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University of South Carolina

BOARD OF TRUSTEES

Ad Hoc Committee on Advancement

November 16, 2006

The Ad Hoc Committee on Advancement of the University of South Carolina Board of Trustees met on Thursday, November 16, 2006, at 12:00 p. m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Miles Loadholt, Chairman; Mr. John W. Fields; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Mr. M. Wayne Staton; and Mr. Herbert C. Adams, Board Chairman. Other Trustees present were: Mr. Arthur S. Bahnmuller and Mr. William L. Bethea Jr.

Others present were: President Andrew A. Sorensen; Secretary Thomas L. Stepp; Vice President for Research and Health Sciences Harris Pastides; Vice President for University Advancement Brad Choate; Vice President and Chief Financial Officer Richard W. Kelly; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Human Resources Jane M. Jameson; Vice President for Student Affairs Dennis A. Pruitt; General Counsel Walter (Terry) H. Parham; Senior Director of Advancement Administration, Division of University Advancement, J. Cantey Heath, Jr.; Executive Director of the Alumni Association Marsha A. Cole; Vice President for University Development, Division of University Advancement, Michelle Dodenhoff; University Legislative Liaison John D. Gregory; Director of Governmental and Community Relations Shirley D. Mills; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; Public Information Officer, Office of Media Relations, Karen Petit; Chairman of Grenzebach Glier & Associates, Inc. and Development Consultant Martin Grenzebach; USC Salkehatchie, Student Government Association (SGA) President Christopher Lambert; USC Salkehatchie, SGA Vice President Anthony Holmes; Director of University Communications, Division of University Advancement, Russ McKinney, Jr.; members of the media; and Board staff members Terri Saxon, Vera Stone and Karen Tweedy.

Chairman Loadholt called the meeting to order and invited those present to introduce themselves. Mr. McKinney introduced members of the press in attendance. Chairman Loadholt stated that notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting

materials had been circulated; and a quorum was present to conduct business.

Chairman Loadholt directed the attention of the Committee to the first agenda item and called on Dr. Sorensen.

I. Report on Advancement Administration: Chairman Loadholt called on Mr. Choate who reported on activities in Advancement.

Mr. Choate stated that there were three Overarching Objectives for Fiscal Year 2007 for University Advancement: significantly increase philanthropy, prepare USC for a major fundraising campaign, and improve the overall reputation of the University.

A. Government and Community Relations: Mr. Choate stated that the Government and Community Relations staff John Gregory, Shirley Mills and Casey Martin were doing an excellent job working to advance the University's funding requests with the Legislature and community.

B. Carolina Alumni Association: Mr. Choate stated that the members of the Association were doing an outstanding job. He reported on the following activities:

1. Homecoming Weekend - The homecoming weekend was a great success, thousands of Alumni attended the game and other homecoming events. In addition, the USC class of 1956 celebrated their 50<sup>th</sup> reunion.

2. Member-Get-A-Member - Mr. Choate stated that efforts were underway to double membership in the Association. This would be accomplished by participating in an initiative entitled "Member Get-A-Member" in which each member would be asked to recruit a new member.

3. Gamecock Network - Mr. Choate stated that this networking initiative was still in its trial stage. "Gamecock Network" was similar to "Face Book," which was currently being used by students to network. A demonstration of how the Gamecock Network worked would be given at a later date. Mr. Choate stated that, although it was a trial version, Alumni from around the country were already registering.

4. 2006 Bow Tie Bus Tour - Mr. Choate stated that the various events had been well attended and were a great opportunity for one-on-one visits with President Sorensen and major and prospective donors. Some of the trips included visits to local high schools for recruiting purposes; all trips included alumni events.

C. Carolina Action Network: Mr. Choate stated that the Carolina Day at the Statehouse was held on March 28, 2006.

D. Marketing and Communications: Mr. Choate stated that some of the goals of the Marketing and Communication division were to inform key audiences such

as prospective students, parents, alumni and donors and motivate them to apply to or engage with the University; increase awareness of the University's work and key role in improving the lives of individuals in South Carolina and beyond; improve internal communications throughout University; and build regional and national stature.

Mr. Choate stated that the staff had done an excellent job focusing on student recruiting, the Innovista project, Athletics, and the Darla Moore School of Business. Some other areas of focus were:

1. Higher Ed Morning Briefing - Mr. Choate stated that this was a daily snapshot of media stories related to the University of South Carolina, plus the latest news from around the nation concerning issues in higher education. This initiative was compiled by the University's Office of Media Relations. The briefing's focus was to keep its readers up to date by providing timely, relevant information in one daily compilation.

2. Google Ad Words Project - Mr. Choate stated that this was another advertising program available to people who wanted to receive information about the University.

II. Report on Development Administration and Restructuring: Mr. Choate reported on statistics and activities from Administration including database support for biographical information and gift processing; the receipt of 43,000 gifts last year; management of 64,000 transactions per year; maintaining the 334,000 records in our system; engaging in prospect research; managing finance and human resources; producing special events; and enhancing donor relations and stewardship.

- A. University Development: Mr. Choate stated that University Development had been reorganized to create three core constituency areas - one in Health Sciences, one in Business and one in Arts and Sciences. Several Executive Directors positions had been filled and the University was currently searching to fill the Director of Health Sciences position.

Mr. Choate stated that major gift training and workshops for vice presidents, deans, and development staff had been conducted. Future training was planned for January 2007; this would be an ongoing effort. He stated that deans must be educated about the major gift development process as well as the staff, because this was a team effort.

President Sorensen thanked Mr. Choate for the job he was doing as Vice President for Advancement. He reported that there were two critical events with respect to recognition of the University's national stature that had taken place since he became President: recognition of the University by the Carnegie

Foundation as an institution of very high research activity and a recent article in *The Wall Street Journal*.

The article entitled "Beyond Berkeley" talked about institutions that were considered "Up and Comers." It included the University of South Carolina. The article provided a snapshot of universities that were improving both in the caliber of students admitted and their academic offerings.

President Sorensen congratulated the deans and vice presidents, who he said had enabled the University to be featured so prominently. Since this article was published, a reporter from *The Wall Street Journal* regional office in Atlanta had requested and met with him and a follow-up article on USC would be printed in 2007. He stated that the reporter was very impressed with USC and was interested in seeing some of USC's activities around the state.

III. Report on Campaign Preparation from Grenzebach, Glier & Associates, Inc:

Mr. Choate introduced Mr. Grenzebach who stated that his company had worked with the University for many years. His expertise was working with tax assisted universities and that some of their clients included Penn State, Florida, Iowa and UCLA. He stated that Grenzebach Glier & Associates was a philanthropic management consulting firm with 45 years of experience. It was headquartered in Chicago and served clients in nearly every state as well as in Canada, Europe, and Australia. The consultants had extensive experience in fundraising and not-for-profit administration.

Mr. Grenzebach stated that they were currently underway with a Strategic Planning Study to help the University evaluate the potential for a successful campaign goal.

A. Strategic Planning Study Purpose: The purposes of Strategic Planning Study were:

- 1) to assess the readiness of the University of South Carolina to conduct a successful fundraising campaign for \$700 million;
- 2) to raise the awareness and engagement of important constituents during the preliminary planning phase of the campaign, and thus to encourage the support and participation of these individuals for the campaign;
- 3) to gather key impressions and data about USC Columbia while also focusing on the USC Aiken and USC Upstate campuses; and
- 4) to measure and assess the capacity and potential of USC's individual leadership gift prospects.

B. Strategic Planning Study - Assessment Criteria:

The Strategic planning study Assessment criteria focused on a positive institutional image among key constituents; strong and stable internal leadership

and capable staff support; compelling and well-defined case for support; sufficient philanthropic support available to achieve proposed campaign goals; respected and committed volunteer leadership; and favorable economic climate.

C. Key Elements: Mr. Grenzebach reported the following key elements of the study and the expected date of completion by means of the following chart:

<u>Key Elements</u>	<u>Date Completed</u>
Case Prospectus	September 26, 2006
Leadership Briefings	March 2006 - present
Individual Interviews	October 2006 - January 2007
Telephone Survey	January 2007
R Report Delivery	February 2007

D. Case Prospectus Development: Mr. Grenzebach stated that his company developed a Case Prospectus on how well the University might invest \$700 million, and it was being used to support both leadership briefings and interviews which were underway. Mr. Grenzebach stated there were three components of the Case Prospectus Development: review of strategic planning documents; study of existing fundraising materials and other data; conducting interviews with key internal and external stakeholders; and finalizing a case prospectus, following review by USC.

E. Leadership Briefings: Mr. Grenzebach stated that these briefings were held with groups of 10-15 individuals who had the capacity to make a significant difference in fundraising outcomes at the University. Briefings were designed to educate volunteer leaders and potential major donors about the vision for USC and provided an opportunity to test the case prospectus for philanthropic support. Participation in the briefing process significantly raised the likelihood that potential donors would make time available for an individual interview about the proposed campaign.

He stated that President Sorensen had performed remarkably in the Leadership briefings. Those unable to attend a briefing had been personally briefed by President Sorensen or a development staff member. As of November 13, 2006, briefings had been conducted in Charlotte, Columbia, Chicago, Charleston, Aiken, Atlanta, Augusta, Virginia Beach, Greenville, Spartanburg, and Florence. During the latter part of November a briefing would be held in New York.

F. External Interviews: Mr. Grenzebach reported that this component of the campaign consisted of confidential one-on-one interviews with at least 100 key constituents of the University. Interviews would investigate opinions about USC's programs, leadership, and financial health, as well as the proposed case for support and each individual's likely level of support. Interviewees would be asked to identify potential volunteer leaders and donors to the campaign. The external

interview targets were: USC Columbia - 100 interviews in 27 days; USC Aiken - 12-13 interviews in 3.5 days; and USC Upstate: 12-13 interviews in 3.5 days.

G. Telephone Survey Interviews: Mr. Grenzebach stated that this survey would be a collaborative effort using the professional telephone marketing firm, Campbell Rinker, a nationally respected firm that worked exclusively with nonprofit institutions. Telephone surveys would provide input from an additional 500 constituents representing the University's "second tier" of major gift prospects. The survey would examine broad philanthropic attitudes and interest in participating in the proposed campaign.

H. Report: Mr. Grenzebach stated that the University would receive a final report which would include the following: detailed review and analysis of aggregate responses of interviewees; tabulated responses to all interview questions; extensive interviewee comments (cited anonymously); projection of fundraising potential based on aggregated interview results and analysis of core fundraising potential and consideration of readiness to mount a comprehensive capital campaign.

Chairman Loadholt stated that this report was received for information.

IV. Other Matters: Mr. Hubbard inquired about the branding project efforts which had begun approximately two years ago with Lipmann-Hearn, and whether these two efforts would be coordinated. Mr. Choate responded that these were two separate efforts; however, there were some similarities and some overlap. The Grenzebach group would try to ascertain questions such as where we stand with donors and what impact that would have as to what they may or may not do with respect to making a significant gift commitment to the University. The branding project was more of a mass communication level.

Mr. Hubbard asked specifically about the status of the branding project. Mr. Choate responded that Lipmann-Hearn had completed their work and provided the administration with a report. Mr. Gary Synder had made an assessment of the information and a determination was made that there were a few areas that needed additional information.

President Sorensen requested that a copy of Mr. Synder's report from the last Board meeting be distributed to all board members.

Chairman Loadholt stated that this report would be received as information.

Since there were no other matters to come before the Committee, Chairman Loadholt declared the meeting adjourned at 12:30 p.m..

Respectfully submitted,

Thomas L. Stepp  
Secretary

