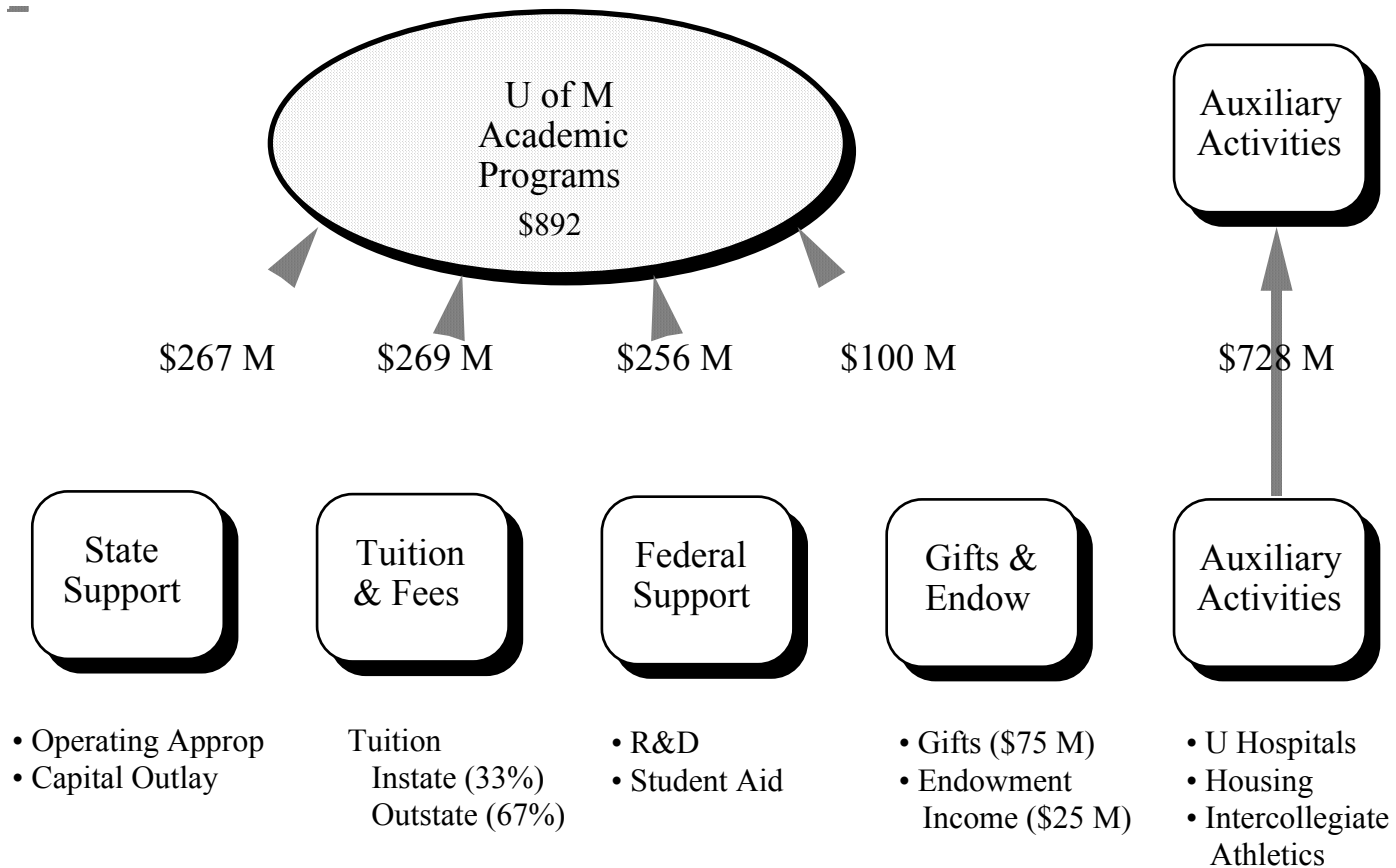


**Leadership for the 21st Century:**

**The Challenge for the 1990s**

# UM Revenue Portfolio (FY90)



# State Initiatives

## Immediate (this fall)

- **Expand Lansing team (4+ FTEs)**
- **Build coalitions with other public institutions**
- **Identify and cultivate "champions" in Legislature**
- **Attempt to strengthen relationship with Governor**

## Near Term (this year)

- **Media Relations effort**
- **Community Relations effort**
- **Alumni network (Michigan Advancement Council)**
- **M-PAC**
- **Development of Private Leadership "Roundtable"**

# Federal Initiatives

## Immediate (this fall)

- **Establish permanent Washington office**
- **Build relationships with Michigan Congressional Delegation**
- **Coordinate Washington team (3+ FTEs)**

## Near Term (this year)

- **Alumni Networking**
- **National Educational Organizations**
- **"Deep" games???**

# Tuition Potential: Prices and Costs

## Tuition Model #1: Market-Driven

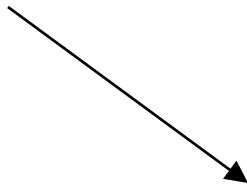
Set outstate tuition at market:	\$12,000
Subtract out state subsidy per student	<u>- 7,500</u>
Instate tuition levels	\$4,500

## Tuition Model #2: Cost-Driven

Actual cost: (GF+DF+ERF)/35,000	\$23,000
Subtract out federal and private support	<u>- 11,000</u>
Outstate tuition levels	\$12,000
Subtract out state subsidy per student	<u>- 7,500</u>
Instate tuition levels	\$4,500

# Political Constraints

The MET Gorilla



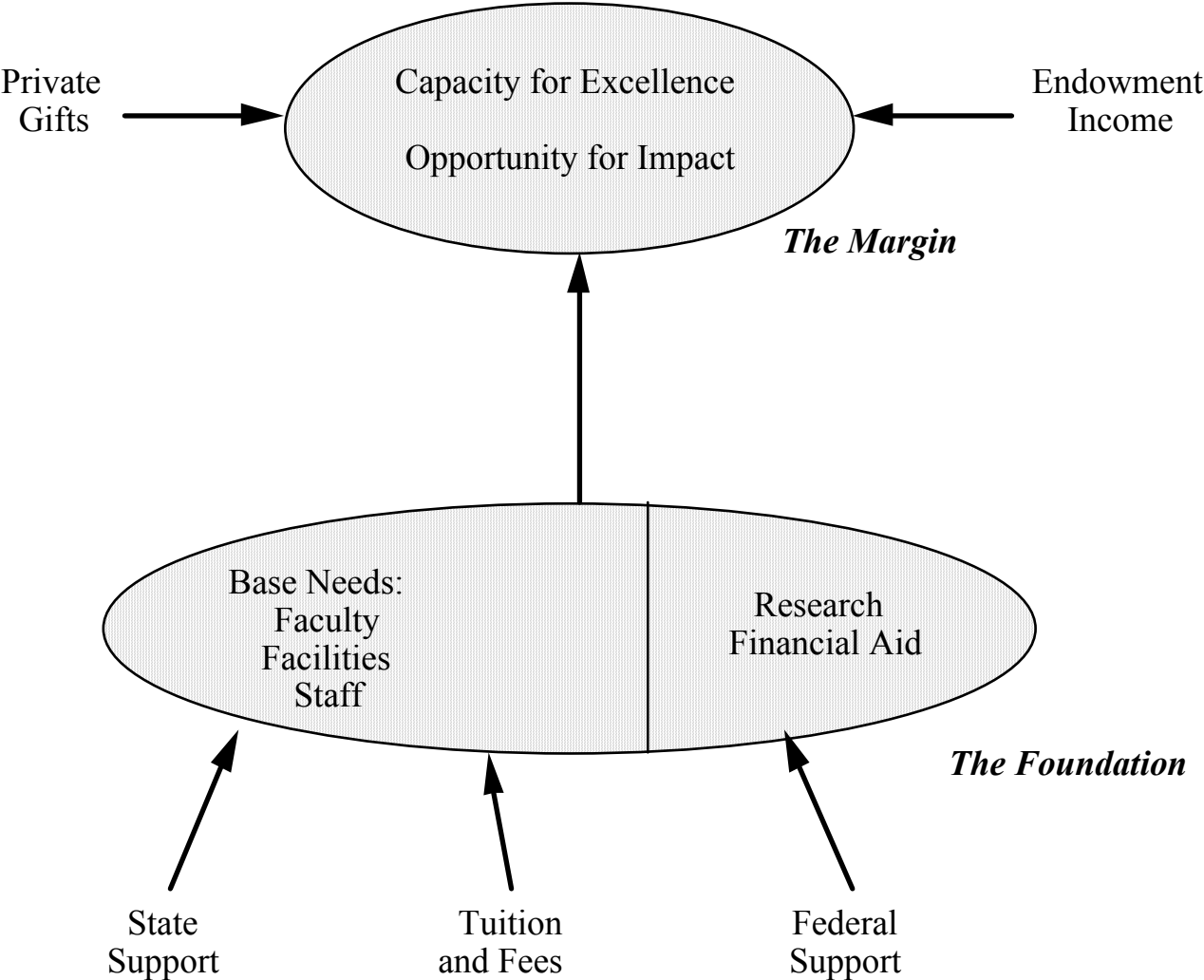
Instate  
Tuition

\$4,500

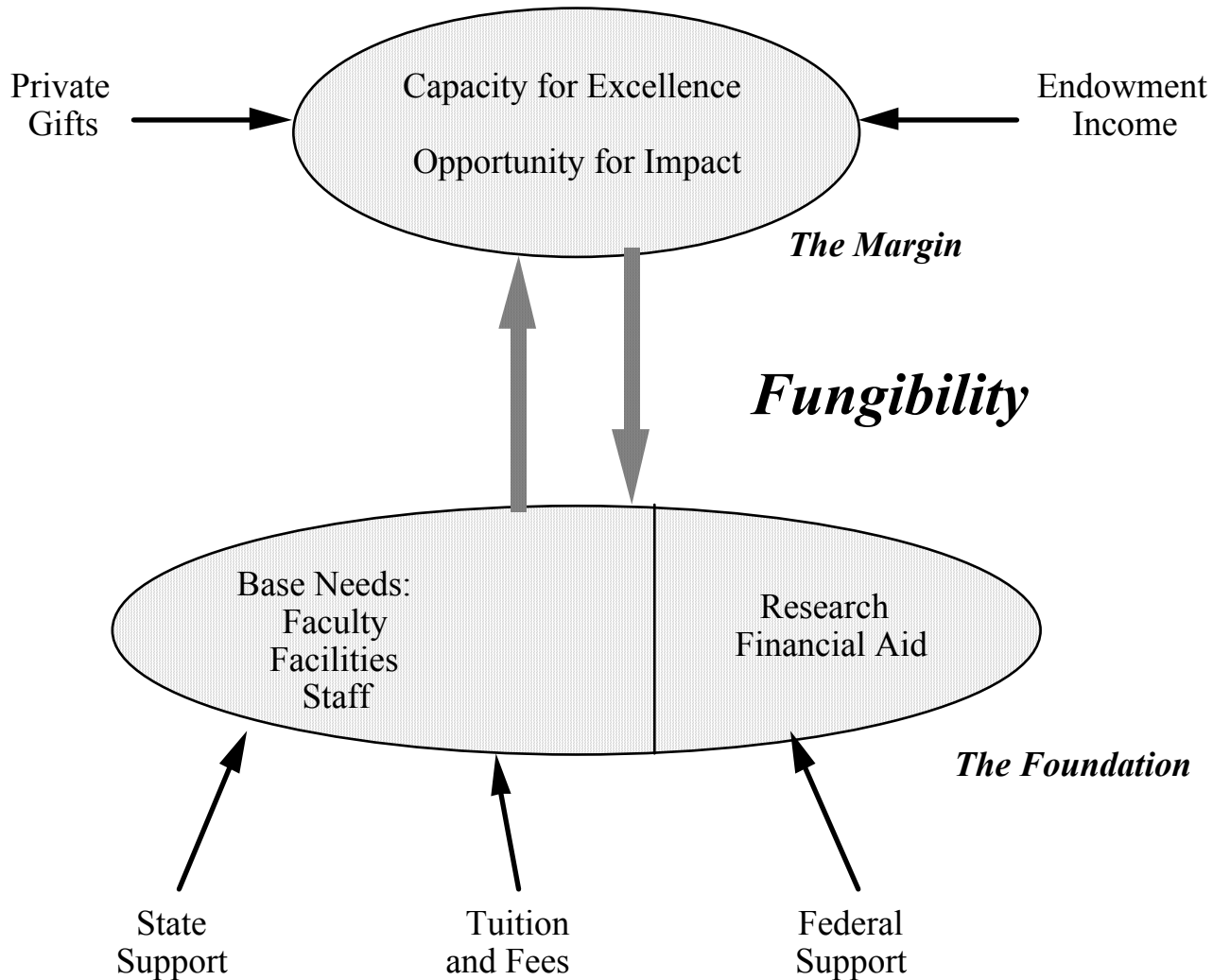


\$3,200

# The Importance of Private Support

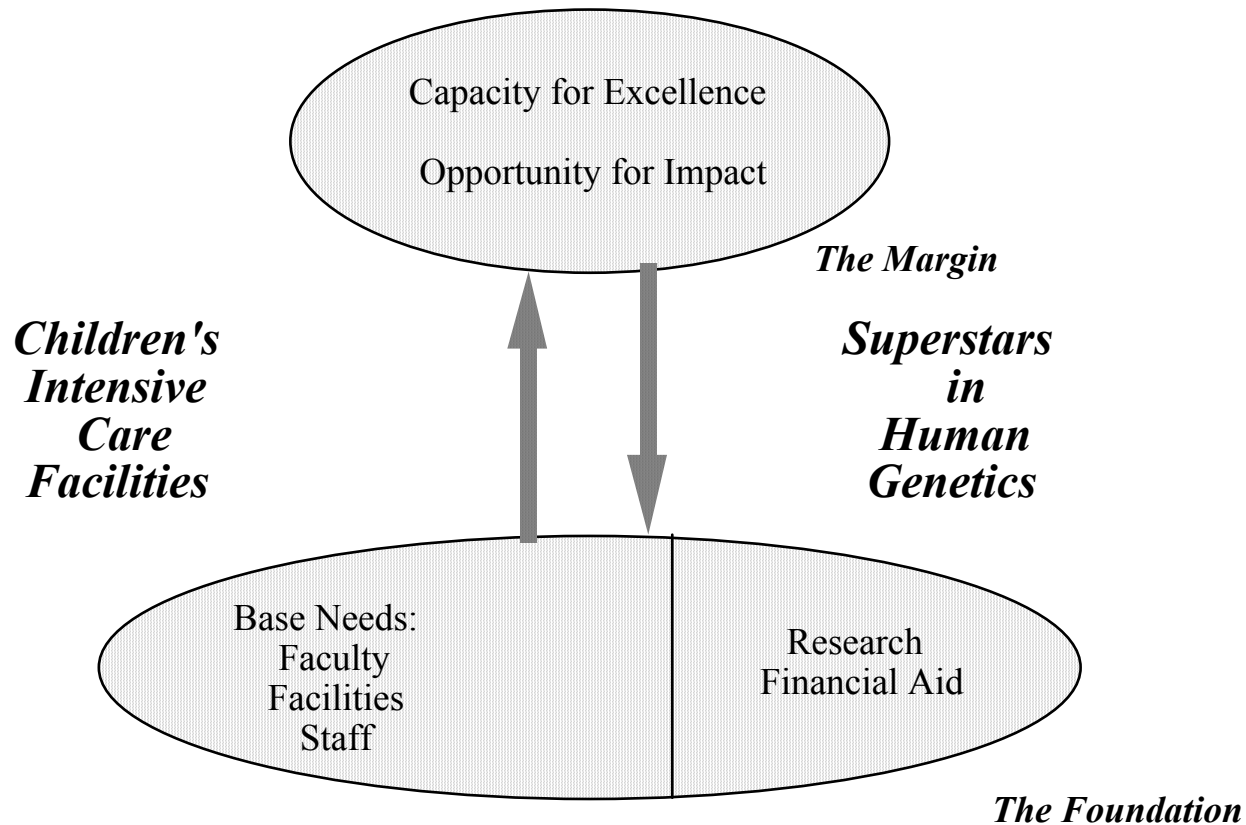


# Flexibility and Fungibility

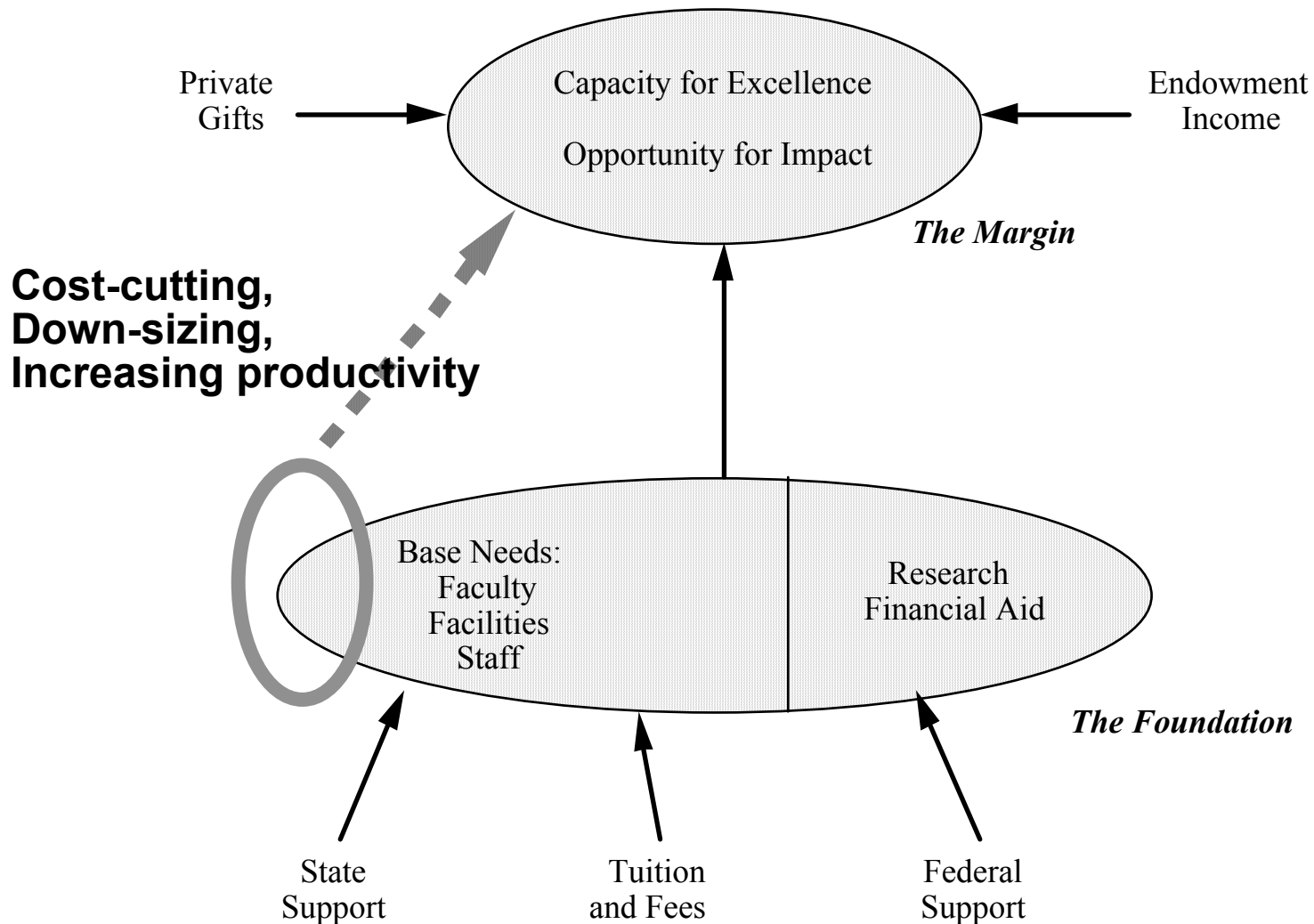




# Flexibility and Fungibility: An Example



# "Cost-Cutting" Approaches



# The Opportunity for Impact

## Examples from the past:

**Cook Bequest (\$ ) ==> One of top 3 law schools in US**  
**Rackham Endowment (\$ ) ==> One of top graduate schools**  
**Bus Adm support (\$ ) ==> Top public Bus School in US**

# Present Projects

1. **Football administration building (\$12 M)**
2. **Aerospace Building (\$10 M)**
3. **Social Work Building (\$8 M)**
4. **Pharmacy Wing (\$3 M)**
5. **Humanities Institute (\$10 M)**
6. **Rackham Renovations (\$5 M)**
7. **AAA Museum (\$30 M)**
8. **Bus Ad Campaign (\$40 M)**
9. **Med School Campaign (\$80 M)**
10. **Other traditional themes: chairs, financial aid, facilities, programs,...**

# Examples of Opportunities

- **Superstar Funds (Nobel Laureates, National Academicians,...)**
- **Fairchild-type Visiting Scholar programs**
- **Out-of-state Student Financial Aid**
- **Super Teacher Fund**
- **Michigan Mandate**
- **School Campaigns:**
  - Business Administration**
  - Medicine**
  - Law**
  - LS&A**
  - Music**
  - ...**

# Unusual Opportunities

- **AAA Museum (Art, Archeology, Anthropology)**
- **Gerald R. Ford Center for Public Policy**
- **Institute of International Affairs**
- **Undergraduate Education**
- **"Participatory" Intercollegiate Athletics (Tier II)**

# **"Macro-Projects"**

- **Societal Infrastructure: K-12 Education, the Family, Poverty, Crime, Public Health, Cities and the Underclass**
- **The Michigan Mandate: diversity and unity, multicultural and multiracial communities**
- **Global Change: (global warming, biodiversity, environmental impact) scientific, political, and economic issues**
- **Manufacturing for the 21st Century: Engineering, Business Administration, Social Sciences**
- **"Globalization" of the University: Existing programs (Asia, Europe), New programs (Africa, Latin America), Cross-Disciplinary programs (Pacific Studies, Northern/Southern Hemisphere Interactions), overseas campuses, language/cultural institutes**

# General Areas

- **Endowment**
- **Facilities**
- **Financial Aid**
- **Programs**
- **Other**
  - Cultural Programs**
  - Campus Beautification**
  - Undergraduate Experience**



# Tactical Issues

# **The Realities of a "Giga-Campaign"**

- 1. Such an effort will require a major commitment on the part of the University leadership...President, EOs, Deans, and Regents.**
- 2. We will need a stronger volunteer network...comprised of people that are willing to "kill for Mother Michigan"...**
- 3. Such a campaign must be tightly coordinated with other University outreach activities (e.g., state and federal relations, alumni relations, public relations).**
- 4. We will need to attract several VERY large gifts...in the \$30 M to \$50 M range.**
- 5. We will need a truly compelling case!**  
**You simply cannot raise these amounts for the usual wish list (new buildings, faculty chairs, scholarships...).**  
**Further, the strategy of the 1980s campaign of simply incorporating ongoing efforts will not work.**  
**Rather, we will need new, exciting, and compelling programmatic elements.**

# Some Key Strategic Issues

## 1. Do we have the correct Development emphasis and structure for such an effort?

- Should there be more central focus on major gifts... particularly in the \$1 M and up category (delegating to the units the primary responsibility for ongoing programs such as annual giving or particular projects not subsumed by the Campaign?)
- Do we need a "principal gifts office" that would separately handle the top 100 or so prospects?
- If we chose to focus on the top 25,000 or so prospects for the Campaign, how do we sustain our contact with the rest of our alumni and friends?
- Should we continue our effort to build major systems infrastructure...or instead, shift our emphasis to "people" focused efforts aimed at substantially increasing the rate of "asks"?

## **Some Key Strategic Issues (cont)**

- 2. How do we develop the key themes of the Campaign?**
- 3. How do we handle ongoing projects that do not align directly with the themes we choose?**
- 4. How do we decide where to allocate central resources...  
...including the President's and EOs' time?**
- 5. Do we need a different type of volunteer/leadership structure...more similar to the Board of Trustees characterizing most private institutions?**

# Initial Steps

- 1. Case Statement: Bus Ad, SOUP, AAAC, Regents**
- 2. Program Elements: APG, SOUP, AAAC, Regents**
- 3. Fundraising Targets: Development Staff**
- 4. Fundraising Potentials: Development Staff**
- 5. Fundraising Strategies:**
  - Development Staff**
  - Visiting Group/Consultants**
  - Volunteer Leadership**
  - Centralized vs. Decentralized**

## **Possible Comprehensive Themes**

- 1. Inventing the University of the 21st Century**
- 2. Renaissance and Renewal**
- 3. A Heritage of Leadership**
- 4. Serving Society in the Age of Knowledge**
- 5. The Development of Human Capital**
- 6. The University of America**

# Theme 1

## Inventing the University of the 21st Century

### Key Descriptors:

- **Stressing innovation, excitement, novelty**
- **Entrepreneurial culture**
- **Attracting and sustaining "thought leaders"**

### Subthemes:

- i) **Building a learning environment for the 21st Century**
- ii) **Developing a new model of undergraduate education**
- iii) **Restructuring the academy**
- iv) **Specific opportunities for leadership**
  - **The Michigan Mandate**
  - **The "Electronic University" of the future**
  - **The University of the World**

## Theme 2

### Renaissance and Renewal

#### Key Descriptors:

- **Stressing tradition of excellence**
- **"We're already good. But we want to get even better!"**
- **Dynamic concept of renewal and re-invigoration**

#### Subthemes:

- i) **Focus on intellectual activities**
- ii) **Forum for a number of possible thrusts**
  - **Implications of new forms of knowledge transfer**
  - **Enhanced interconnections across campus**
  - **Collaboration among schools and disciplines**
  - **Architectural renewal**
  - **Rethinking the undergraduate experience**
  - **Educational "tertiary care center"**



# Theme 3

## Leadership for the 21st Century

### Key Descriptors:

- Excellence
- High risk, venturesome, daring, courage

### Subthemes:

- i) Institutional leadership
- ii) Intellectual leadership
- iii) Social leadership
- iv) Personal leadership

## **Theme 4**

# **Serving Society in the Age of Knowledge**

### **Key Descriptors:**

- **Key strategic resource = knowledge = educated people and their ideas**
- **Focus on service to society**

### **Subthemes:**

- i) **Designing a university to educate the citizens and serve the society of the 21st Century**
- ii) **Focus on social responsibility of university**
- iii) **Linkages among teaching, research, and service**

## **Theme 5**

# **The Development of Human Capital**

### **Key Descriptors:**

- **Stress human output (rather than knowledge)**
- **Focus on "outputs" rather than "inputs"**
- **Focus on "value added"**

### **Subthemes:**

- i) **Rather than taking the traditional approach of merely attracting or selecting quality, focus on its development**
- ii) **Creating the talent pool for the 21st Century**
- iii) **Addressing changing demographic profile of America**

# Theme 6

## The University of America

### Key Descriptors:

- **America's University ... everything our nation seeks in a great university**
- **Stress national (even world) missions**

### Subthemes:

- i) **National (or international) student mix**
- ii) **Broad funding spectrum**
- iii) **High national visibility**

# Debriefing Suggestions

- **Critical to link leadership AND excellence.**
- **Our programs should stress quality and service.**
- **We need to know who our "customers" are ...and how best to serve them.**
- **We should consider a comprehensive market assessment by the best professionals.**
- **We should continue our efforts to do all we can to maximize support from the state and federal governments.**
- **We need to do everything possible to expand our support from individuals, recognizing that major increased support from corporations and foundations may be limited.**
- **We need to be certain we are effectively controlling costs.**
- **It is very important to articulate the purpose of increased fundraising.**

## **Debriefing Suggestions (continued)**

- **Assuming we have a valid and compelling case, there was broad support for an expanded program of private gift support.**
- **Finally, there was a great deal of interest in broad participation by this group in this planning process and other strategic activities of the University.**