

Alumni (Volunteers)

Introduction

A couple of curses of the scientist...

...tend to be futurists

...prefer strategy to tactics

Past three years of activity: strategic planning

Classic approach

1. Mission, goals, values, priorities
2. Environmental scanning
3. Operational objectives
4. Strategic actions
5. Tactical implementation
6. Evaluation and assessment

Another way to look at this: a business plan

- What is our product?
- Who is our competition?
- What is our market niche?
- What are our constraints?
- What do we need to accomplish our goals?

Example: T-Shirt Slogans

"To become the best public university in America"

"To become the best university in America"

"To win a national championship in a revenue sport"

Example: a single word

"excellence"

"learning"

"caring"

"LEADERSHIP"

Key Theme: Leadership

UM has always been a leader...

...really invented the American university

UM has always produced leaders

Observation 1: America is changing very rapidly

- multicultural--pluralism
- globalization
- age of knowledge

Observation 2: These changes will require changes in university if it is to remain relevant

Observation 3: Situation is very similar to 19th Century when UM invented 20th Century university

Mission: Why not assume the mantle of leadership once again...

...Why not reinvent the University of the 21st Century?

Who else?

Privates: Stanford, Cornell

Publics: UCLA, UCB, Michigan

What constraints to we face?

1. The costs of excellence
 - costs are increasing faster than resources
 - competition is becoming more intense(Implications:
shakeout
convergence of public and private)
2. Relationship with constituencies
 - students and parents
 - public
 - state and federal government
 - industry and labor
 - alumni

- faculty and staff
- 3. Corporate culture
 - Sustain:
 - commitment to excellence
 - academic value
 - key UM traditions
 - Change:
 - customer focus
 - sense of community
 - pluralism and diversity
 - long term strategic focus
 - daring, risk taking
- 4. Political issues
 - External:
 - threats to autonomy
 - erosion in public confidence
 - unwillingness to invest in future
 - Internal:
 - rising student activism
 - politics of pluralism
 - fragmentation

What is UM “market niche”?

1. Heritage as flagship of public higher education
(also bridge between public and private)
2. Quality x breadth x size
3. Quality of students, faculty, staff
4. Autonomy (ability to control destiny)
5. Liberal spirit, activism, progressive vision
6. Unusual characteristics
 - intercollegiate athletics
 - cultural opportunities
7. Unusual ability to take risks
8. Well-balanced resource portfolio
9. Alumni: 340,000 strong!

The Business Plan

FY90 Parameters

- State: \$240 M
- Tuition: \$260 M (“private public”)
- Fed: \$270 M (“national state”)
- Gifts & Endo: \$90 M
- Auxiliaries: \$700 M

How does this compare with competition:

- UM: \$21,000/student-year
- Stanford/Harvard: \$50 - 60 K
- Cornell/Penn/NW: \$30 - 35 K
- UCB/UCLA/UNC: \$27 k- 30 K

Some observations:

- In the long run, resources determine quality.
- It is clear that to compete,
- we must increase resource base...
- ...or shrink...

Prospects:

- State: Hold CPI for next decade (or less)
- Federal: DC office (campus)
- Tuition: Outstate at private marketplace
- Instate: politics (MET)
- Auxiliaries: UMH, ICA, Housing?
- Private Gifts + Endowment: This is the key!!!

Private Support

Present Situation:

- Gifts: \$72 M/year

Good growth...but still far from where it should be
(24th nationally)

UCLA: \$100 M, Stanford \$200 M

Endowment: \$400 M

Very low for an institution of UM size and quality
29th nationally (5th publically)

Conclusion: UM must use 1990s to substantially increase
both private giving and endowment

Why now?

- 1) 1990s is the time to take steps to position UM
for 21st Century
- 2) Every peer institution will be launching a
"giga" campaign during 1990s
- 3) Believe we need a "campaign level" of intensity
to challenge and excite volunteer network
- 4) Unless we can substantially increase private giving
and endowment, UM will be unable to achieve
its goal of leadership in 21st Century

The Challenge of the 1990s

- 1) To double (in constant dollars) our annual private giving
\$75 M/y --> \$150 M/y
- 2) To increase endowment
\$400 M --> \$2 B

How?

- i) Very aggressive investment policies
(FWW best in business...
Alumni advisory board, Cambridge
Note: 17% total return
- ii) A campaign level effort
We will need this level of intensity to
challenge and excite volunteer network.

How much?

- 1980s Campaign for Michigan raised \$375 M
- "Business as usual" would achieve \$450 M over 5 years
- Intensified campaign: \$600 to \$800 M over 5 years

Realities of a "Giga" Campaign:

- 1) Will require a major commitment on part of UM leadership
- 2) Will require broad and deep volunteer network
(folks willing to "kill for mother Michigan"...)
- 3) Tight coordination with other UM outreach activities
(e.g., state relations, federal relations, alumni relations,
public relations)
- 4) Will need major expansion of donor base along with
several very large gifts (\$20 - \$50 M)
- 5) Need a truly compelling case statement

Concluding Remarks

You know, Michigan is really a very special place....

It is one of only a handful of universities capable
of truly changing not only higher education,
but the nation and the world.

We believe the challenge of re-inventing
the American university for the 21st Century
...is not only an exciting and
challenging mission for the 1990s
...but it is also a mission befitting
UM's long heritage of leadership
...and it is also a challenge worthy of
the army of maize and blue alumni
across the nation and around the world

Indeed, I'd be very surprised if you
settled for anything less from your university!

The 1990s will be a time of great challenge
opportunity, and responsibility for your university.
But they will also be years of great excitement.
We urge you to join with us
in this great adventure in which
the University of Michigan prepares
to become the University of the 21st Century!