

MANAGING RISING EXPECTATIONS: THE CDO'S COMPLEX ROLE IN AMERICAN RESEARCH UNIVERSITIES

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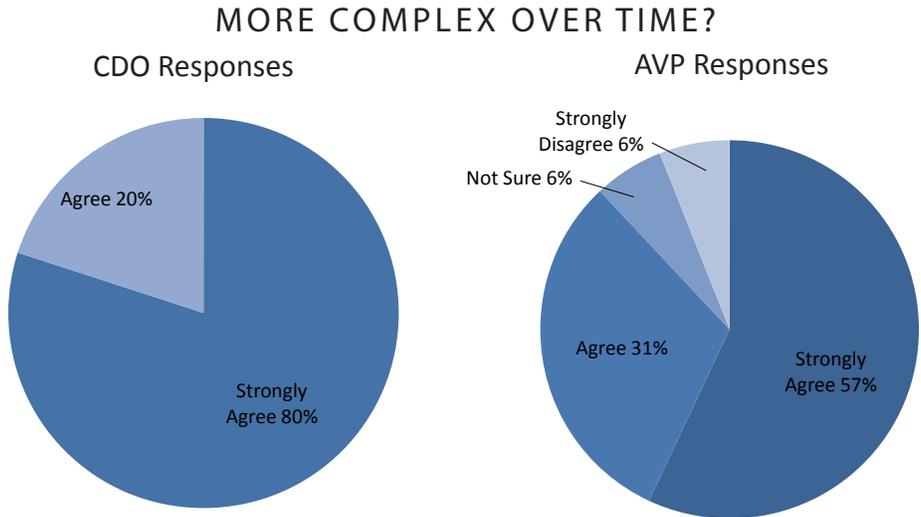
Theory & Practice is an occasional series that explores trends in academic research, technical fields, management science and technological breakthroughs that may, or should, impact the practice of fundraising. This series aims to translate and interpret technical subjects for development leaders in hopes of spurring discussion and innovation in the fields of development and alumni affairs. This special commentary was authored by Darrow Zeidenstein, Ph.D., vice president for resource development at Rice University in Houston, Texas. Darrow was formerly a senior consultant with Marts & Lundy. The research survey was deployed by Marts & Lundy's Analytical Solutions, led by Sarah Williams.

Almost everyone would agree that fundraising has become more critical over time as American research universities compete for star faculty, gifted students, and resources to sustain quality on campus. The pressure to raise philanthropic funds has increased substantially since the recession of 2008 as university endowment returns have declined, political and moral pressure has moderated tuition hikes, and federal grant-making has declined in real terms, thus reducing overhead recapture for the research enterprise on campus. With this context in mind, some colleagues and I wanted to measure the attitudes of current chief development officers (CDOs) and, for sake of comparison, the opinions of associate vice presidents (AVPs) about leadership and management of development operations in research universities. The fundamental question we wanted to answer was this: What are the critical competencies and skills needed to succeed in this pressured environment and how are they changing over time? Not surprisingly, the survey results unequivocally demonstrate that CDOs face complexity in terms of managing internal stakeholders' expectations and their own time as a university officer, a chief fundraising officer, and as head of a large, complex organization.

What are the critical competencies and skills needed to succeed in this pressured environment, and how are they changing over time?

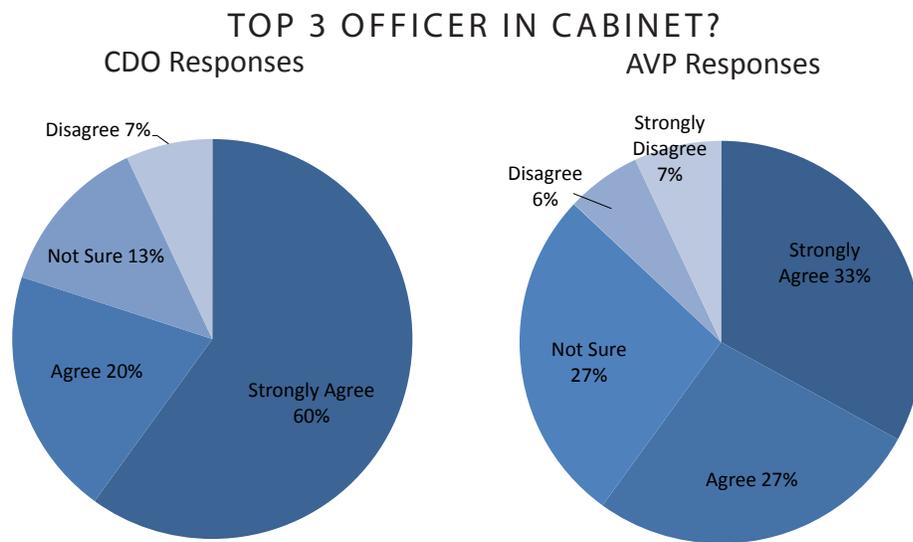
With the assistance of Marts & Lundy’s Analytical Solutions team, the survey was distributed to 50 CDOs and 59 AVPs at major American public and private research universities. The survey response included 16 CDOs and 16 AVPs for a total response rate of 29%. Two slightly different versions of the survey were distributed: one for current CDOs and a second one for AVPs. Both versions included 20 close-ended questions and five open-ended questions. In both versions of the survey, the CDOs and the AVPs were asked detailed questions about the CDO position.

In most areas of the survey, there was remarkable consensus in the opinions of CDOs and AVPs. With respect to the question of whether or not the CDO position has become more complex over time, 100% of the CDOs either strongly agreed or agreed with the statement, matched by 88% of the AVP respondents.



Similarly, 93% and 94% of the CDOs and AVPs respectively strongly agreed or agreed with the statement that the competencies needed for success have changed. Both sets of respondents had similar levels of agreement with the statement that “managing internal stakeholder expectations are challenging.” Taken together, these three areas of broad consensus signify how integral fundraising has become to the mission of research universities, with concomitant increases in expectations and pressure on the CDO.

Subtle differences in opinion between CDOs and AVPs appear in the survey in response to questions about the status, workload, and traits needed for CDO success. Answering the question of whether or not the CDO is among the top three officers in the president’s cabinet, 80% of current CDOs strongly agreed or agreed. This is in contrast to the 60% of AVPs who strongly agreed or agreed with the statement. A bigger divide between CDOs and AVPs appears when looking at respondents who put “strongly agree” as their answer. In this case, 60% of the CDOs strongly agree that they are among the top three officers, which stands in clear contrast to the 33% of AVPs who opined that their CDO was among the top three. Do CDOs have an inflated sense of importance? Or, is it the case that AVPs underestimate the pivotal role the CDO plays in university life?



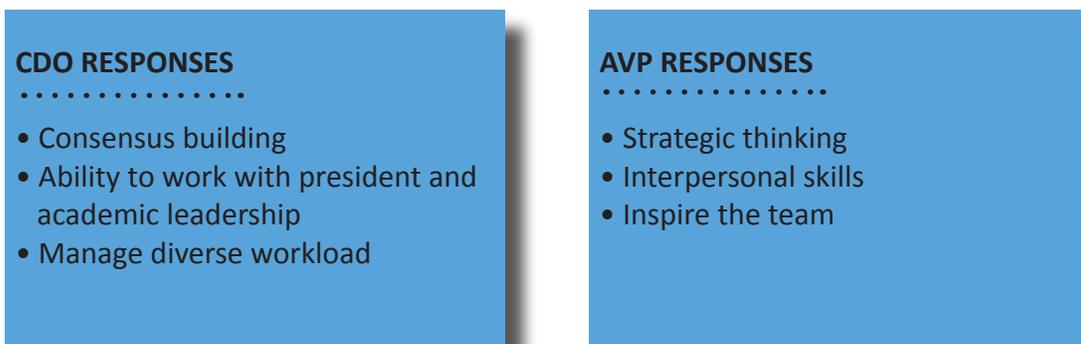
Another interesting contrast in survey responses between CDOs and AVPs appears in response to two questions about CDO work-time allocation among fundraising, management, and other university duties. In terms of an “ideal” allocation of time among these three activities, CDOs responded that they should spend about 42% of their time on fundraising and 38% of their time on day-to-day management. AVPs opine that CDOs should ideally be spending more time fundraising (52%) and less on day-to-day management (29%).

This CDO-AVP divergence may be the result of two trends impacting CDOs in a way that puts a great deal of time management pressure on them. First, as campaigns have become larger and concomitantly more reliant on so-called principal gifts, the CDO's time becomes increasingly involved in managing that fundraising activity. This, in turn, feeds the need for "the strong number two," i.e., the AVP who serves as a veritable "chief operations officer" for the development operation that is growing in size and complexity.

The second trend is that as development has a bigger and bigger role in the university's mission (and, consequently, uses more of the university's financial resources to do so), the administrative and academic leadership's expectation of the CDO and her/his division increases accordingly. In short, the CDO cannot afford to diminish her/his frontline fundraising activity, but she/he cannot afford to relinquish some large measure of day-to-day management either. I would argue that the AVP is not in this same bind because she/he does not face the same level of institutional scrutiny the CDO faces.

This time-pressure dynamic of the CDO accounts for two other interesting results of the survey. When asked an open-ended question about the traits and skills CDOs need to be successful, CDOs used terms that could be categorized as "management of self" skills, such as "consensus building," "ability to work with president and academic leadership," and "manage diverse workload." AVPs tended to use terms that represent what they believe the head of the development organization should possess, such as "strategic thinker," "interpersonal skills" and "inspire the team."

MOST IMPORTANT TRAITS?



More revealing still is how CDOs identified the biggest hurdles to a new CDO's success. Here, the time-management bind is clear on the hurdles new CDOs face: "unrealistic expectations," "balancing workload," and "managing expectations internally and externally." In some contrast, AVPs suggested that the biggest hurdles to new CDOs include "understanding institutional culture," "building leadership credibility," and "establishing trust." The contrast exhibited in answers between CDOs and AVPs indicates that AVPs generally do not fully grasp the push-pull of the CDO's duties in managing diverse stakeholders.

How, then, does the CDO in today's complex development organization working in arguably the world's most competitive industry manage rising expectations everywhere she/he looks? Clearly, there are a set of skills and competencies that are necessary, but not necessarily sufficient, for success. Drawing on a leadership competencies model articulated in Jon Derek Croteau and Zachery Smith's fine *Making the Case for Leadership: Profiles of Chief Development Officers in Higher Education*, the survey results prioritized the following leadership competencies as most critical: effective communications skills, an ability to think critically, an ability to motivate and inspire, strong interpersonal skills, and an ability to think strategically. These competencies seem uncontroversial. Yet the survey also reveals that there are critical 'management of self' skills needed, such as managing expectations and balancing workload that are also necessary for success.

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To sum up, two "survival strategies" for today's CDO are in order. First, the CDO must spend considerable time and care in selecting a leadership team she/he can trust and depend on to run the complex operation on a day-to-day basis. To the extent that the CDO is managing the managers and not the day-to-day operation, she/he will have the time and mental fortitude to manage internal business and external stakeholders. The second survival strategy is embracing frequent feedback on how she/he is allocating time and managing relationships. As revealed in the survey, the number one reason for CDO derailment is the failure to develop good chemistry with the president coupled with the inability to understand the institution's culture—code for a failure to manage one's self effectively with internal players. There are a number of good feedback mechanisms that the CDO can rely on to gain a clearer insight as to her/his standing with important constituents, including anonymized 360 feedback surveys, third-party interviews, and candid conversations with internal confidants.

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