

College Gifting Process Reengineering

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Donors at a prominent small college were very disenchanted with the way they felt the college had been handling their gifts and thus were not continuing to support the college. One donor stated that he had endowed a scholarship and was surprised when he was told that it had only been awarded once in the past five years. That same donor had made a sizeable donation to the athletic department only to learn that the school had then made a corresponding reduction in the department's budget. And in each of these cases, he only found out what happened with his gifts when he called to ask. He, like other donors, thought the school should be more proactive about their communication.

Higher profile donors expressed their frustration directly to the college's senior leadership and some of them were even board members. While other, less visible donors just quietly drifted away. Since a college needs donor gifts to support scholarships and initiatives, this was having a significant effect on the institution.

The college quickly determined that the root cause of the problem was that they did not have a consistent process for gifts. Then they looked internally to develop the process and realized that they did not have the available resources with the needed expertise to properly design a sustainable process. They needed a consultant that could apply transactional process improvement tools like those used in any business reengineering effort. In this case, I was that consultant. Although it was my first foray into an academic environment (other than my days as a student), I found the business of managing the college to be very similar to what is needed in the commercial world. And the gift process was core business process that was needed to support the institution.

Now, most gifting processes are composed of 4 primary steps: receiving, acknowledging, recognizing and reporting. The receiving step is where the money is transferred to the college. The acknowledging step involves letting the donor know that the gift has been received and a tax receipt is provided. In the recognizing step, the college thanks the donor through letters, gifts, events, etc. And finally, the reporting step is where the donor is told what was done with their gift and the impact that it had.

In the case of this project, the main need for improvement, based on feedback from donors, was with the reporting steps. Reports had not been produced in several years and donors questioned what was being done with their donations. Leading to a decrease in gifting. Additionally, there were reports that a handful of donations had not actually made it into the system and so those funds weren't ever recognized or spent. This prompted leadership to take ask for help in reviewing, not only the reporting step, but the entire process.

The goal of the project was to develop a formal process that could instill confidence in donors. As with most organizations, there were limited resources, so the process needed to make the most of existing people and systems. It needed to have metrics that would be reported to senior leadership to accurately depict the health of the process and be used to hold those involved in the process accountable for their parts. Finally, the process needed to embrace every donor and not just the larger ones that were catered to in the current scheme.

Once I arrived, I could tell very quickly that, although some individuals knew what should be done with a gift, there was no coordinated and formal process. Along with that, there was no clear identity of who

was keeping an eye on the process to ensure it was completed in an efficient manner and, consequently, there were no metrics in use. They had computer systems to help them, but those systems did not interface effectively and most people had a very limited knowledge of how to use the systems. One individual in the process that had been around the longest became the system expert and was the one to ask when any question about a gift came up. Over time, people relied on that person more and more forcing her to take on a greater role in the process to accommodate these requests. Even leadership would make a habit of making consistent special requests of her to help a donor, rather than assign the task to the correct, responsible office. This frustrated the individual and affected her morale.

The environment itself was challenging. Senior leadership was not visible and had limited availability to their staff. And with this lack of active leadership, there was little accountability or cross-functional coordination. Specifically, for this project, leadership stated their support, but did not follow through with active directing of resources to support it. This led to many project meetings where few people attended. When they did attend, they would support their peers and the development of the process in the meeting, but when approached privately, they would express frustration with their peers and doubt in their ability to do what would be expected of them in the new process.

My approach was to first determine the critical requirements as defined by the donors as well as those by the institution. I interviewed all key stakeholders to understand what steps they required and the timing. Then, I talked with other similar-sized institutions to benchmark their processes and note “best practices”. Once that was done, I planned to design the new process, create system interface tools that would facilitate the process and develop metrics to track the efficiency and effectiveness of the process. Once that was complete, I would develop a communication plan to ensure everyone involved understood the new process and how their role played into it.

Of course, no project goes according to plan and this one was no different. The most significant challenge was coordinating the meetings that were needed to ensure adequate input was collected from all the parties involved and the donors. A project coordinator and manager were assigned to help, but they had no authority to direct anyone to attend and, without direct leadership involvement, as stated earlier, few people were willing to make any effort to accommodate meeting requests. This meant a project that should have been completed in just three months, actually took six. In fact, it was not until I was four months into the project that a meeting was set up for me to talk with a donor. I had highlighted the importance of speaking to a donor in the first week on the project and reiterated that need on a frequent basis. I worked to design aspects of the process without that aspect and then had to go back and redesign elements when I got the donor’s input. It was extremely valuable and the project would not have been successful without it. Another obstacle was having stakeholders choose not to participate until the very end. Their last-minute requirements caused the project close-out to be delayed by another week as changes to the process had to be incorporated.

Although not an impediment to the project’s completion, one item that was a distraction was that each time, as I uncovered related aspects to the process that needed improvement, the leadership would state that they felt that should be part of the original project scope and addressed by my efforts. The largest of these was the scholarship process. I found that the method of awarding and tracking scholarships was haphazard and led to a surprising number of scholarships not be awarded each year. To me, this was separate process entirely, but the leadership suggested that, since the scholarship dollars were based on gifts that had been received, then this should be part of the gift process. It was

finally agreed that the scholarship process was not part of the project, but the time absorbed by the discussions and the strain it caused on the relationship was evident throughout the remainder of my work there.

In the end, the project was a success. The college now has a formal process, by which gifts are received, acknowledgements are sent, recognition is given and reports of impact are provided. There were tools built to automate manual steps that save over 12 man-hours weekly. Metrics are produced and presented to senior leadership that give them a depiction of the health of the process and its size. Most importantly, it treats every donor as an important part of their program and now they have launched a PR campaign to inspire confidence in their donors and hope to dramatically improve gifting levels.

Outline

Project driver

- Donors were disenchanted
- Checks reportedly did not reach OIA in a timely fashion
- Reports were not consistently done
- Leadership did not have confidence in the process

Goals

- Utilize existing resources and systems
- Establish formal process
- Create metrics to monitor process
- Instill confidence of donors in process
- Accommodate every level of donation

Initial Assessment

- Process was ad hoc
- No visibility to leadership
- No metrics
- Faculty/staff frustrated that they did not know when funds were available
- Software systems were not fully utilized
- OIA was frustrated that too much was expected of them
- Leadership was disconnected
- Feedback to donors was ad hoc and only when requested

Environment

- Little accountability for staff from leadership
- Offices act within a silo
- Limited computer system knowledge
- Limited dedication from leadership to force participation in project
- No process owner that could dedicate time to focus on process and/or project
- No interest by staff to do more than what they thought they should
- Staff was friendly in meetings, but quick to point out flaws of others in private

Approach

- Determine VOB and VOC
- Identify steps needed in the process
- Benchmark from other institutions
- Design new process
- Create tools to facilitate process
- Create metrics to track the process
- Draft communication plan

Challenges

- VOC was not available until near the end
- Team members did not come to meetings
- All players were not identified
- Some of those identified did not participate
- Last minute changes requested for the process by people who were not involved earlier
- Project was not a priority for those on the team
- Process had no “available” owner that could give feedback during the project
- Project coordinator/manager was powerless to do more than request meetings
- Institution tried to claim new aspects were in the original scope when they were identified