

*What opportunities do we have to partner with other institutions, businesses and organizations to provide/leverage resources for our core mission?*



We were charged with the formation of a key Question Committee that addresses the question above. The question committee consists of Gregory Goode (Co-chair), Chip Rogers (Co-chair), Phil Ness, Stephanie Jefferson, Dawn Underwood, Joe Sanders, John Conant, Katie Butwin, Santhana Naidu, Daniel Pigg, and Kacey Blundell.

### **Indiana State University – An Economic Engine**

Indiana State University is a major economic engine with an impact on the state economy of over \$500 million a year and a regional economic impact of over \$400 million according to an externally measured study conducted by Thomas P. Miller and Associates in 2012. Using a conservative multiplier, these estimates took into account several key aspects and examples of value:

- The operating and auxiliary expenses of the University and the ISU Foundation and the spending power of more than 1,800 university employees as well as students, retirees and campus visitors.
- Capital projects by the university.
- ISU-related expenditures support a total of 5,020 jobs statewide, with about 4,200 of those jobs in the Terre Haute region.
- More than 1,700 Indiana State employees reside in Indiana, with more than 1,550 of them living in the Terre Haute area.
- Indiana State's commitment to community engagement valued at \$8 million.
- The impact of university events; Indiana State's Hulman Memorial Student Union, Hulman Center, Tirey Hall and University Hall Theater hosted 5,120 separate events.

Clearly the University is an important if not the most important organization in the Western Indiana region and its value to the state continues to only increase.

The Question Committee was fortunate in its timing in looking at this issue for a number reasons. First, the University is concluding implementation of its current strategic plan in which “Community Engagement” has been prominently featured and successfully executed as defined by measurable benchmarks. Second, the University has enjoyed unprecedented growth in its enrollment which has helped drive state support for facilities and campus footprint growth. Third, the Indiana State University Foundation has completed a strategic plan that has the potential to strengthen the alignment of the University and the Foundation.

### **Indiana State University Foundation**

If, as we believe, enrollment growth and student success continue to be the organizational focus for the University as it develops and implements the next strategic plan, leveraging the university to meet the goals of increasing enrollment and sustaining student success will require an infusion of financial resources beyond traditional state operating and capital appropriations. Identifying, cultivating, and energizing a base of support to contribute toward this cause will be essential.

And so: **there has never been a more pressing time in our University’s history for re-committing the Indiana State University Foundation to the University.**

The Foundation was established in 1928 to promote the welfare of Indiana State University. It serves as the fundraising arm of the University, manages the University’s endowment, engages in resource development initiatives and oversees the alumni relations and constituent development programs to benefit the institution.

The Foundation has recently completed a 2015-19 plan that nicely aligns with the charge of this question committee and will help drive the conversations leading up to the next strategic plan.

Some of the key pieces of the Foundation’s strategic plan include:

#### **Be the transformational source of philanthropic funding for ISU**

- Initiate in partnership with the University a major campaign focused on student success
- Attain a sustainable annual fundraising goal of \$1 million
- Surpass endowment market value through donor support

## **Engage constituents at a higher level to advance the University**

- Educate and grow key fundraising partners
- Execute high-impact cultivation and stewardship opportunities
- Expanding alumni engagement
- Collaborating with business community re: Sycamore athletics

## **Recruit, train, and retain an exceptional team of volunteers and staff**

- Diverse quality volunteers

## **Grow the enduring financial stability of the Foundation**

- Identify new, non-traditional, low-risk revenue opportunities

**CASE Peer Assessment Review:** The Committee is aware that the Council for the Advancement and Support of Education (CASE) is conducting a Peer Assessment Review of the Indiana State University Foundation. The Committee believes that the CASE report will be very important to helping identify the next steps of implementing the Foundation and University strategic plans.

## **Academic Research, Grants and Contracts**

Externally funded research is vital to the university missions of creating knowledge and related infrastructure; transferring technology and know-how; supporting technology and business innovation; and even creating human capital (which most consider primarily a teaching mission).

In particular, it helps keep faculty and students current with leading thinkers in their fields and provides opportunities for hands-on student participation.

Moreover, academic research often creates indirect effects such as the creation of “knowledge clusters,” or groups of individuals and organizations that are on the leading edge of thinking about a given topic of public interest.

Summary of Non-Federal Grant/Contract Funds										
	2011		2012		2013		2014		2015	
	#	Awarded	#	Awarded	#	Awarded	#	Awarded	#	Awarded
<i>Corporations</i>	17	\$ 305,869	26	\$ 357,011	15	\$ 107,166	22	\$ 9,927,989	9	\$ 106,349
<i>Foundations</i>	12	\$ 2,359,274	10	\$ 348,254	9	\$ 927,276	10	\$ 1,001,197	9	\$ 882,540
<i>Nonprofits</i>	26	\$ 132,508	20	\$ 104,341	25	\$ 114,475	34	\$ 123,698	21	\$ 489,193
<i>Other</i>	20	\$ 625,441	19	\$ 598,733	18	\$ 814,780	20	\$ 718,311	24	\$ 547,065
<i>State</i>	13	\$ 1,439,068	14	\$ 3,257,874	14	\$ 5,523,425	12	\$ 4,464,172	21	\$ 5,446,122
<i>Local Govt</i>	2	\$ 11,362	3	\$ 16,815	2	\$ 10,476	4	\$ 169,082	5	\$ 53,056
<b>Subtotal</b>	90	\$ 4,873,522	92	\$ 4,683,028	83	\$ 7,497,598	102	\$ 16,404,449	89	\$ 7,524,325
TOTAL Grants		\$ 13,771,723.0		\$ 5,995,471.0		\$ 9,218,766.0		\$ 17,935,940.0		\$ 10,141,648.0
% of Total		35%		78%		81%		91%		74%

The data above shows the number of awards and dollar amounts of grants and contract that are NOT DIRECTLY FROM FEDERAL SOURCES.

This data reflects a robust (although inconsistent from year to year) set of partnerships and collaborations with several different types of entities. The “other” category above is comprised mostly of awards from other colleges and universities. The awards shown above may include federal flow through dollars. The “Corporations” amount in 2014 includes a \$9M non-cash award (software award).

**Opportunities:** In terms of grants and contracts, it is the individual grant seeker who develops collaborations and partnerships to strengthen their proposal. The most successful partnerships often are longstanding relationships between individuals who attended graduate school together, worked side by side in a laboratory or have overlapping interest in an area.

**Challenges:** It is important to budget for the project to provide sufficient resources to engage in activities relevant to ISU students, the state, region and nation. The answer to question of “Is it worth our effort?” depends on a number of factors including student involvement and learning, job creation, internship creation, potential for future partnership opportunities that will contribute to our core mission of teaching and research. Some external funding agencies ask for a lot of effort but will pay very little of the costs of the effort.

## **Facilities**

Indiana State University also is exploring new opportunities to leverage state-of-the-art facilities to engage in new partnerships and generate additional revenue.

ISU facilities available to further leverage include but are not limited to: the Hulman Center, University Hall Theatre and Atrium in the Bayh College of Education, Tilson Auditorium, the State Room in Tirey Hall, the Heritage Lounge/Ballroom, the Sycamore Banquet Center, the Hulman Memorial Student Union, the Charles E. Brown African American Cultural Center, the Magna Carta Room in the Scott College of Business, the Student Recreation Center, and Residential Life's student housing. Many of these facilities are recently renovated or new and in some cases have become showcases for the University.

Several opportunities exist for the University to use our facilities to leverage additional resources especially in the area of conferencing. A consultant has been obtained by the University to make recommendations to develop a stronger events and conference model and build its identity and subsequent brand as it moves to increase its presence, visibility and value with central and southern Indiana as well as eastern Illinois. ISU has the opportunity to provide high quality lodging, general meeting space and unique meeting space all at a very reasonable rate. There are many opportunities, especially in the summer, for ISU to provide a comfortable and financially friendly environment for other institutions, businesses, and organizations to hold meetings, camps and events.

For ISU to take advantage of these new opportunities, the University must review its mechanisms to alert potential customers and guests that a coordinated events and conference opportunity exists and then educate potential consumers what the value is of hosting an event on the ISU campus. A few ways recommended by the consultant include, but are not limited to: local and regional partnerships, ISU Advancement Office for class reunions and alumni tours, partnering with local and regional clubs and organizations, and engaging with cultural and religious organizations.

In order to achieve success in further leveraging our facilities with other institutions, businesses, and organizations, the consultant recommends the University have a basic understanding of who the customer is and was and emphasizes that the University review what un-realized or imagined groups have yet to be developed. These recommendations work hand in hand with other opportunities listed with this Key Question report. It is important that coordinated efforts take place within the University and with the ISU Foundation as contacts are made with potential institutions, businesses, and organizations so they understand the additional value that ISU facilities may have for them as they look to partner with Indiana State University.

## **Career Center**

The opportunity is present for our Career Center to engage with future employers for resources and University program enhancement. The University has students and faculty. Employers want the graduates and external organizations want the expertise. The University has 13,000-plus students that are future employees. The University should not underutilize the future employers as stakeholders. Most employers would like to participate in the preparation of future employees as seen through internships and career days. Identifying these employers and developing a strategic and coordinated communication plan with these employers are opportunities the University needs to leverage in order further enhance resources.

## **Next Steps**

Because the University and the Foundation have complex and numerous services and initiatives, measuring and prioritizing actions that will have potential positive outcome(s) is required.

Traditional strategic planning utilizes models that often require considerable research, management and budgetary/revenue projections for an extended time frame. Since this effort has been focused on a single question around “leveraging,” the committee suggests the use of a more operational set of actionable steps including:

- A review of current barriers preventing successful leverage and desired outcomes
- Utilization of innovative approaches to encourage discovery of opportunities
- Review of pertinent stakeholder groups that may be best suited to accommodate “leveragable” relationships
- The strategic process often benefits from the consideration of risk through the use of stress testing existing and proposed initiatives
- All implementation of strategic actions is dependent on the identification of appropriate levels and defined leadership form.

The strategic opportunities can be discovered by beginning at any of the above variables. Each should be used to measure the potential for success and the level of outcome. The further definition of the criterion list above follows to provide a better understanding of process.

### **A review of current barriers preventing successful leverage and desired outcomes**

- Barriers are conditions in the organization that prevent action or limit the movement of an opportunity. Often barriers are assumed to be insurmountable and thus discourage the consideration of an innovative objective. Examples often take the form of; “we have never done it that way”, the existence of a physical barrier, the problem of funding, the lack of leadership, the threat of political responses, or the fear of failure.
- Barriers of a positive perspective, are one of the greatest sources of opportunities. Lowering or eliminating a barrier may allow for existing pent-up momentum to lead to great success.

### **Utilization of innovative approaches to encourage discovery of opportunities**

- The encouragement of innovation and entrepreneurial opportunity discovery is relied on by many technology and engineering companies. The identification of “star” individuals (in our case: administrators, faculty and students) is a source of potential outside-the-box thinkers who often have innovative ideas and no place to share them.
- In some cases, organization members struggle to be innovative because they are expected to offer and implement stabilizing actions for the organization. Also, the risk is present for innovators in an institutional setting are neither nurtured nor encouraged toward sharing of ideas and invention.
- Faculty and students have research relationships with industry or external organizations that could be easily and efficiently grown. Incentives and latitude to fail need to be acceptable. The outcome may be institutional recognition, differentiation, and competitive advantage.

### **Review of pertinent stakeholder groups that may be best suited to accommodate “leveragable” relationships**

- The University has many relationships that include the State and Federal governments, industry, healthcare, businesses of all types, other educational institutions, donors, alumni, international organizations, etc. This external arena is broad and sometimes difficult to reach efficiently or effectively. The internal leveragable resources are easier to identify.
- Faculty are a resource for consulting and problem solving. Joint research and development services are often offered by the faculty but the institution might explore an enhanced operational unit to facilitate the relationship with external entities. Faculty

on Board of Directors, in consulting capacities, or serving as mentors in the community are important leverage opportunities.

**The strategic process often benefits from the consideration of risk through the use of stress testing existing and proposed initiatives**

- The popularity of the term “stress testing” has come to prominence in the banking industry as the result of the banking issues of 2008. The actual process has been used in banks and organizations for a long time.
- The assessment of risk by asking the “what if” scenario question can bring awareness to potential vulnerabilities and prepare organizations with alternative directions.
- Although the larger question of leverage to enhance resources is the focus, it is pertinent to also consider the exposures to losses and declining resources.
- Often strategies leverage risks (rapid growth, pricing, short term actions) to create momentum and perceived reward with consequences in the future.
- Stress testing programs, initiatives, assumptions and trends provides added surety to greater performance and measured risk decisions.

**Implementation of strategic actions is dependent on the identification of appropriate levels and defined leadership form**

The strategic process should provide the identification of opportunities, competitive advantage, differentiation, preferred outcomes, and measures. One of the most difficult aspects of strategy is the implementation. The value base and courage to implement with the possibility of failure is a task many do not welcome.

Typically, one question begs others, and our question around leveraging is no different:

- Who are the key innovators, leaders, “super stars” and what are the programs with the most promise?
- Are there individuals who are capable of external engagement and can external entities get access to faculty and students they want, need and find value?
- Who (organizations) wants and is willing to contribute to what the University has to offer? Can something be offered they (external organizations) want with responsible investment?



- Who are the leaders that can implement? They may be administrative, staff or faculty. Can they work as a team? Do they have the character, fit and courage to deliver outcomes?

**Key Finding:**

In conclusion, the Committee recognizes that Indiana State University is achieving success in so many ways including:

- Record breaking enrollment growth
- Respect and appreciation for University leadership
- The University celebrating 150 years of service to the state
- Recognition by the state of unique mission
- Major state investment in campus facilities
- National recognition of Community Engagement

There is no other more opportune time than now for leveraging what we have today for significant resources tomorrow. But for this to happen, the Foundation and the University must strengthen its relationship via objectives that are measurable.

The Committee recognizes that as CASE provides a final report of its Peer Assessment Review of the Indiana State University Foundation in spring 2016, there will be an opportunity to build on report's recommendations.

As the timing of this report comes before the CASE report, we would make the following recommendations:

1. Ensure that measurable objectives from the Foundation's strategic plan are incorporated in the University's strategic plan.
2. Continue to include the measurable goals and realities from the University's Grants and Contracts Dept.
3. Establish a University/Foundation task force that regularly meets and is charged with identifying opportunities for revenue growth. The task force should include representation from multiple ranks of the Foundation and University including: development, academic, government relations, career center etc.
4. Continue to invest in the University's nationally recognized "community engagement" efforts.

5. Identify key, high profile groups, conferences, conventions, etc. that can access Indiana State University facilities during non-peak months.
6. Work with an external consultant on an updated Economic Impact Study for the University.

The Committee has appreciated the opportunity to work on this key question and we stand ready to further the conversation around leveraging opportunities.