Saddleback College Foundation

Campaign Readiness Assessment and Feasibility Study

Executive Summary

Prepared By

Netzel Grigsby Associates, Inc.

April 2012
NETZEL GRIGSBY ASSOCIATES, INC., under contract with Saddleback College Foundation, conducted a campaign readiness assessment and goal feasibility study from September 2011 through March 2012. The study was designed to assess the Foundation’s ability to conduct a capital campaign to fund renovation of the athletic stadium and construction of a new wellness center.

**Study Objectives**

- Assess the organizational capacity of Saddleback College Foundation to conduct a successful capital campaign through evaluation of:
  - The image of Saddleback College among potential campaign contributors.
  - Perceptions of the College’s and Foundation’s effectiveness in fulfilling their missions.
  - Organizational strengths and weaknesses.
  - Current staff and volunteer leadership capacity.
  - Existing and recent fund development programs.

- Determine the most likely fundraising goal for the proposed capital campaign through assessment of:
  - The strength of the case for the proposed project.
  - Potential major contributors to a capital campaign.
  - Potential planned gift support for a campaign.
  - The quality and level of potential leadership for a campaign effort.
  - External factors that might impact campaign fundraising.

- Recommend a plan of action and timeline for:
  - Launching a campaign of the shortest duration feasible to ensure maximum results.
  - Steps to enhance fundraising and organizational capacity when a campaign is not recommended for the immediate future.

**Study Process**

- **NETZEL GRIGSBY ASSOCIATES** worked with staff and volunteers to develop a case statement articulating the need for the proposed campaign to elicit feedback from interviewees.

- **NETZEL GRIGSBY ASSOCIATES** completed a financial development audit.

- **NETZEL GRIGSBY ASSOCIATES** oversaw the formation of a Study Advisory Committee (SAC) to guide the interview process.
  - **NETZEL GRIGSBY** recommends a standard range of 30 – 40 interviews for feasibility studies of this kind. The Foundation was confident that it could secure interviews with 20 key individuals and the resulting data would be valid.
  - The SAC contributed to and evaluated an initial list of prospective interviewees perceived to be influential, held in high regard in the community and potentially able to
assist a campaign effort through a financial or leadership commitment, or both. Forty-one individuals were identified as priority interview candidates.

 Interviews were to be completed over six weeks, but the process became protracted. Counsel determined that while staff was exceptional in driving the process, SAC members seemed to not regard their commitment to help secure interviews as a priority.

 Ultimately, NETZEL GRIGSBY ASSOCIATES conducted 20 interviews over 20 weeks.

 Interviewees included (some interviewees are counted in more than one category):

 - Five members of the Saddleback College Foundation Board of Governors.
 - Three former members of the Board of Governors.
 - Five members of the Study Advisory Committee.
 - Seven donors.
 - Two college staff.
 - Three individuals with knowledge of the community, high community influence and/or potential capacity to make a significant contribution to the Foundation.

 Fifty-three percent (53%) of the interviewees are considered by the study team to be members of the Saddleback College inner circle.

 Eleven interviewees were perceived to have capacity to make a gift of $250,000+.

 Findings & Analysis

 Organizational Capacity

 Saddleback College is seen as a vital community resource for lifelong learning and career training that flies under the radar for most residents.

 Most interviewees had moderate knowledge of Saddleback’s mission and academic programs.

 Noted strengths include:

 - Quality of the academic programs and faculty, particularly in the nursing and paramedic program.
 - Diversity, accessibility and affordability of course offerings.
 - Community outreach through its theatre arts and athletics programs.
 - Location, size and setting of Saddleback’s campus.

 Interviewees believe that Saddleback’s low visibility and lack of marketing and public relations to be its major weakness. Without stronger promotion and presence in the community, the perception held by many residents that Saddleback offers a remedial education or a fall-back place for students who cannot get into four-year universities will persist.

 Other weaknesses noted by interviewees are the aging facilities and limited parking.
The leadership of Saddleback College is considered extremely strong and effective. The President's active participation in cultivation and solicitation of individual and corporate major gifts will be critical for a capital campaign.

- The majority of respondents know Tod Burnett (78%) and rate him very effective (71%) in his position as President of Saddleback College.
- Many interviewees noted that Dr. Burnett's diverse experience in the private sector as well as his enthusiasm and initiative gives people confidence and gets them interested and excited in the future direction of Saddleback.
- Several interviewees suggested that Dr. Burnett should be actively meeting with community leaders and be more visible at community activities.

The Board of Governors is well known and well regarded in the community, but has yet to prove its ability to give and raise significant major gifts. An effort to engage current members on a deeper level and to add new members with greater community influence and fundraising capacity will position the Foundation for greater success in a capital campaign.

- The Board of Governors and Study Advisory Committee have high profiles among the interviewees. The Board Chair is well known and highly regarded for her leadership.
- The board is considered effective in its oversight ability. Board members are seen as capable and committed volunteers, though some are perceived to be more active than others.
- Board members are considered moderately influential, with good representation in the political and corporate public affairs/community relations arenas, but there are no board members recognized as key philanthropic community leaders or top level-corporate leaders.
- The board is seen as having "untapped" fundraising potential, but has yet to demonstrate such potential through personal giving or fundraising.
- The board needs more direction and support from knowledgeable development staff.

The Foundation does not have the experience or expertise at this time to support a capital campaign with a $25.5 million goal. Investment in a development director with major gift experience and appropriate donor tracking systems and training are key.

- The development director position was vacant throughout the course of the study.
- Foundation staff was unable to provide aggregated records of board giving, classification of annual gifts by number or gift range, or revenue production for all activities beyond 2009/10. Staff said they were not familiar with the donor database.
- In 2010-11, the Foundation raised $428,157 for scholarships and student aid through a gala event, an employee campaign and a donor appeal. The previous year total revenue was $590,773.
- From 2003 – 2005, the Foundation raised $1.6 million toward a $2 million capital campaign goal to equip the newly constructed Health Sciences Building.
Fundraising Goal

- The case to renovate the athletic stadium has significant merit, whereas the Wellness Center component needs further development to be considered compelling.
  - The stadium upgrades are seen as necessary and having broad community benefit and appeal. Three quarters of the respondents (75%) believe those who are not directly connected to Saddleback College will support the project.
  - The study team believes that the Foundation cannot afford another unsuccessful campaign or long delay to improve the athletic stadium without lowering donor confidence and potentially damaging the college’s image.
  - A few interviewees suggested that a term other than “renovation” be used to describe and market the stadium project.
  - People questioned the need for and value of the Wellness Center as well as how its operations would be managed and funded. Many thought the college should partner with the hospital to use its facilities.

- The study did not find adequate major gift support for a $25.5 million capital campaign.
  - The proposed goal is considered high for the community.
  - Nine of the 38 individuals or corporations mentioned as potential donors at the top major gift level ($500,000+) were interviewed and none indicated a potential gift at the suggested level.
  - Corporate representatives interviewed expressed that any major corporate support to the stadium project would need to serve business interests and provide a sufficient financial return on investment.
  - Most interviewees are familiar with planned giving, but planned giving potential for the capital campaign could not be assessed due to the low number of responses.
  - The possibility that JSerra will build its own stadium will impact support from JSerra families for Saddleback’s project.
  - There are several other organizations that are conducting or contemplating campaigns that might compete for donor interest with the Saddleback College campaign. The one mentioned most often is Mission Hospital.
  - While the local economy is seen as strong, uncertainty remains in this election year.

- The study found adequate potential for campaign leadership among the Board of Governors and Study Advisory Committee.
  - Fifty-nine percent (59%) of respondents said they would consider serving in a leadership role in a capital campaign.
  - Five of the ten board and SAC members seen as most capable of providing campaign leadership were interviewed and all said they would serve in a leadership capacity.
  - Several interviewees suggested enlisting Saddleback alumni who became elite athletes to be ambassadors for the project.
Recommendations

- Immediately launch a cultivation campaign to identify major gift donors and engage them with Saddleback College and its capital development plans.
  - Anticipate the cultivation campaign will take 12 months.
  - Allocate 35 to 40 percent of the President’s time to meet personally with key prospects and establish a greater presence in the community.

- Form a President’s Council comprised of select high profile individuals identified during the study to lead the cultivation campaign.
  - Establish cultivation activities that are specific and tailored to each prospect. Examples include hosting leadership briefings and tours of Saddleback College, holding events in private homes and other appropriate venues, and meeting with prospects at football games and other events held on campus.
  - Beginning with corporate prospects found during the study, pursue partnership agreements that provide mutual benefit and quantifiable return on investment (e.g., that offer revenue opportunities for corporations in exchange for up-front contributions to the stadium project).

- Launch a major gifts program to secure unrestricted gifts to fund the cultivation period and additional planning for the capital campaign. The Board of Governors will need to demonstrate its commitment to the project by:
  - Securing 100 percent participation from the board through stretch personal giving. Aggregate giving from the board will need to generate 40 to 50 percent of the major giving program goal.
  - Serving as campaign volunteers.
  - Carrying out peer evaluations and solicitations.

- Focus the campaign case for support on the athletic stadium component. Ensure messaging includes:
  - The value and contribution of Saddleback College to the South Orange County community.
  - Evidence and case studies of alumni success.
  - The need, as a tax-supported institution, for philanthropic funds.
  - The benefit of the athletic stadium to the entire community.
  - Representative visual renderings of the stadium improvements and upgrades.

- Engage in a strategic ongoing board development process to diversify board representation and to recruit more members of influence, giving capacity and fundraising leadership.
Hire a full-time executive director with demonstrated experience in personally securing major gifts of $100,000 and above and leading teams of fundraising volunteers to support the cultivation of donors and subsequent capital campaign.

Until the executive director position has been filled, authorize retaining professional development counsel to provide interim development staffing to guide the cultivation campaign. Counsel will help form the President's Council, develop cultivation strategies and participate in their implementation, refine the case for support, and, at the end of the period, help determine the final campaign goal. At that time, the Foundation should consider hiring counsel to continue with the capital campaign.

At the end of the cultivation campaign, reassess the capital campaign plan and set a formal campaign goal and launch a capital campaign.

Meet personally with all interviewees to present study findings and the Foundation's plan to move forward with study recommendations in order to further cultivate their interest and participation in the stadium project, the President's Council, and the capital campaign.
Individuals Interviewed

Peter Bastone
Senior Executive, Strategic Operations
Tenet Healthcare

Patricia C. Bates
Supervisor, Fifth District
Orange County Board of Supervisors

Art Birtcher
Owner
BirtcherAnderson

John Borden
Owner
Vertical Construction Company

Tod A. Burnett, Ed.D
President
Saddleback College

Gary Capata, CPA
Mayor
City of Laguna Niguel

Gary Damsker
Retired, Damsker Healthcare

Kent Falk
President
South County Bank

Jim Graham
President
Santa Margarita Ford

Matthew Gunderson
Audi / Infinity Mission Viejo

John Heffernan
Director, External & Legislative Affairs
AT&T

Dan Kelly
Senior Vice President / Government Relations &
Corporate Communications
Rancho Mission Viejo

Colleen Langner
Vice President, Marketing California
COX

James W. Leach
Chief Executive Officer
South Orange County Economic Coalition

Linda Lindholm
Council Member
City of Laguna Niguel

Tony Lipold
Dean/Athletic Director Kinesiology & Athletics
Saddleback College

Penny & Jeffrey Spellens
Owners
Mercedes-Benz of Laguna Niguel

Marc Spizziri
Owner
Family Classic Cars

Donna Varner
President
Perception Public Relations

Dennie R. Wilberg, P.E.
City Manager
City of Mission Viejo
Study Advisory Committee

Donna Varner, Chair
President
Perception Public Relations/Special Events

Dr. Tod Burnett
President
Saddleback College

Gary Capata
Mayor
City of Laguna Niguel

Paul Carey
President
Santa Margarita Catholic High School

Kent Falk
President
South County Bank

Jim Leach
First Vice President
J. Leach & Company

Tony Lipold
Dean & Athletic Director
Saddleback College

Dr. Donna Rane-Szostak
Dean Health Science/Human Services
Saddleback College

Frank Talarico, Jr.
President and CEO
JSerra Catholic High School

Dennis Wilberg
City Manager
City of Mission Viejo
## Saddleback College Foundation

### Cultivation Campaign

#### Planning Chart

<table>
<thead>
<tr>
<th>Month Number</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
</tr>
</thead>
</table>

### Form President's Council
- Identify and recruit chair
- Identify and recruit committee members
- Develop and implement calendar of activities
  - Project briefings
  - Hosted receptions
  - Community group presentations
- Create prospect list of community stakeholders for cultivation / engagement

### Establish Board-driven Major Gifts Program
- Develop case for support
- Establish annual major gifts goal
- Develop collateral materials
- Identify and recruit chair
- Recruit Board Leadership Gifts Committee
  - Solicit committee members for their gifts
  - Conduct peer review and assignments
  - Complete board solicitations
- Establish Prospect Evaluation Committee
- Conduct non-Board major gift solicitations