



***FUND-RAISING
A PRACTITIONER'S APPROACH***

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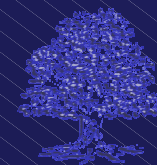
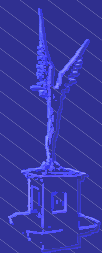
Kiev, May 11, 2005

The information presented here is not a lecture on the theory of fund-raising but it reflects the experience of the practitioner who, for the last 15 years, has been building two institutions of higher education:

Wyższa Szkoła Biznesu – National-Louis University
in Nowy Sącz, established in 1991

and

Wyższa Szkoła Biznesu in Tarnów, established in 1996



WYŻSZA SZKOŁA BIZNESU
NATIONAL - LOUIS UNIVERSITY

Two different examples of creating schools of higher education

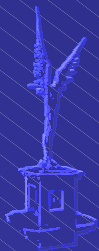
The same founder, different approaches and results

- The Nowy Sącz example: beginning in 1991, in 1st year only 64 full-time students and \$2000 founding capital, leasing a building from public administration.

At present, 4000 students, 1st place in rankings since 1996, more than PLN 50 million in investments

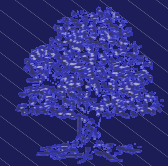
- The Tarnów example: beginning in 1996, in 1st year approx. 300 part-time students, purchase of the campus for a minimum price (PLN 250 thousand payable in instalments)

At present, 1400 students, regional school, approx. PLN 5 million in investments



WSB-NLU, thanks to external assistance, has managed to build its brand and position within 5 years but it would not have survived the initial 5 years without fund-raising.

WSB in Tarnów, since the very beginning, has based its operations on its own funds.



WSB-NLU Case

2 stages of development:

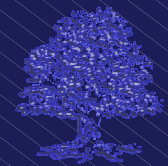
- ✓ from 1991 to 1996 - lack of balanced budget (too few students)

Period of intensive begging

1997 - balanced budget achieved

- ✓ from 1998 to 2005 - operations based on own funds

"No more begging!"



WSB-NLU Case

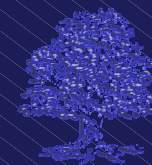
Annual Revenue in PLN and Revenue Structure (in percent)

	1992	1993	1994	1996	1998	2001	2004
Total revenue (in thousands USD)	141	503	830	2 245	3 982	5 925	7 813
Tuition and registration fees %	28	33	58	81	79	88	88
Training and conference activities%	0	12.5	16.5	9.5	13.5	4,5	4.5
Donations and subsidies	72	44.5	15	4.5	0.6	0,2	0.2
Sums from the Labour Fund	0	10	7	0.3	0.2	0	0
International programs and grants*	0	0	3.4	4.3	6.9	1,5	1.5
Other revenue						4,4	6.8

**Comprising only direct grants, excluding technical support*

2004 profit including depreciation: PLN 3,367 million

Profitability: approx. 14.5%



WSB-NLU Case

Conclusions from the Long-term Budget WSB-NLU Case

Conclusions from the Long-term Budget

- ✓ Subsidies and donations were essential only during the first three years;
- ✓ Money from the Labour Fund (for hiring the unemployed, recent graduates etc.) was important only during the first three years;
- ✓ Stable operations must be based on revenue from tuition fees;
- ✓ From the budgetary perspective, international assistance is only complementary;
- ✓ The table does not include the technical support from USA and Sweden since it is difficult to assess its direct impact on the budget.



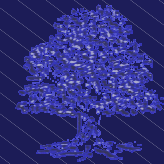
WSB - NLU Case

Out of PLN 50 million spent on investment, only:

PLN 3.2 million came from the public/governmental funds;

- ✓ Approx. PLN 5 million came from the training activities;
- ✓ Approx. PLN 2.8 million came from subsidies and donations;
- ✓ PLN 9 million is still due (loan);

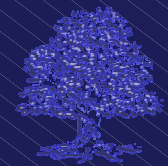
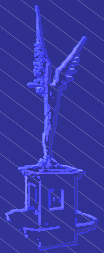
And as much as PLN 30 million was generated by efficient management of funds from tuition.



WSB-NLU Case

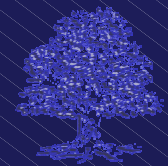
General Conclusions

- ✓ Fund-raising activities play an important but complementary role and financing the school's operations must be based on solid academic activities (degree programs and training seminars);
- ✓ Grants and technical support can have an essential role in building the school's recognition and brand;



My 'Golden' Rule of Managing the School

90% of the total revenue that comes from students (tuition, registration fees, training fees) must cover 100% of the School's running costs and all special profits and subsidies are earmarked for the development fund.



Types of Fund-raising Activities

- ✓ One-time donations and institutional subsidies received from foundations and corporations as charity;
- ✓ Grants for specific ventures received from institutions that support education (e.g., for construction of a building, for purchasing computer equipment);
- ✓ Grants for implementing specific projects, received from foundations and support institutions (for organising a conference, running a training seminar, conducting research);
- ✓ Grants from co-operating institutions for the so-called technical support (personnel and faculty training, lectures for students etc.);
- ✓ Extraordinary activities (e.g., receiving a building or a plot of land from municipal authorities).



Crucial Advice

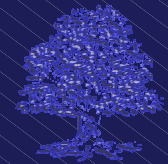
Do not use a doctrinal approach to fund-raising i.e., assuming that only cash is important. Other means are equally as good e.g.

- ✓ foreign aid in the form of the so-called ‘technical’ assistance (providing curriculum for a whole program or one particular course, lectures of foreign professors, training of our faculty members);
- ✓ handing over a building or its loan free of charge;
- ✓ implementing a project (even if it only covers the project costs);
- ✓ help offered by volunteers;
- ✓ taking over a well-known brand or achieving a position e.g., that of a Polish-American university;
- ✓ non-material projects that have an impact on the institution’s image;
- ✓ receiving money to fund students scholarships;



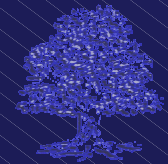
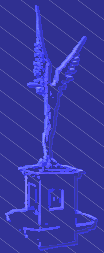
Principles of Effective Fund-raising

- I. Never rely on one source of external assistance.
- II. Try to find funds in many institutions.
- III. Remember that you must use the „1:200” rule.
- IV. Always seek funds for a specific goal (e.g., for 10 scholarships for students, for a purchase of 200 textbooks, for equipping a new laboratory).
- V. Remember that the most difficult task is to get huge funds from one place and that you can raise UAH 5 million by receiving donations of 250 thousand hryvnia from 20 institutions.



Characteristics of an Effective Fund-raiser

- remembers about donors, even the smaller ones;
- inspires trust and shows fascination with his/her project;
- is consistent but not insistent;
- is modest but neatly dressed;
- has a nature of a hunter who can spend a long time trying to hunt down the selected 'game'.

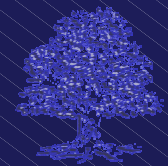


Two Models of Fund-raising

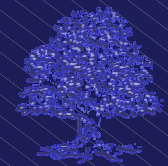
- Conducted by the head of the organisation;
- Conducted by a specialised unit within the organisation.

The first model is more effective but it is too time-consuming for the head of the organisation.

The other model requires an introduction of a performance-based remuneration system.



At WSB-NLU only now (i.e., following Poland's accession to the EU) a special unit is being created whose task will be to obtain money from the EU Funds (changing the ways of operations on the market).



Effectiveness of Activities

(from WSB-NLU Perspective)

1. It was the easiest for us to obtain grants from American aid institutions (USIA, CIPE); however, political lobbying was required.
2. It was the most difficult for us to obtain funds from Polish corporations and aid institutions (good relations with their bosses were crucial).
3. We have learnt to prepare project applications and obtain money from the EU aid funds (Fiesta, Tempus, Leonardo da Vinci). These grants, however, are destined for specific projects and the funds obtained cannot be used to support our primary activities.
4. At present, we are gaining experience in submitting tenders and applications for the EU funds destined for training, research and investment (extreme bureaucracy)



How to Write a Good Project

- I. Read and familiarise yourself with the description of the programme, in particular with its **goals and priorities**.
- II. Describe precisely (using clear language) the project's major goal.
- III. In the project, use the key words that appear in the programme description as often as possible.

Examples of key words:

- European dimension;
- Sustainable results;
- Advocacy;
- Competitiveness;
- Multiplication effect.

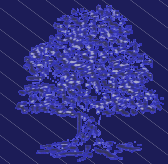
- IV. In the European project, emphasise an achievement of competitive advantage over American economy (education). In the American project, emphasise spreading the models of the competitive society and publicity.

- V. Do not be afraid to repeat the project's major goal and its advantage over other projects several times (even as many as ten times) in a five-page long project.



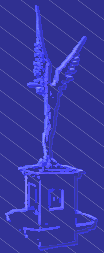
How to Write a Good Project

- VI. Show why your institution is the most suitable one for the project implementation.
- VII. Check several times if all the formal requirements have been met (an evaluator will be happy to reject even the most perfect project if he/she finds a formal fault).
- VIII. Do not apply for the total amount of the grant (it does not look credible).
Apply for 75% - 80%.
- IX. Carefully plan the budget for particular separate activities (moving funds is often limited to 10% of the total budget figure).
- X. Analyse the projects that were rejected. It will help you win the future ones.



How to Write a Good Project

- XI. Find an appropriate number of partners who will implement the project (usually for the EU project it is necessary to have 2 (rarely 1) partners from the EU). It is often worthwhile to invite also partners from your own country and thus show that the project implementation will contribute to the development of institutions other than your own.
- XII. The project should bring long-term results (all granting institutions like it a lot) that extend beyond the period of the project duration.
- XIII. Prove that implementing even an individual project will contribute to the development of local community, region or industry.
- XIV. At first, try to prepare projects for the so-called easy programmes (e.g., Socrates- Erasmus) and gradually increase the complexity of the projects.
- XV. In the initial period of establishing international cooperation do not create a separate special organisational unit. It should be your (the president's) task. You yourself have to know the methods, procedures and secrets of applying and only later can you pass these on to your employees.





**Thank you for your
attention**

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