



Communicating the Impact of Big Ideas

The Donor Investor Imperative Part Three

Advancement Forum

Donor Investor Imperative Webconference Series



Part Three of a Four-Part Sequence

1

The Rise of the Donor Investor
Available on-demand at eab.com

2

Sustainably Sourcing Big Ideas
Available on-demand at eab.com

3

Communicating the Impact of Big Ideas

4

Perfecting the Pitch to Appeal to Today's Donors
March 29

▶ **Register for forthcoming webconference at:**

<https://www.eab.com/research-andinsights/advancementforum/events/webconferences/2017/the-donor-investor-imperative>



Donors Seek Transformative Impact

Affinity to Issues, Not Institutions

Donors Are Impact-Centric

62%

Want information on how the organization plans to use the gift

75%

Want information on results achieved with their gift

64%

Want stories about people who were helped

How Next Generation Donors Consider Philanthropic Investments¹

- 1 Setting Goals**
First decide philanthropic goals, then search for potential recipients
- 2 Evaluating Organizations**
Conduct research and due diligence before deciding what to support
- 3 Solving Problems**
Fund efforts that address root causes and attempt systematic solutions
- 4 Analyzing Results**
Prefer information on proven effectiveness or measureable impact

Source: Burk P, "The Burk Donor Survey: Where Philanthropy Is Headed in 2013," Cygnus Applied Research, Inc., Sept. 2013; Johnson J, "Including the Young and the Rich," *New York Times*, Apr. 18, 2014, www.nytimes.com/2014/04/20/fashion/white-househosts-next-generation-young-and-rich.html?_r=2; Johnson Center for Philanthropy, 21/64, "#NextGenDonors: Respecting Legacy, Revolutionizing Philanthropy," 2013, www.nextgendonors.org/wp-nextgendonors/wp-content/uploads/next-gen-donor-reportupdated.pdf; *Fulfilling the Donor Investor Mandate*, Philanthropy Leadership Council, The Advisory Board Company 2014, 11; Advancement Forum interviews and analysis.

1) Survey participants were individuals aged 21 to 40 years-old who were "currently or potentially active in their families' significant philanthropic processes and/or who are wealth creators themselves and currently or potentially active in their own philanthropy."



Giving Preferences of Donors Age 35-65

- Specific initiatives
- Clear case
- Measurable results
- Best to address issue

“Middle-aged donors are impressed when their giving is tied to **specific initiatives that produce measurable results**, and when fundraisers **communicate those results based on information in a compelling fashion.**”

A Trend Increasingly Seen in Higher Education

“The higher education sub sector has seen a significant change within the context of philanthropy, one that I’ve witnessed first-hand. **As faculty members, we were once insulated from showing impact and reporting data. That is no longer the case...** we’re being asked by funders and donors to share more than ever before, and we are holding ourselves to a **higher standard** in demonstrating the impact of our work.”

*Una Osili, Ph.D.
Director of Research,
Lilly Family School of Philanthropy
Indiana University-Purdue University
Indianapolis*

Could Newton Get Donor Funding Today?



Big Ideas RFP



Grand Ideas Process

Principal Investigator:

Isaac Newton

Project Title:

Mathematical Principles of Natural Philosophy

I. Basic Description:

This project will describe the mathematical laws that govern the motions of all bodies and will propose a law of universal gravitation from which can be derived the motions of the planets.

II. Predicted Impact Over Time:

This will revolutionize human knowledge and scientific investigation

III. Estimated Cost:¹

\$5 million over five years

IV. Other Sources of Funding

Donors' Comments

What kind of societal impact might this project have?

Have you lined up any corporate partners?

Do you have institutional matching funds?

Do you have collaborators from other disciplines (especially engineering, bioscience)?

What are the potential real-world applications?

What types of outreach will be involved (beyond an academic publication in Latin)?

1) Adjusted for inflation.

Faculty Critical for Identifying Impact

Peer-Reviewed Journal Articles Are Not For Donors

Unique Attributes of Big Idea Faculty



Expertise

Specialized knowledge and training about a specific discipline or issue



Data

Qualitative and quantitative information about research and results



Narratives

Passionate, compelling stories about why the research matters

Burden of Scholarly Impact Often Impedes Easy Data Extraction

“In marketing speak, you take liberties that might not be fully substantiated. But the academic side wants to be accurate and fully explain everything.”

*Vice Chancellor, University Relations
Public Research Institution*

“Their credibility is on the line, and they worry about what other academics will say, which sometimes prevents them from telling a good story, or adds tension to the process.”

*Associate Vice President for Development
Private Research Institution*

“Impact” Is a Flexible Term

No Standard Definition or Expectation

Multiple Indicators of Impact

Issue-Specific Impact



Of donors seek information about long-term benefits to society from addressing or resolving issues

Organization-Specific Impact



Of donors seek information about the impact of an organization

Overall issue size and scope



Specific issue subset addressed

All populations affected



Geographic area and population served

Innovative solutions developed



Projects to be funded through philanthropy

Helping Faculty Link Work to Societal Issues

Jump Start Outside-of-the-Lab Thinking

Appreciating Innovation Anywhere

“Anybody with significant means anywhere in the country will have a **national, if not a global mindset** of how they think the world is moving, and what the innovations are. **They will appreciate innovation anywhere** and investments for their own communities or the world to continue to thrive.”

*Amir Pasic
Dean, Lilly Family School of Philanthropy
Indiana University-Purdue University
Indianapolis*

From the Lab to the Global Stage



Faculty Research

Behavior, senescence, parasitology, predation, and conservation of Malagasy lemurs



Local Area Affected

Ranomafana National Park, Madagascar



Societal Issue Set

Climate change, public health, conservation



Impact to Scale

Local, regional, and global spheres of impact over time



Treating Faculty Like Donors

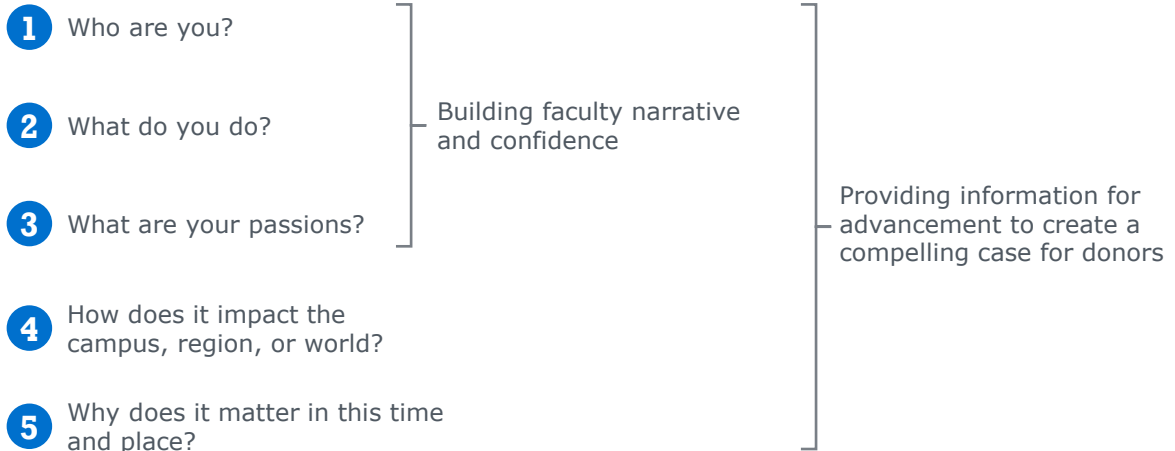
Faculty Discovery Visits Provide More Intel on the Project



Capture Details to Create the Proposal

Using a Storytelling Framework to Start the Conversation

Get to Know Their Passions and Help Build the Project Narrative



Faculty Discovery Visit Logistics



Lasts 30-45 minutes



Occurs in their office or lab



Conducted by a gift officer or communications staff



Framing Projects in a More Appealing Light

Helping Faculty Translate the RFP into Donor Investor Terms



Original “Program Overview”

“The program will successfully link concerns over access, diversity, and equity in the United States with a **hemispheric model** of internationalization. We will champion **new paradigms** to offer responses to this challenge that understand U.S. socio-economic and political processes within larger global and hemispheric contexts. This proposal includes **new classes and research agendas, multi-lingual classrooms, a strategic cluster hire, and an endowed chair.**”

Revised “Value Statement”

“We will **take the lead** in studying the **impact** of internationalization and respond to the **challenges** it presents on a local, regional, and global scale. We will answer questions about access, diversity, and equity through innovative teaching and research, fostering **collaboration among experts** and building a dialogue that is **unique to our institution.**”

Key Language Elements

-  Minimize academic jargon
-  Clearly focus on short-term outcomes and long-term impact
-  Highlight how this institution is uniquely positioned to have an impact

Communicating in Their Terms



Value Category	Sample Terms and Phrases for Donor Investors
Innovation	Academic and translational research leader, innovation incubator, technology pioneer, entrepreneurship center
Competitive Advantage	Attract and retain top talent, improve access to higher education, become the leader in the field, maintain a tradition of excellence
Research Outcomes	Solve global problems, answer societal questions, translate data into impact
Impact	Improvement over time, catalyst for change, local community, regional development, global shift
Financial Performance	Sustainable initiatives, efficient management, seed funding, institutional investments
Recognition	National rankings, faculty awards, public reputation, competitive research grants and fellowships
Progress	Time to reach goal, key milestones, new or additional investment, seed funding
Community Value	Impact on the local community, reach underserved populations, student engagement

Setting Expectations Upfront

Using Impact Worksheets to Plan for Stewardship



A Tool to Set Expectations for Faculty (and Donors)

Discovery Visit



Create Impact Reporting Worksheet



Implement Impact Worksheet



Use visit to determine next steps

- Define “success”
- Identify crucial project milestones
- Consider potential roadblocks

Sets path for stewardship with Impact Reporting Worksheet

- Create donor engagement and reporting plan
- Set faculty expectations for participating in stewardship
- Determine data to be shared during project

Check-in with faculty to gain data for impact reporting

- Impact worksheet sets schedule for check-ins
- Stewardship meets donor expectations
- Plans in place for roadblocks or delays

Tell Them Exactly What You Need

Worksheets Simplify, Standardize Process for Big Ideas Faculty



Impact Information Worksheet

- 1. What is your progress on the milestones agreed upon initial receipt of funding?**
- 2. How are you tracking towards desired project outcomes?**
- 3. Do you have an example of an impact story from this project?**
- 4. What could philanthropy enable you to do next?**



Forthcoming Toolkit



Key Considerations

- Refer to case proposals for metrics and milestones that faculty agreed to track
- Development staff pre-populate worksheet with milestones
- Request anecdotes, photos, and charts to add color to impact communications
- Ask for information about future opportunities for reinvestment
- Provide faculty sufficient time to complete worksheets
- Share worksheet via email or in a live conversation with faculty

Show How the Funds Will Be Used

Building a Donor-Friendly Project Budget

Riva Ridge University¹ Faculty Determine Project Details

“ Things have to be faculty-driven. It’s been a process of **educating faculty about practical considerations** of what the plan looks like. **They’re the ones who are going to have to sustain it.** If faculty aren’t committed to a project, there’s no way a project would be sustainable over the long-term... **They have to connect all of the dots** before we can have bigger strategic conversations or get donors involved.

*Executive Director of Development
Riva Ridge University*

Elements of a Project Budget



Faculty Cost Estimate

Faculty create budgets with projected expenses for new initiatives



Institutional Investment Projection

Chief Financial Officer determines institutional funding for new initiatives



Impact Over Time

Pro forma shows long-term impact of philanthropic and institutional investments



Showing Impact of Funding

Project proposal includes overview of funding sources and sustainability over time

1) Pseudonym for a private master’s institution.

Modeling Gift Impact

Donors Receive Individualized, Simplified Five-Year Pro Forma Pro Forma Models Gift Outcomes and Investments

Entrepreneurship Center: No Philanthropic Support

	Year 1	Year 2	Year 3	Year 4	Year 5
Student Fellowships	5	5	6	7	8
Business Seed Funding	\$4,000	\$4,080	\$4,160	\$4,250	\$4,300
Cost to Institution	\$500,000	\$100,000	\$75,000	\$75,000	\$75,000

Entrepreneurship Center: \$5M Philanthropic Support

	Year 1	Year 2	Year 3	Year 4	Year 5
Student Fellowships	5	10	12	14	17
Business Seed Funding	\$10,000	\$10,200	\$10,400	\$10,600	\$10,800
Cost to Institution	\$0	\$0	\$25,000	\$25,000	\$25,000

Entrepreneurship Center: \$10M Philanthropic Support






	Year 1	Year 2	Year 3	Year 4	Year 5
Student Fellowships	10	20	24	28	33
Business Seed Funding	\$15,000	\$15,300	\$15,600	\$16,000	\$16,300
Cost to Institution	\$0	\$0	\$0	\$15,000	\$15,000

Critical Components to Model Gift Outcomes

- Proposal and project budget from academic partners
- Financial data from CBO or investment manager
- Financial model to predict future costs and returns based on gift size
- Estimated project investment from the institution
- Size of potential gift from prospective donor

Shows increased impact and reduced cost to institution for largest gifts

Working with Faculty to Build Better Proposals

-  Details from faculty discovery visit
 -  Terms translated for the donor investor
 -  Prewired milestones for impact reporting
 -  Transparent project budgets and financial estimates
-
- ↓
-  Clear case for investment

W UNIVERSITY of WASHINGTON

Proposal Elements Anticipate Donor Questions



Mission and Purpose

- What problem are you trying to solve?
- How is your unit uniquely qualified to tackle this problem?

Goals



- What action will you take?
- How will you measure success?



Fundraising Plan

- What will the gift fund?
- How will the donor's gift shape the outcome?

Impact



- What will be the benefits of your action?
- Why is this now a pressing need?

Where Gift Officers Currently Struggle

- ✘ Quantifying and demonstrating gift impact
- ✘ Using background research to surface data and stories
- ✘ Crafting compelling collateral to engage donors
- ✘ Evaluating impact of specific gifts to promote stewardship

> Two Alternative Staffing Models

1

Assign to Existing Staff

Existing staff upskilled to create donor-facing cases

- Cost-effective
- Opportunity for professional development



Consider assigning creation to:

- Major gift officers
- Marketing and communications staff
- Unit Liaisons

2

Hire Additional Staff

Staff hired to craft the case for big ideas

- Consistent voice across collateral
- Written communications skills already strong

UC DAVIS
UNIVERSITY OF CALIFORNIA

Case exemplar:

- Three dedicated FTEs create all case statements and proposals
- One FTE added to support big ideas process

Watch Our Webconference on Case Making

Positioning Your Institution as Best to Address the Issue



On-demand webconference
available now at eab.com:

Crafting a Compelling Case
*High-Impact Proposals for Today's
Donor Investor*



Target Audience

Frontline fundraisers, including
major gift officers and directors
of principal giving

What You'll Learn



Using big ideas as a basis for
donor proposals



Capturing critical components to
make the case for investment in
your institution



Selecting impact metrics and
communicating them in donor-
friendly terms



Creating timelines for effective
stewardship and impact reporting
from academic partners



Assembling concise,
compelling collateral

▶ Key Takeaways

- Discover faculty passions through discovery visits
- Translate big ideas into donor-friendly terms
- Prewire impact reporting by agreeing on milestones
- Show donors the impact of their gift
- Create a clear, concise case for investment

Forthcoming Resources

Ease implementation with:

- Faculty Discovery Visit Conversation Guide
- Big Idea Proposal Template
- One-Page Impact Report Template
- Pro Forma and Project Budget Excel Templates

A Tool to Get You Started

Discussion/Self-Reflection and Implementation Guide



- ▶ Assess how you currently identify impact with faculty members
- ▶ Identify strengths and areas for improvement
- ▶ Select resources to distribute
- ▶ Prioritize practices to implement immediately or consider for the future

Evaluating Today's Session



Please take a minute to complete our survey about today's webconference.

Contact Information



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