



James Wasserman The Stanford Center at Peking University is emblematic of Stanford's global reach. It has begun holding events for donors and parents of its students who live in Asia.

By Holly Hall

Stanford University (No. 15) could soon smash yet another record by raising \$1-billion a year, fundraising experts predict.

The California institution has already outdone every other in college fundraising by running three capital drives to raise at least \$1-billion, and last year set a new milestone for campaigns by raising \$6.2-billion. It could be a long time until another institution comes close. Stanford captured \$2.3-billion more than Yale, which previously ran the most successful college drive.

Stanford had to overcome some big obstacles to achieve its goal, including the loss of 50 fundraising jobs in 2009 when the university's endowment suffered big losses after the financial crisis erupted.

But the position of the institution as the intellectual center of the thriving Silicon Valley economy has made its fundraising path much easier than for most institutions. For the past seven years, it has raised more money than any other college.

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Last year alone, donations totaled \$709.4-million, an increase of more than 18 percent, placing Stanford in the top tier of nonprofits that raise the most money in the United States. And in higher education, the university is unrivaled in raising money from donors who are not alumni, according to the Council for Aid to Education.

"They adopt people in a big way," says Bruce Flessner, a fundraising consultant with many college clients. "They dominate like no one else can."

Stanford's approach has helped attract some of the biggest gifts made to colleges in recent years by wealthy alumni, including Robert King, who with his wife, Dorothy, provided \$150-million for a new institute that will teach business skills to entrepreneurs in poor counties, and \$105-

million from Philip Knight, the founder of Nike. Another alumnus, Lorry Lokey, founder of Business Wire, gave \$75-million to build another institute dedicated to stem-cell research.

### Some Ties Questioned

While a boon for fundraisers, the close relationship that the university has with Silicon Valley companies raises eyebrows in some circles.

At Stanford, faculty and students often together pursue the latest venture-capital opportunities in what has been called a “gold-rush mentality.” That focus, critics argue, comes at the expense of other academic disciplines and well-rounded academic excellence.

Some faculty members have also questioned whether Stanford has a conflict of interest with companies like Cisco Systems and Google, the latter of which recruits heavily from the ranks of Stanford graduates. John Hennessy, Stanford’s president and a former Silicon Valley entrepreneur, is a board member of both companies. As a result, his corporate earnings dwarf his Stanford salary, which exceeded \$700,000 last year. He has also invested in some of the same companies that manage Stanford’s endowment.

Mr. Hennessy could not be reached for comment, but Lisa Lapin, Stanford’s assistant vice president for university communication, says that he considers his service on corporate boards and his experience in founding two technology companies as key contributors to his ability to manage the complexities of a large research university. She adds that he adheres to the university’s conflict-of-interest policies and is not involved in Stanford’s investment decisions, which are handled by a separate company.

### Model Approaches

While it would be easy to think that all Stanford needs to do is hold out an empty hat in Silicon Valley’s wealthiest neighborhoods and let the money pour in, it’s worked a lot harder than that. As result, fundraisers say the university’s techniques can and should be emulated by other nonprofits.

Abbie von Schlegell, a Stanford graduate who worked as a fundraiser there before becoming a consultant, says her job there was “like getting a postdoctoral degree in fundraising, because it has such a well-oiled development program. It’s what I measure everything against.”

Among the approaches that have helped the institution become a fundraising powerhouse:

Goal setting through a centralized academic operation. While many institutions with multiple graduate schools have separate provosts, which can lead to competing fundraising goals, Stanford has only one. Stanford’s president, John Hennessy, and the provost, John Etchemendy, directed a campaign planning process that included all of the university’s seven schools, says Steve Denning, now chairman of the university’s board and one of four trustees who led the campaign.

Faculty and other staff members were encouraged to submit ideas about what projects needed to be supported through fundraising, Mr. Denning says, but “we had a lot of trust in Hennessy and the provost to translate their vision into tangible programs, initiatives, and buildings that would actually get done.”

Big ideas communicated well. Stanford decided to raise money to support programs that would allow students and faculty to pursue multidisciplinary approaches to solving some of the world's most pressing problems, such as climate change, terrorism, and limited access to fresh water.

"For any given discipline, there were exciting opportunities with other disciplines," says Isaac Stein, an investment manager and Stanford trustee who helped chair the campaign. "This just resonated with donors."

Led by the president and the provost, Mr. Stein says, those leading the fundraising efforts "talked about how you communicate before we did any asks, and we put a lot of effort into this. Most institutions get lost in jargon and acronyms and lose sight of the fact that donors have not thought about this as much as you have."

Events that engage donors. Stanford held a series of eight-hour events for donors, parents, and other supporters in 19 cities, including five outside the United States. The university has held campaign events in every big drive, but this was the first time it ventured overseas to meet with potential supporters in Hong Kong, London, Singapore, Taipei, and Tokyo.

"We are truly a global university and a global society now," says Linda Meier, a Stanford trustee who organized the events. The Saturday sessions, called "Leading Matters," opened with a panel discussion in which President Hennessy interviewed students, followed by a choice of short classes taught by Stanford faculty members. The events culminated with cocktails and a sit-down dinner in a dining room decorated to look like Stanford's campus. During the dinners, campus officials showed a film that conveyed how students and faculty members view the university today.

The events all attracted many more people than expected and involved "a tremendous time commitment," says Ms. Meier, the trustee organizer, who says she traveled at her own expense to each of the 19 cities at least three times to help recruit volunteers and determine the content of the short classes.

"The original concept was to have a cookie-cutter approach we could use in every city," she says. "We learned early on that would not be possible." Volunteer organizers in each city, she explains, wanted different content.

The university charged \$30 for people who graduated within the past 10 years, and \$80 for others. The university's representatives deliberately didn't include any outright pitches at the events.

"I felt very strongly that these were inspirational events," Ms. Meier says.

Strong connections among staff, donors, and trustees. Another thing in Stanford's favor is solid, long-term relationships that have evolved over decades among fundraising staff and university leaders, both on and off campus. For example, in helping to organize campaign events,

fundraiser Donna Garton has worked closely with Ms. Meier, now an honorary trustee who's worked on all three billion-dollar campaigns. She describes Ms. Meier as "Stanford's secret weapon."

The university's professors often go out of their way to support development officers, says Ms. von Schlegell, the fundraising consultant. "Faculty used to call me up and tell me where their next trip was and ask how they can help."

Stanford's 35 board members are yet another example. "We have a culture of attendance," says Mr. Denning, the current board chair. "We have 100 percent attendance, and we meet five times per year. That unleashes a dynamic you only fully appreciate later. You are highly collaborative. You trust each other."

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