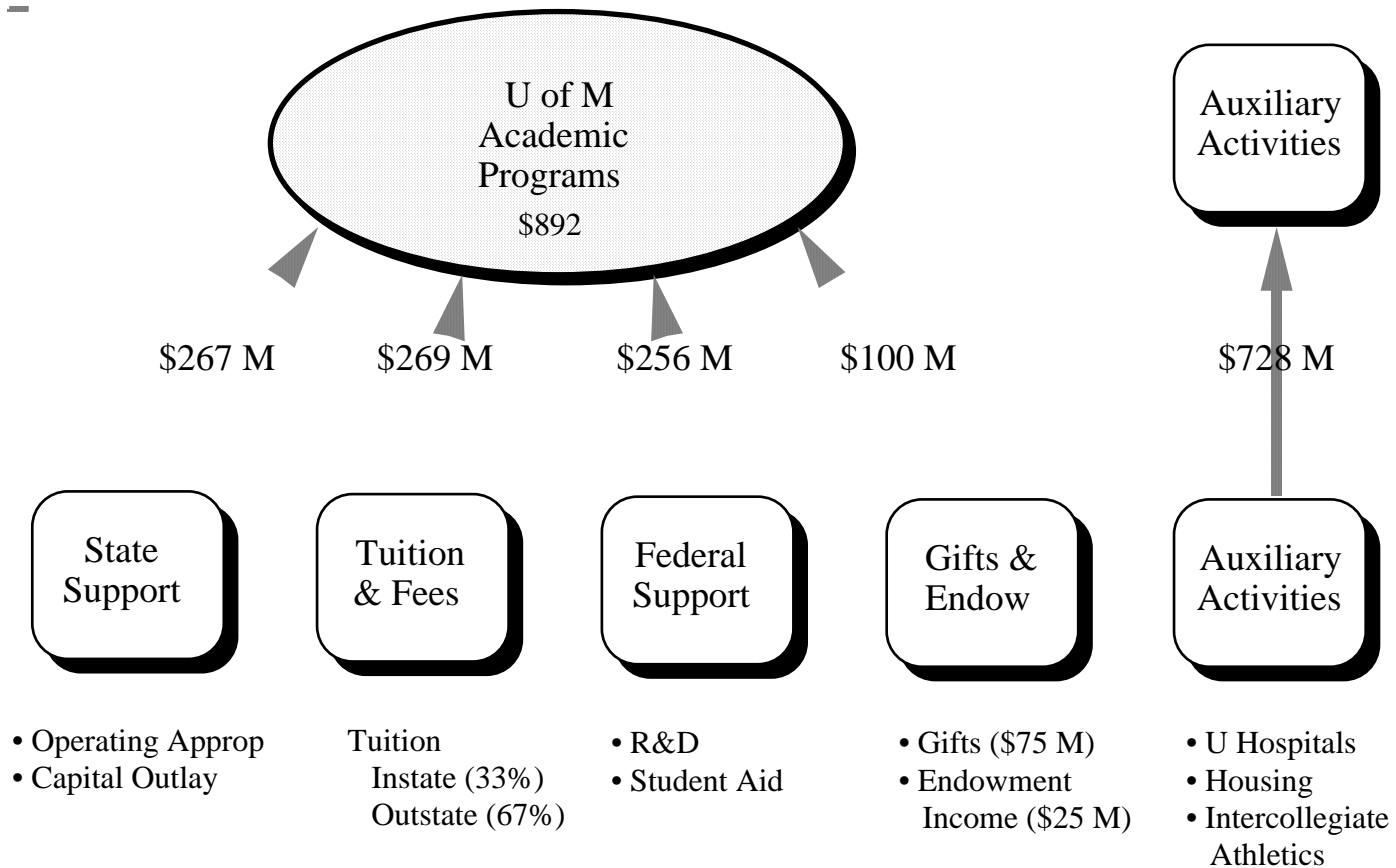


Leadership for the 21st Century:

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

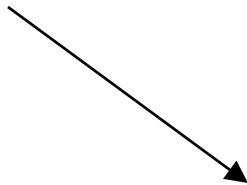
Set outstate tuition at market:	\$12,000
Subtract out state subsidy per student	<u>- 7,500</u>
Instate tuition levels	\$4,500

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



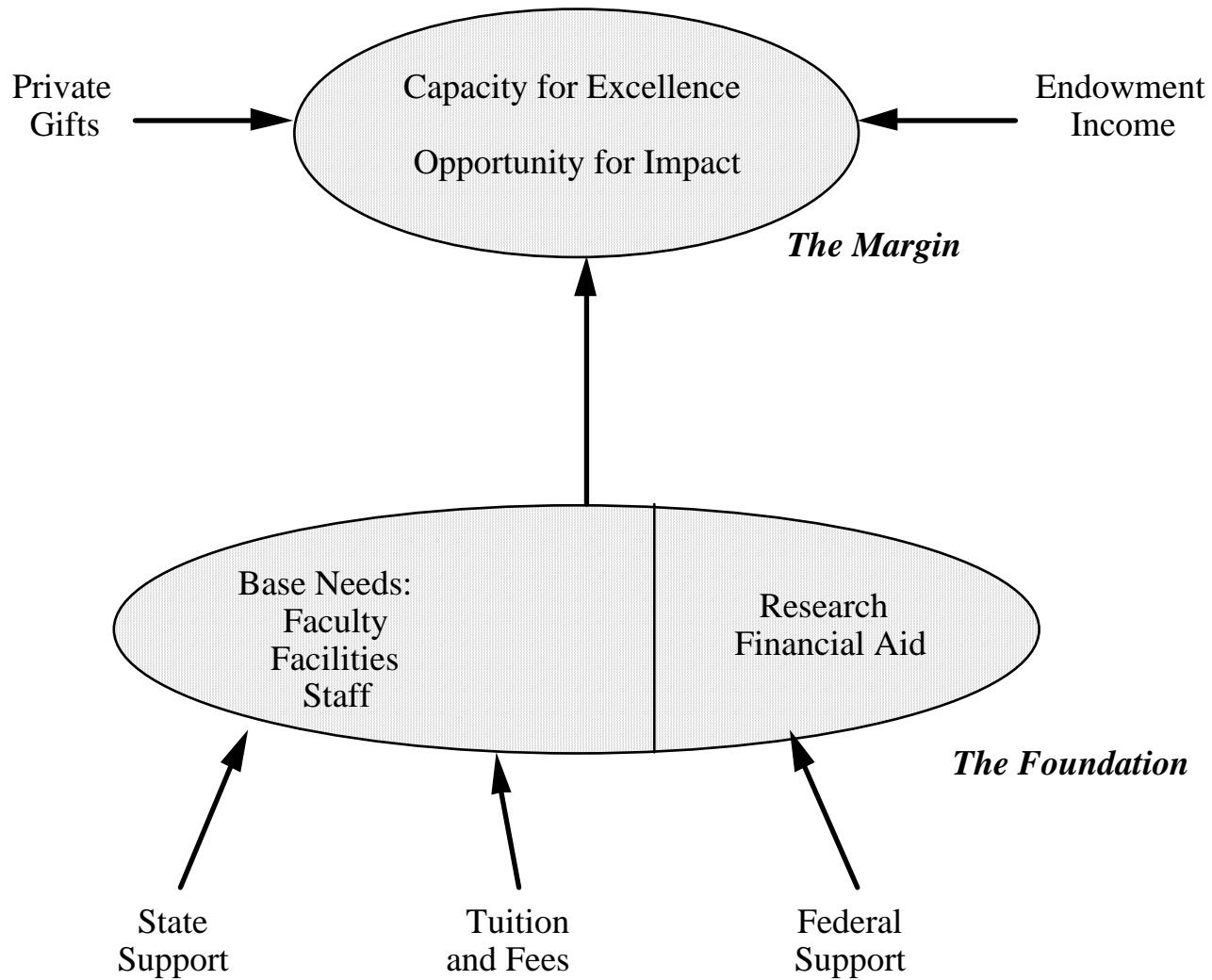
Instate
Tuition

\$4,500

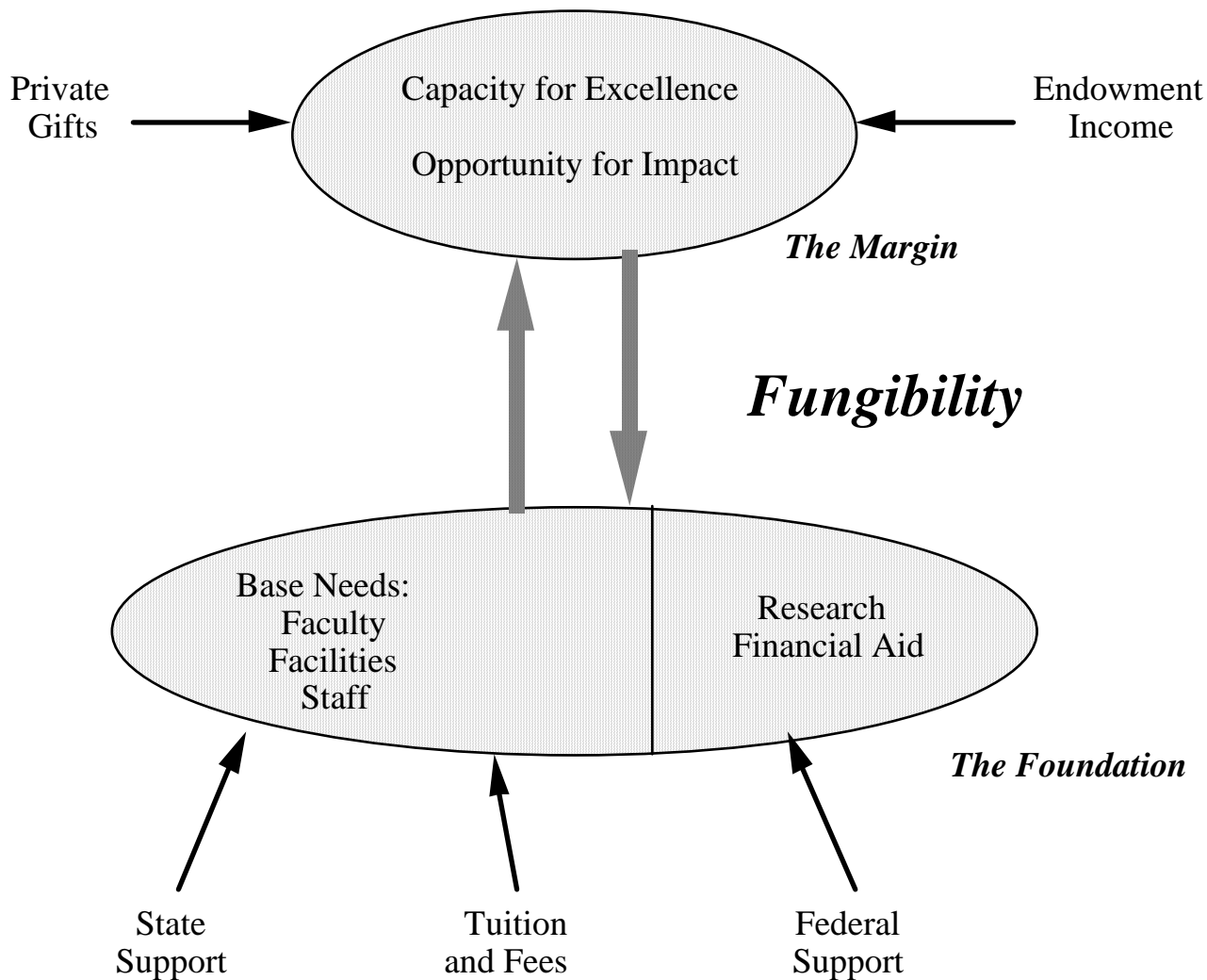


\$3,200

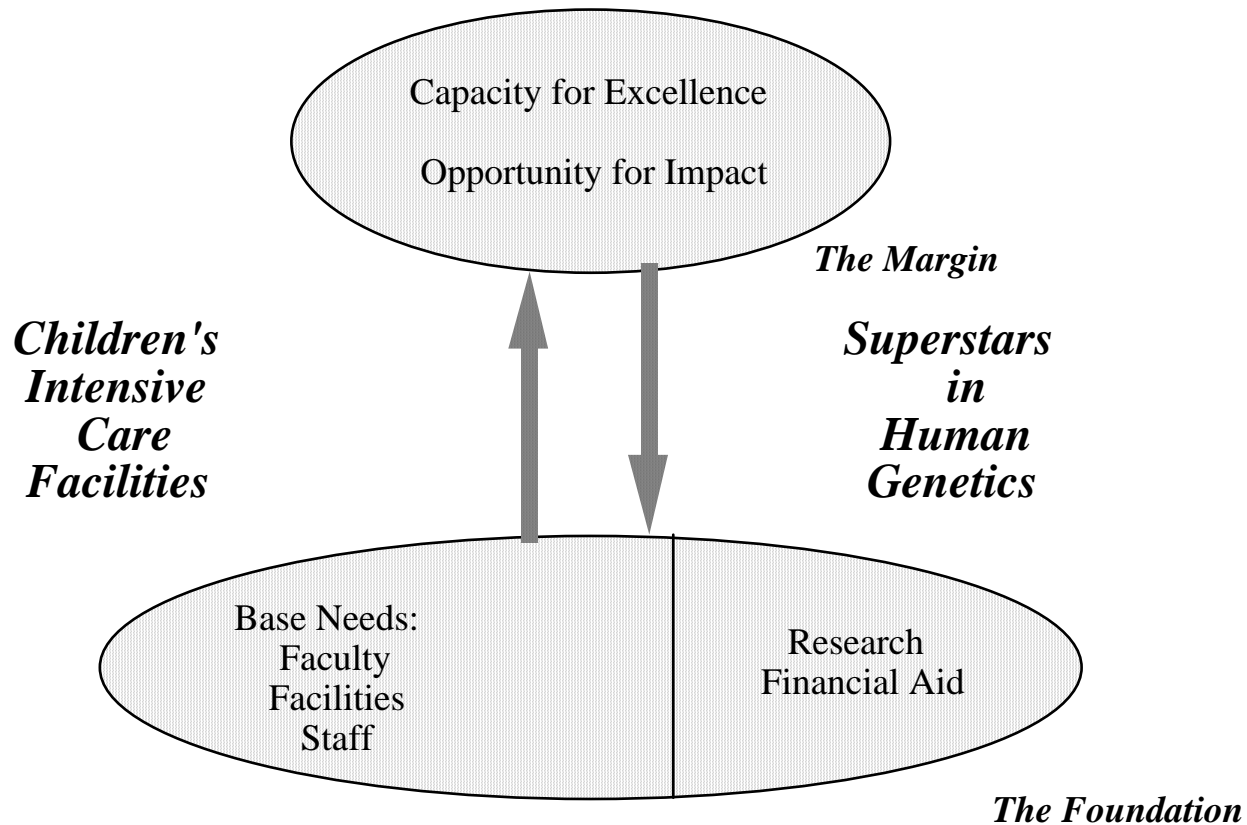
The Importance of Private Support



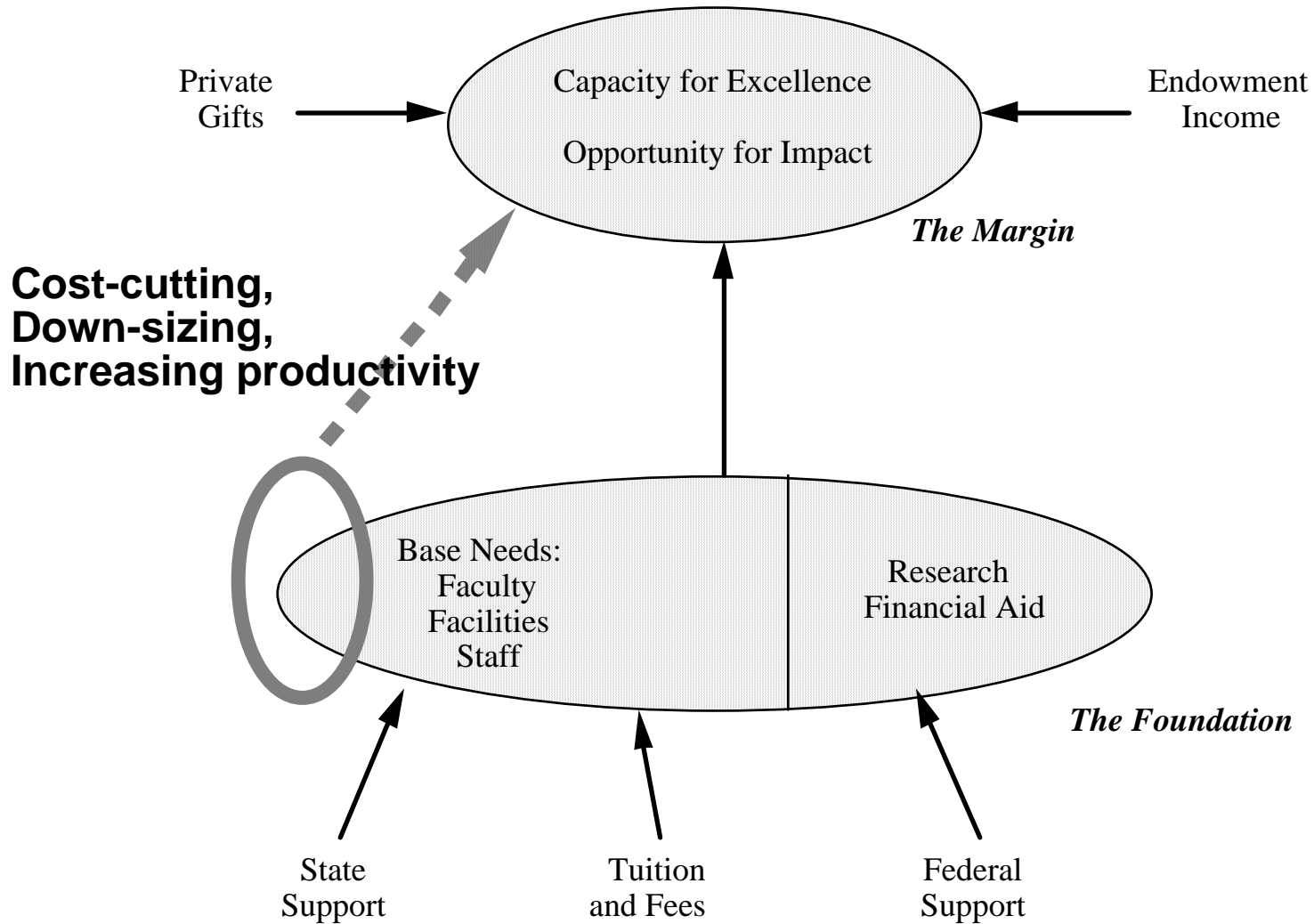
Flexibility and Fungibility



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.**