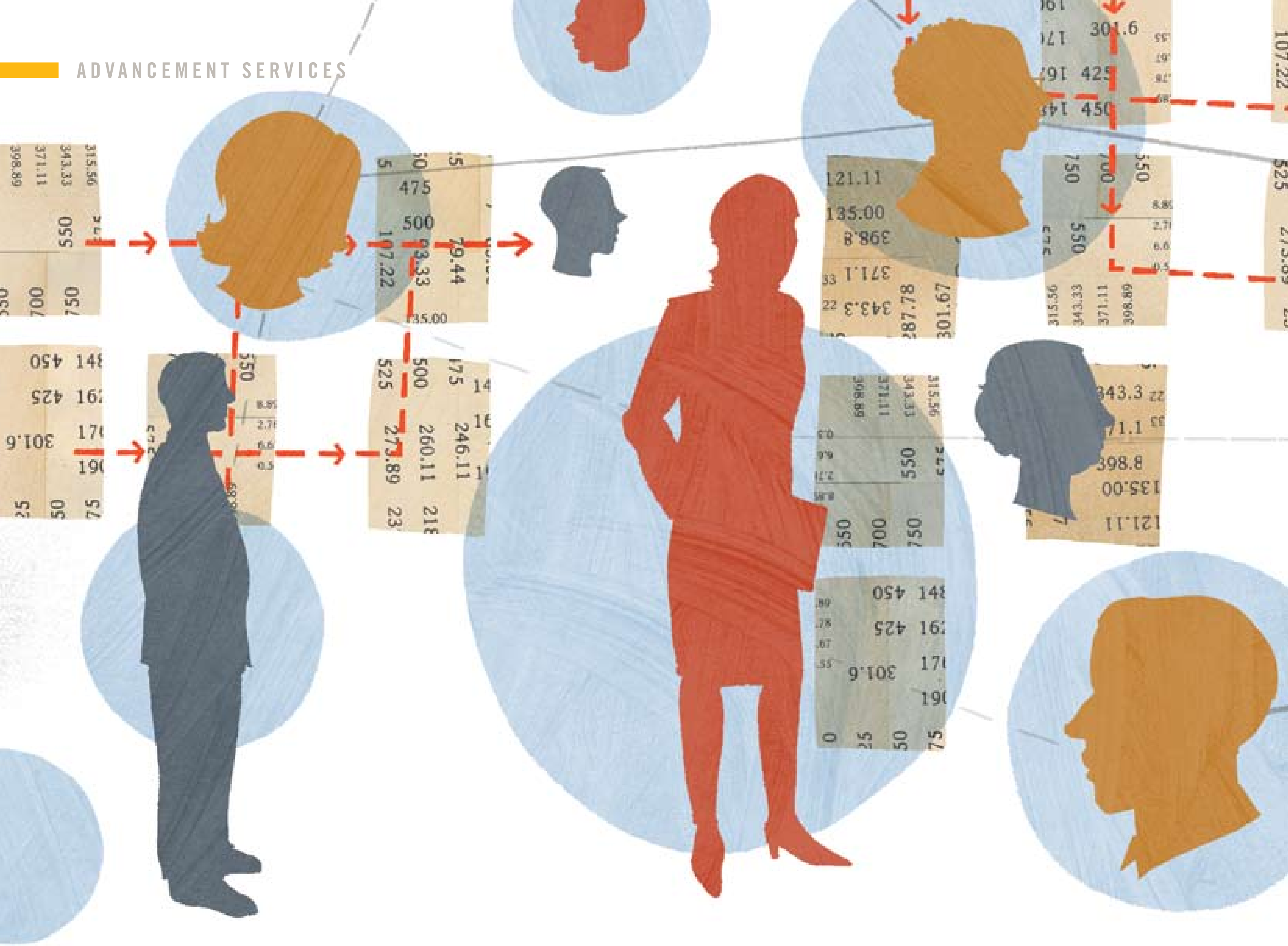
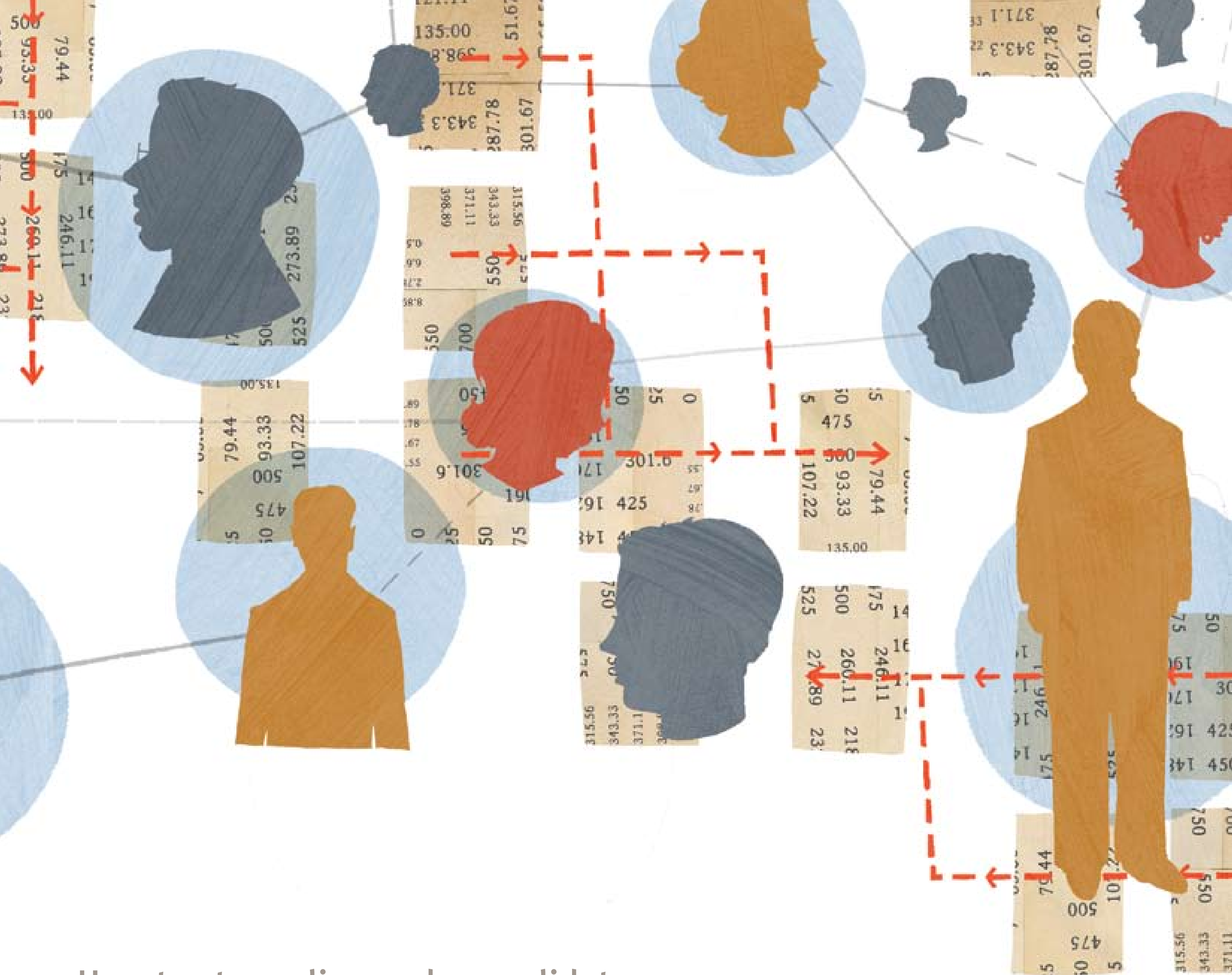


Steering Through STEWARDSHIP



How to streamline and consolidate processes to maximize fundraising

By JULIA S. EMLEN

ILLUSTRATION by LEIGH WELLS for CASE

Laura Brehm is very pleased. And she should be. In December 2007, the University of Montana announced the completion of its five-year "Invest in Discovery" campaign, having raised \$131 million, well above the goal of \$100 million. Among the successes, Brehm, president and CEO of the University of Montana Foundation, could count raising \$26 million for student undergraduate and graduate support, \$11 million in faculty support, \$37 million in new buildings and facilities, and an additional \$41 million above the \$131 million in funds raised directly by faculty members from private foundations and organizations for an astounding total of \$172 million in private support during the campaign period.

The demographics of the donor base were interesting as well. More than half of the donors and more than half of the dollars came from individuals who live outside of Montana, meaning that this effort was far from a parochial regional campaign. "To me, the outpouring of new donors and reinvesting donors meant that people understood and believed that supporting the University of Montana isn't just an investment in higher education—it's an investment in Montana," says Brehm. "The success of the campaign means good things for the university going forward."

The work was not over after the campaign, however. Brehm knew that she had to continue to engage those donors who had shown their commitment to the university during the campaign—39,000 in all, including 13,000 donors who made their first gift ever during the campaign. To truly be successful, she needed a strong stewardship program. She wanted to demonstrate that those who had invested in the university had done so wisely, but she also wanted to do so in a manner that reflected the more limited resources of the postcampaign era.

Before the campaign began, Brehm, who came to the foundation in 2002 after serving as vice president and national director of development for the Trust for Public Land in San Francisco, had worked to restructure the foundation in order to meet the demands of the comprehensive campaign. She strengthened the development unit, establishing new accountability standards, and consolidated the financial and operations units. Finally, she set up a unit for stewardship and communications. As a result of the reorganization, the duties and expectations of each unit were more clearly defined. Each unit had its own expert skills and strategic direction; each was set to provide specific types of support for the campaign.

By the end of the campaign, the foundation board included well-experienced and newer trustees who were ready to embrace their continuing roles in philanthropy; a new provost was in place, with an important postcampaign institutional agenda; and the success of the campaign had brought renewed energy and understanding of the foundation to the deans and directors. Brehm reflects, "Although I was pleased with how well we had weathered the challenges of the campaign, I wanted to find new ways to continue its energy and resolve some of the problems we had during the campaign."

In particular, Brehm wanted to improve coordination of stewardship and marketing efforts between the campus offices, alumni relations, and the foundation. She also wanted to use the structure developed for the campaign to further relationships with emerging and returning donors in the postcampaign period.

INTENTIONAL STEWARDSHIP

In late 2007, Brehm, who knew of my work in stewardship program development from staff and colleagues, hired me to conduct an audit of all donor relations activities at the foundation and on campus. The audit analyzed how well current stewardship activities promoted continuing philanthropy. In addition, it assessed the integrity of each unit and investigated collaboration among the units. Finally, the audit examined activities essential to a comprehensive approach to stewardship: trust building, relationship management, and message delivery.

The philosophical underpinnings of the audit are expressed in the concept of intentional stewardship, which is an approach to the management of all aspects of the nonprofit enterprise with an eye to attracting and sustaining the relationship between the organization and its donors. Using the Donor Bill of Rights as a reference point, intentional stewardship is not a set of postgift activities, but rather an approach based on measurable efforts to promote a set of donor actions: regular giving, giving to priorities, giving to capacity, feeling recognized, agreeing to participate, spreading the message, and bringing others along. Although intentional stewardship identifies the importance of managed activities within silos such as development, operations, and marketing and communications, it also promotes internal consultation among the units through a system of committees. Teams work across departments on developing solicitation strategies, monitoring communications activities, setting a calendar, and reviewing gift agreements and gift acceptance policies and procedures.

A cornerstone of intentional stewardship is measuring outcomes—essentially keeping track of the changing behavior of donors. Evaluating stewardship outcomes may require a considerable amount of work in determining cause-and-effect relationships between stewardship actions and donor behaviors, but a few tests can be revelatory. For instance, it can be interesting to measure how many donors who receive scholarship stewardship are active donors to the institution's annual fund. Such evaluation might help open a window on how stewardship programs promote ongoing philanthropy rather than exclusively recognizing past

in short

NOW MORE THAN EVER. The Great Recession is no time to skimp on stewardship, say two different experts in separate essays. David Lamb's "Donor Stewardship Critical in Tough Economic Times" at *www.philanthropyjournal.org* advises institutions to let donors know you are spending their money wisely: "They're pinching their pennies. They'll appreciate it if you do the same." Jeffrey Schoenherr of Johns Hopkins Institutions tackles the topic in an article in the *Chronicle of Higher Education* (search "stewardship" and "Schoenherr" at *www.chronicle.com*), recounting how two stewardship visits laid the groundwork for future gifts.

WORK IT OUT. Julia Emlen takes her show on the road in "One-Stop Workshops," which focus on various donor relations topics including intentional stewardship, re-imagining gift clubs, stewardship metrics, and stewardship events. Best of all, the workshops can be tailored to an institution's specific situation and needs, and members of the Association of Donor Relations Professionals receive a 20 percent discount. For more information, go to *www.emlenassociates.com.* Eager for even more of Emlen's expert advice on the topic? Buy her book, *Intentional Stewardship*, available at *www.case.org* under "Products and Publications."

giving. We need to know whether our stewardship programs inhibit or encourage philanthropy, and the only way to tell is to monitor the outcomes.

RESEARCH FIRST

Intentional stewardship can be used to lock in the gains of a campaign, as is the case at the University of Montana Foundation. Or it can provide an organizational template ahead of a campaign. This is the situation for Washburn University in Topeka, Kan., a school that is preparing for its first comprehensive campaign. "We know we have to ensure strength and streamlining of activities among all areas within our fundraising operation," says JuliAnn Mazachek, president of the Washburn Endowment Association, "and we need to make sure we are considering the stewardship value and benefit of our entire operation before we embark on an important campaign."

Mazachek, who came to the association supporting Washburn in 2002 after serving for 10 years as an accounting faculty member and as dean of the School of Business at Washburn, has made several organizational, structural, and personnel changes in advance of a feasibility study. For the past several years, she has reviewed processes, augmented data and reporting, and enhanced the overall value-added activities of the organization. Most recently, she hired a new vice president for development who will take over her day-to-day responsibility for managing fundraising. "I anticipate that as president I will take a significant role in managing the volunteer leadership of the campaign, and I want to be ready when the time comes," she says.

Mazachek also believes it is important for the association to critically examine all its processes in light of their stewardship impact. Wendy Walker Zeller, WEA's director of donor relations and communications, agrees. "We're new to the formalized stewardship program—I am the first director," says Zeller. "While we are comfortable with events management and publications, my team is still learning the importance of using data to fully understand and show support for the impact of our various programs. We are learning from the numbers that some of our efforts at stewardship and donor relations can be strengthened and more focused to accomplish our key goals—to engage and sustain the philanthropic intention of our donors to the association." With the stewardship audit completed, the association is now refining its communications strategy and reviewing stewardship activities in relation to their impact on philanthropy.

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DIGGING INTO THE DETAILS

The audit at the University of Montana Foundation began with a survey of the opinions of the key members of the organization who had been selected to serve on a stewardship audit steering committee. The survey was based on the Donor Bill of Rights and covered areas including communications, board participation, policies and procedures, and acknowledgment and recognition. Based on the survey results, interviews with staff members, and observations during a site visit, the audit team made recommendations. All were meant to promote either message delivery, relationship management, or trust building. Each of these outcomes belonged with a specific unit: message delivery related to activities in the stewardship and communications unit; relationship management related to activities in the development unit; and trust building related to activities in the finance and operations unit.

The audit showed that some activities had been misaligned during the campaign; these were transferred to the more relevant department. The majority of these transfers occurred between the stewardship

SAY YES TO TECH. Educational institutions have begun to incorporate more technology into stewardship activities, but they have farther to go. That was one finding of an Eduventures study on stewardship practices at liberal arts colleges. The study was based on interviews with donor relations staff members at six different colleges. Other topics tackled by the study include how to steward donors of $1 million–plus gifts and how to involve students and faculty in donor relations. The study was discussed at a roundtable Web conference; view the Webinar upon request at *www.eduventures.com*, under the "Resources" section.

SELF-CHECKUP. Go to *www.case.org* for two resources that will get your stewardship ducks in a row. The Donor Bill of Rights was developed in 1993 by four fundraising associations, including CASE. Emlen uses the document, with its emphasis on acknowledgement and transparency, as a guiding principal. You'll find it on the CASE Web site under the "Samples, Research & Tools" section (click on "Principles of Practice"). In the same section, click on "Management Checklists" and view the stewardship program checklist, which will help you evaluate where your institution stands on best practices in the field.

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and communications unit and the finance and operations unit. The goal was to take advantage of the data management expertise in the finance and operations unit, while freeing resources in the stewardship and communications unit to begin to concentrate on activities aimed at the retention and cultivation of the major gift prospect pool.

• **Streamlining acknowledgment.** The first major shift in responsibility involved organizing donor acknowledgments as the final step in the gift-receipt process. Previously, the stewardship coordinator individually crafted letters to donors from 10 personalized templates. Production was slow, and there was no apparent benefit from the individualization of the letters. The stewardship and communications unit now periodically drafts the templates associated with acknowledgments, and the finance and operations unit manages the process, using an efficient, semi-automated computer program.

• **Managing report production.** The second major shift occurred in the way endowment reports were processed. We moved management and formatting of the reports from the stewardship office to the finance and operations unit, although the stewardship and communications unit still prepares text for the reports and helps design them. Finally, we engaged an outside vendor, Lexinet, to produce and distribute the reports. Using an outside vendor made the staff more disciplined since it meant that they had to meet Lexinet's schedule and deadlines. Benchmarks in the work plan for generating the reports have been added to the new master calendar to make the processing smoother in the future.

• **Centralizing gift agreements.** Another transition involved gift agreements. Previously, the stewardship coordinator wrote individualized letters of agreement, a cumbersome process. We moved this responsibility to the finance and operations unit, connecting gift agreements more closely to the unit charged with gift posting and pledge monitoring. Again, this fosters discipline, making the new agreements less about donors' individual preferences and more about the priorities of the university and the policies of foundation accounting. In this same vein, the foundation is developing a gift-acceptance policy and enforcement committee, to be managed by the operations unit.

NEW PRIORITIES

Once these activities had been transferred to the finance and operations unit, stewardship staff had the time and resources to consider new initiatives and ways of organizing their work. Two areas of important innovation concerned establishing a master calendar for the foundation and beginning special targeted stewardship activities to encourage greater philanthropy from specific segments of the donor pool.

One of the most complex initiatives taken on by the foundation was establishing a calendar of activities for the entire foundation staff. Each department had a Microsoft Outlook calendar that had been in use for several years and tracked travel and significant activities and events. As part of the reorganization strategy, a small working group determined which significant events or dates would be stored on the shared calendar and created a process for staff to input the information. The group also trained foundation staff on the use of the calendar.

This turned out to be a trial-and-error effort as the committee weighed what constituted a valid entry and what didn't. Some entries had too much detail for the foundation calendar and belonged on unit-specific work plans.

Eventually, we decided that deadlines or activities that required outside action would be put into the foundation-wide calendar. Cultivation, alumni relations, and stewardship events were included in the calendar to minimize conflicts. A monthly calendar review is currently in place as well to look for opportunities and gaps in the activities of the foundation.

While the calendar system is not perfect, it has prevented a number of event conflicts and promoted better production workflow as deadlines are honored. Data input and correction, endowment expenditures, and other assignments now are carried out in advance of deadlines and within the units from which the action derives, rather than bottlenecking on the desk of the stewardship coordinator. Because planning and work are now based on a foundation-wide calendar, there are fewer surprises or lapses.

Most important, focused stewardship activities—for instance, special correspondence to individuals or selected groups of donors—that might advance philanthropy within a specific segment of the donor population can be considered. Personalized stewardship of groups or individuals that might have been beyond the resources of the office previously are now a part of the plans advanced by the stewardship and communications unit, in collaboration with colleagues from the other two units.

As a result of the audit, the foundation has captured resources to add a layer of stewardship that had not been easily managed before, without adding personnel to the foundation staff in the postcampaign era. Getting to this point took about 18 months after the completion of the audit. Currently, the foundation is forming a stewardship working group that will identify donors who should receive focused, time-limited attention; determine a work plan for the stewardship activities identified for these special groups; and evaluate the effectiveness of the activities in promoting continuing philanthropy. In addition, the group will begin to investigate and flag problems that may have a negative effect on donations and try to tackle them, with techniques to improve giving regularity, giving to the priorities, and other philanthropic goals.

In the next six months, the foundation will finish drafting a set of gift-acceptance policies and procedures. A calendar-review process will be formalized and expanded beyond the executive leadership committee to include additional members of the staff and to serve as a more complete planning device. Methods for evaluating the effectiveness and efficiency of the focused stewardship activities will also be established.

The initial structural and functional strategies developed by Laura Brehm in advance of the campaign, however, have proven to be valuable. The audit resulted in greater definition of the roles of each unit, with transfer of some work to a more appropriate department. Data management and data integrity are solidly within the purview of finance and operations, while acknowledgment text is crafted by the stewardship and communications unit. Preparation of the endowment reports is also a collaborative effort. The development unit participates in the focused stewardship working group and helps decide how best to deliver important messages, whether through events, publications, or other communications activities. Increasing efforts to evaluate the impact of these activities on philanthropy will be important in consolidating the changes that grew out of the precampaign reorganization and the postcampaign stewardship audit. C

Julia S. Emlen is the author of *Intentional Stewardship: Bringing Your Donors to Their Highest Level of Philanthropy* (CASE, 2007).