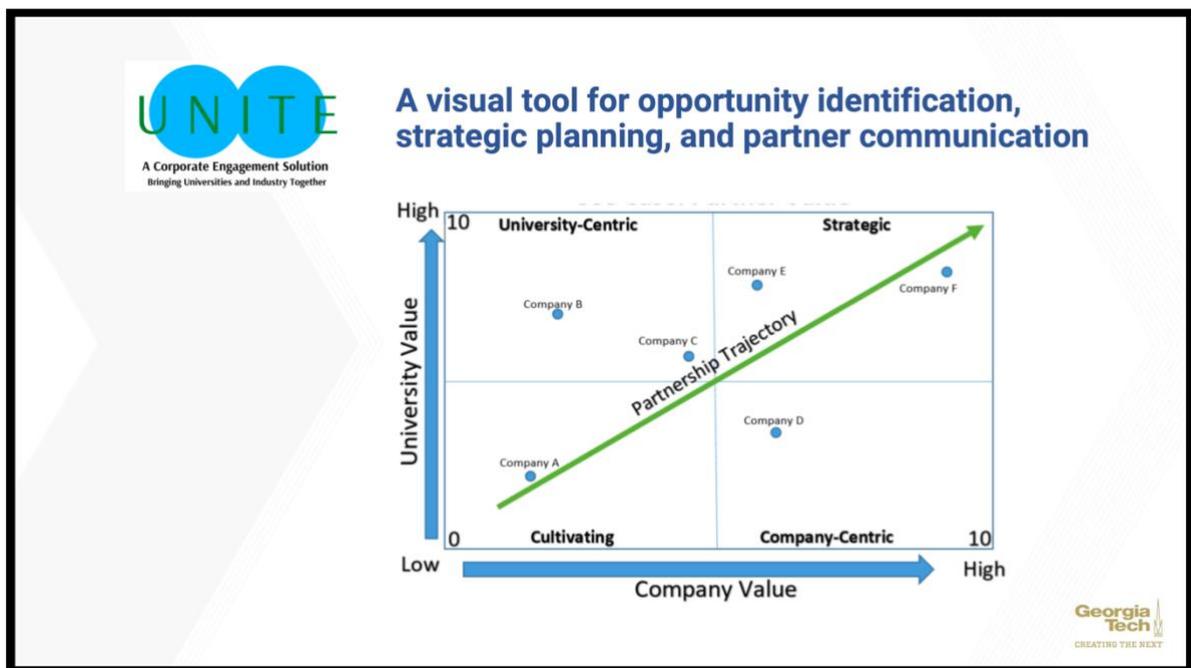


Figure 8: Corporate Engagement tool

b. Strategic Planning

12. CW said that she was often asked by the Institute’s leadership who were Georgia Tech’s strategic partners. She suggested that historically this had been a difficult question to answer given the different priorities of each ‘activity’ – see Fig 7 . She mentioned that she was ‘beta testing’ a the UNITE tool⁴ that ‘is a data driven, corporate engagement and relationship management solution designed to make it easy for universities to determine and communicate the value of industrial partnerships.’. Slide 15 (Fig. 8) is taken from this

⁴ <https://www.linkedin.com/company/unite-university-industry>

application and illustrates the desired trajectory of a relationship from the bottom left to the top right.

c. Critical Success Factors

13. CW listed the following as Critical Success Factors for her programme:

- Building relationships and trust both internally and externally to the university, including:
 - Your organisation:
 - Buy-in from the top
 - Trust throughout the organisation
 - Understanding of how others are measured (what are their drivers, how does this make them behave, where are the areas of common interest?)
 - A company:
 - Avoid single points of contact – build resilience and sustainability into each relationship
- Proving to the companies that there are benefits to establishing a relationship with the University
- Creative employee pipeline
- Access to research
- Innovative ideas
- Potential access to the American market
- Interaction with international entrepreneurial community (funding, innovation and methodology)
- Use alumni as conduits into the business community, corporate funding sphere and the entrepreneurial network

This is where corporate and individual fundraising dovetail – opportunities to cultivate both the company and the entrepreneur.

d. Challenges

14. CW listed the following challenges:

- Government Regulations
- Internal Communications within the University
 - Building trust
 - Turf issues (a continual challenge)
- Prioritizing Long-Term Investments in International Development and Corporate Relations (invest in people and time will deliver results. BE PATIENT)
- Buy-in from the top (without this you are very vulnerable)

- Culture of Philanthropy
- Translating philanthropy to business
- Providing return on investment
- Defining what is return on investment

e. *Advice*

15. CW and MG finished by suggesting that:

- Make networking your #1 priority
- Have clear communication and access to senior university leadership (CW noted that ‘corporate philanthropy’ was an oxymoron – there is always a quid pro quo – it is essential that you, your colleagues understand this and make efforts to identify what the company’s objectives for engagement are)
- Set realistic goals for both corporate and institutional priorities
- Make a commitment to long-term cultural shift in attitudes with philanthropy
- Create programs that have maximum reach (CW said that she was not enthusiastic about scholarships – much more enthusiastic for investments in a whole class – how can a company maximise the number of ‘touch-points’?)
- Be creative in how you engage your companies (understand how a company is engaging – through Careers, Research, Procurement etc etc – and see how this foundation can be built on)

Q & A

Question 1: Nadine Roeseler-Shalala (Medizinische Hochschule Brand, Germany) – *On average how long does it take from the first contacts with a company until the first gift?*

Answer 1: It depends, however, it tends to take up to 5 years or more. Having said this an important skill is to be able to identify prospects that are unlikely to ever give (or to ever give at a level that is worth the effort put into cultivation. It is important that the timescales of fundraising are communicated effectively to an organisation’s leadership so that expectations are realistic.

Question 2: Teppo Heiskanen (Aalto University, Finland) – *Do you have one CRM system for your company relations; shared by all departments?*

Answer 2: No! In CW’s view such a thing was impossible for a number of reasons, but in particular it was not possible to ensure that everyone – academics, staff in departments outside development etc etc – obeyed basic rules concerning the quality of input – rubbish in; rubbish out – there was also a danger that certain individuals would use contact information to make contact with partners in a

way that was detrimental to the Institute's strategic objectives. She noted that as far as she was aware no institution in the USA had such a system.

She went on to suggest that there was a difference between often low-tech mechanism for ensuring that Corporate Relations could collect and develop an institutional understanding of each company's relationship and its potential, and very high-tech CRM solutions, which in her experience had not been successful in Higher Education.

Question 3: Madeleine Moback-Neil (Uppsala University, Sweden) – *With whom (what level/function) do you prefer to relate in a company to start building relations, having research funding in mind?*

Answer 3: Chief Research Officer/Chief Technology Officer/VP for R &D – the highest you can go is always the best.

Question 4: Aoife McNabb (Queen's University, Belfast UK) – *How do you demonstrate benefit of being involved philanthropically if the 'perks' (to the company) or exposure to students are also attainable through other university areas?*

Answer 4: Have an annual meeting to assess the impact of the relationship. In addition, many companies require annual impact reports that include assessments of the impact on the company. CW added that she sometimes had to call a company out if they don't visit or take advantage of the 'perks'.

Question 5: Mihai Nasula (CERN, Switzerland) – *What is your ideal way of approaching new prospects?*

Answer 5: We use our alumni network and our academics that often have consultancy contracts (CW said that they poled academics regarding their contacts – Georgia Tech did not have a database of these as yet). She also recommended using LinkedIn.

Question 6: Guilherme Pereira (Universidade do Minho, Portugal) – *Your Office of Development is entirely composed of university staff, is it an organisation within the university and synchronised with university strategy?*

Answer 6: Yes. Even though staff might be embedded within academic units they all report to the Chief Development Officer. MG added that the Development Office does not set the priorities for fundraising – these are set by the President and his Senior Executive Leadership team.

Question 7: Miren Ispizua-Bilbao (UNHCR) – *Have you engaged in cross-fertilization tactics between companies and their C-suite/owners to get funding for projects? Eg engage a company, then engage the CEO/owner and/or vice versa to fund scholarships? If so, what has been your experience with it?*

Answer 7: Yes. Firstly, we regularly engage alumni that are at the C-suite level both as individual prospects and as executives, leading to personal donations and corporate gifts. Secondly, Georgia Tech has engaged with groups of CEOs.

Conclusions

16. It is, of course, a challenge in a one hour webinar to encapsulate all of the insights learnt over many years of successful corporate engagement and fundraising. However, CW and MG were able to communicate not only their enthusiasm for what they do and to provide some very important insights; lessons that are applicable wherever one is trying to engage companies effectively, sustainably and financially. In the following bullet points I will pick out some of these and where appropriate expand on them, particularly in order to draw attention to some broader issues and to highlight points that seem to me to be of particular relevance in Europe:

- MG's observation that Georgia Tech had evolved from being 'state supported' through being 'state assisted' to being 'state located' was interesting as I think universities in Europe are on a similar trajectory, although at very different speeds and with very different degrees of enthusiasm. Ultimately Georgia Tech is still part of the State University system of Georgia. It is well understood that fundraising and corporate engagement in the United States has been driven to a large extent by the vagaries of federal funding and that a big change happened about 40 years ago. In the UK a change happened 20 or 30 years ago resulting in significant increases in fundraising activity particularly at the 'leading' UK universities. In other European universities the change has only happened recently and consequently corporate relations has yet to be adopted universally as a strategically important activity.
- In my view the ratio between an institution's 'contractual' income from companies and corporate philanthropy is a key indicator of the success of that institution's corporate relations programme. The ratio is approaching 20% at Georgia Tech, but is significantly lower at the European universities where we have had the data. I believe that this difference indicates that it is worthwhile European institutions investing more in corporate relations and indeed in corporate fundraising.
- The Office of Corporate Relations at Georgia Tech plays an *unique* and vital role as an integrator of the myriad relationships a company has with the Institute. In addition, and I think this is where the real added value comes, her office enables the Institute to take a holistic and strategic view of each relationship, thus supporting sustainability (the fact that CW represents "the relationship" in contract negotiations is important in this context) and I would argue enabling much higher levels of corporate engagement and investment.
- CW's comments about an institute-wide CRM should not, I think, be interpreted as being against 'knowledge management', indeed much of what she said was about the need for her team to know and understand activities across the university in some detail and to base (facilitate) 'relationship strategies' on that deep knowledge and the trust of academics and other staff. However, my understanding was that given the nature of universities it was often not possible to introduce such systems.

- There was an interesting discussion about what a ‘strategic partner’ is, with CW drawing attention to the fact that university leaders may identify ‘aspirational’ strategic partners that in reality will never be donors/investors.
- MG and CW made very clear that cultivating relationships takes time and that to be successful university leaders needed to invest for the long-term and not expect results in the short-term. One can add here that the time it takes to finalise a gift was not because a corporate relations team was ‘inefficient’, but much more often was driven by the company’s annual decision-making cycle. Although we did not discuss the correlation between the effectiveness of cultivation and relationship management over the long-term and the eventual size of gift/investment, anecdotally we know that larger gifts always go to those with good relationships stewarded over long periods.
- CW and MG stressed the need for buy-in at every level of an institution and the critical importance of support from leadership. In Europe leadership tends not to see corporate relations as being strategically important – except possibly in some technical universities. In part this reflects a focus on technology transfer as a transactional function, but also the relatively lower priority given to maximising non-governmental sources of funding (reflecting a relatively greater reliance on government funding to meet core costs).

Dr Hugh Aldridge
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