

# Charity seeks plan to increase donors

**Overview:** The University of Tennessee's College of Business Administration collaborates annually with local nonprofit organizations. The six-week experience, part of the MBA Innovation and Entrepreneurship curriculum, allows students to "walk in the footsteps" of these social-cause leaders to develop skills from the application of knowledge obtained in the classroom. The business school has two compelling interests, an educational experience for MBA students and outreach to the community.

**Organization:** United Way of Anderson County is dedicated to improving the lives of citizens in Anderson and Campbell counties by mobilizing the caring power of the community to create lasting change. The organization focuses on basic needs, youth services and senior citizens.

**MBA students:** William Ambrose,

## UNITED WAY OF ANDERSON COUNTY

**Founded:** 1957

**Services:** 61 programs at 33 partner organizations in Anderson and Campbell counties

**Address:** 161 Robertsville Road, Oak Ridge, TN 37831

**Employees:** 4

**Annual budget:** \$1.5 million donated funds, 16 percent operational costs

**Executive director:** Rick Morrow

**Phone:** 865-483-8431

**Web site:** [unitedwayandersoncounty.org](http://unitedwayandersoncounty.org)

Eddie Davenport, Mike Mastrandrea (project manager) and Fan Yang. Faculty mentorship was provided by Glenn Swift.

**Client partner:** Rick Morrow, execu-

tive director.

**The opportunity:** United Way of Anderson County is 100 percent dependent upon donations; the organization has no earned income. Since 1990, annual giving on an inflation-adjusted basis has declined 33 percent, thus impacting the organization's ability to serve its identified community. To combat the declining trend of donations, the organization wanted to explore a new model for fundraising based on nurtured relationships, instead of its current transaction model.

The UT MBA team accepted the challenge to understand and recommend best practices for the organization so that its goal of raising \$2 million per year in donations could be achieved by 2012.

**Approach:** The team devoted 183 hours to a proven, problem-solving framework of engagement: developing

baseline measurements, conducting research, benchmarking best practices, reaching conclusions, making recommendations and predicting outcomes.

The students researched the organization's current operations by interviewing staff, board members, and donors; making personal observations; and benchmarking three other United Way agencies (Greater Cincinnati United Way, United Way of Southeastern Michigan and Central Oklahoma United Way) for best practices.

**Key findings:** The MBA team observed that staff, board members and volunteers are dedicated to the mission of the United Way of Anderson County mission.

Some donors are certain that their donations make a difference to the community while others donate more because they "have to" versus "want to." Companies who support United

Way of Anderson County financially want more frequent contact and in various formats from staff than they currently receive. Individual donors appear to be happy with the current fundraising model.

Board members expressed an interest in the organization being more visible and relationship-minded.

Other United Way agencies reported a three-year lead-time to implement a relationship-based fundraising model.

### Recommendations:

Immediately:

■ Modify pledge cards so that individual donors can identify their preferred method of communications to/from the UWAC staff. Include various payment methods, areas to direct donations, desired method of print/electronic correspondences, and frequency of correspondence.

■ Establish a one-page printed version of the e-Newsletter for individual donors that prefer contact through the mail.

■ Determine preferred methods of regular communication for each corpo-

rate donor.

Year 1

■ Continue the transactional fundraising model for 2008 while working on implementing a relationship-based model.

■ Plan and implement a pilot, relationship-based fundraising framework for 25, mid-tier companies with total employee donations between \$2,500 and \$10,000.

■ Recruit, staff and train three volunteers for five-year commitments to serve as relationship managers, each responsible for five companies.

Year 2

■ Capture learning from the pilot program from which to identify and adopt best practices.

■ Recruit, staff and train three additional volunteer, relationship managers.

■ Target 25 companies that either don't currently donate or donate less than \$50,000 annually.

Years 3-5

■ Continue to capture best practices from having two years of relationship-

based fundraising experience, modifying implementation accordingly.

■ Recruit, staff, and train three more volunteers each year for three-year commitments as relationship managers.

■ Target companies headquartered in Oak Ridge or Anderson County that either donate more than \$50,000 annually or have the potential to do so. Subsequently move to corporate branches of major organizations located in the region.

"This has been an incredibly helpful partnership, moving us forward by at least two years on developing strategic goals and outcomes to advance our mission," Morrow said. "Other local United Ways in the region are borrowing many of the MBA students' recommendations, and United Ways in East Tennessee are looking to incorporate some of these recommendations on a regional basis. The insights and guidance of this professional, talented group of students and faculty are invaluable."

**Lessons learned:** The most critical aspect of the transition to a new fundrais-

ing model is for United Way of Anderson County to go forward on a slow and methodical basis, capturing lessons learned, celebrating small successes and communicating with donors as they desire.

"The United Way project helped us understand how non-profit organizations operate, the political challenges they face on a regular basis, and the importance of being able to identify underlying issues," Mastrandrea said. "We also learned about the importance of maximizing and efficiently using our time. Our group quickly identified many things we wanted to investigate but realized that time became an issue. Glenn (Swift)'s guidance showed us how to keep our focus on the end product and let the data drive the decisions we made."

For more information on becoming a partner organization of the UT MBA program's Innovation and Entrepreneurship curriculum, contact Glenn Swift at [gswift@utk.edu](mailto:gswift@utk.edu) or 865-974-2661.