



The Plan for Donations or “Don’tations”: The Case of the Alumni-Funded Entrepreneurship Center

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Abstract:	This case was developed for use in a course on entrepreneurial education that focuses on leadership. Background from Blue Stone University, including information on its mission, organizational structure, metrics, entrepreneurial programs, and stakeholders is presented. This case explores how a school within a university approached the creation of an entrepreneurship center as a result of a substantial alumni donation. Students must analyze the scenario from the viewpoint of various stakeholders, identify pros and cons of the evolution of the entrepreneurship programs both within the school and the university, and brainstorm alternative approaches for future donation-based center creation at Blue Stone University.

Blue Stone University

Founded in 1892, Blue Stone University is a private, Christian university in Norway, Oregon. A relatively small university, with an average of 1,295 students per **graduating** class, the university is widely known for its strong, accredited business and agricultural programs. Blue Stone offers degree programs from each of its three schools—The School of Business (SOB), The School of Agriculture (SOA), and The School of Education (SOE). Blue Stone operates from a strategic plan that is focused on ensuring minimal duplication in course content across programs within the university. While initially funded from a substantial grant from a local family, Blue Stone now operates predominately on revenues from its student enrollment; the ability to operate the university on student revenues is a result of Blue Stone's lean program development and efficient operations. **Each of the schools within Blue Stone has individual profit and loss responsibilities that are reported up to the university level. The schools within Blue Stone look at new program development from a business perspective, considering the return on investment of any new initiative.** Blue Stone also benefits from a highly active alumni population **that engages** with university initiatives.

With increasing pressure from alumni and Administration to maintain and grow its university-wide population in response to the growing global recession, Blue Stone began aggressive university-wide fundraising campaigns in 2001. **These efforts, led jointly by the university development office and office of alumni affairs, were set up to create endowments to establish new programs within the SOB, SOA, and SOE. Each of the three schools within the university was also allowed to begin their own individual fundraising programs to supplement financing from the university.**

Bluepreneur: The University-wide Entrepreneurship Program

Blue Stone had dabbled in entrepreneurship in the past. In 2004, the Administration set up a university-wide entrepreneurship program to encourage a multi-disciplinary approach to entrepreneurship across the campus. This university-wide entrepreneurship program was called Bluepreneur. **It was the first university - wide entrepreneurship program to be established at Blue Stone. Bluepreneur was formally housed within the School of Agriculture.** The program was affiliated with SOA to honor the SOA professor that led the initial Bluepreneur program development. However, since the program was not established as a degree-granting program, Bluepreneur did not **have oversight over the curriculum development of entrepreneurial courses or degree programs.**

The mission of Bluepreneur was to raise awareness to the entrepreneurial efforts, skills, and talents of the university network including students, staff, faculty, and alumni. The program also created programs and activities to engage entrepreneurial alumni to donate resources **for program development. The Bluepreneur Board of Directors (BOD) assessed the success of Bluepreneur. The BOD was comprised of the university president, the three deans, and the executive director of Bluepreneur, and two alumni. The university president was head of the Bluepreneur BOD. Evaluation was based on key metrics, including campus awareness of entrepreneurship initiatives and community engagement. Effectiveness of campus awareness was recorded via campus-wide surveys and community engagement was measured by the number of attendees that attended events over a given calendar year.**

The core funding for Bluepreneur, **overseen by the BOD**, came from fees collected by each of the three schools on a yearly basis. In exchange for contributions to this fund, each school could participate with the Bluepreneur initiatives on campus. Additional funding for the program came from fundraising efforts from the Bluepreneur program. All of the funding from these sources (endowments, annual contributions, and additional donor giving) was used to hire and maintain the salary of the Executive Director of Bluepreneur, Ian Northrupsen, and his staff. Northrupsen led Bluepreneur and managed the stakeholders involved in entrepreneurship at the university—including students, faculty, staff, administration, and the public.

Bluepreneur began **with high** level of commitments from the **three deans** to advance entrepreneurship in their respective schools. The **deans** met on a quarterly basis with the other members of the Bluepreneur BOD. During these meetings they would discuss campus-wide entrepreneurship efforts, plan out the annual entrepreneurship conference for students, alumni, faculty, staff, and the local community, and share ideas for new program developments. The nature of the meetings was cordial. However, capturing data to evaluate whether Bluepreneur was successful in terms of the established metrics due to evolving priorities proved to be challenging. Specifically, without the commitment of the University's President, Carlev Stevensen, there were no checks and balances between idea creation and execution. Additionally, no incentive existed for the schools to execute on their new ideas, nor was there any punishment for poor execution of their new ideas.

From the Administration's perspective, it was "nice to have" Bluepreneur to aid in marketing efforts but it was not a "must have program." Formal concentrations were not established within the schools to support the entrepreneurial efforts. Most importantly, the Administration did not believe that entrepreneurship should be a core program at Blue Stone University.

The Entrepreneurial Donation Dilemma for School of Education (SOE)

In 2003, SOE decided **exploit its** alumni donor base to expand the size and quality of its program. SOE put together a team of well-networked, motivated staff to create the fundraising department within SOE. After building the program for two years, SOE finally outlined a solid fundraising **plan** and started to see significant increases in alumni donations. In year three, SOE finally saw a positive return on investment from its fundraising department development efforts.

In one of SOE's fundraising campaigns, donors were called to donate to "Bluenovate". "Bluenovate" was a campaign that sought donations to directly impact innovation on campus. The Curry family decided to donate \$26 million dollars to the SOE to build The Curry Entrepreneurship Program in 2006. **The Curry family, who accumulated their wealth through entrepreneurial ventures in agriculture, was well known at Blue Stone. The three past generations of the Curry family attended Blue Stone and most of them were SOE graduates.**

The Curry Family had always given back to the university through the university-wide general fund and this was the first time they donated to a specific school. **Additionally**, the \$26 million dollar gift from the Currys was the largest donation that Blue Stone had ever received. **The**

funding was to be used to build a world-class program that would provide students with entrepreneurial education (focused around pre-startup skills, startup skills, operational management, and strategy execution) in the hopes of creating greater impact in the economy. The Dean of SOE, Adolf Martinsen, was faced with a dilemma. Martinsen was thrilled about obtaining such a substantial donation and excited about the prospect of a new program. However, Martinsen was also threatened by the magnitude of change that this would bring to SOE in a **short time** period. Entrepreneurship education was not core to the SOE's curriculum. **However, shades of entrepreneurship education were present in many courses through term projects that required multidisciplinary approaches.** SOE was operating efficiently and hitting its budget. The donation came with a stipulation that \$9 million would be provided up front and the remainder would be provided on the death of Mr. Curry Sr. (55 at the time). The \$9 million would be placed into an endowment to last over the course of a five-year period to **hire a director and staff to start the entrepreneurial program.**

Beyond the physical space needed for the new center, Blue Stone and SOE would need to think through the curriculum implications of incorporating a formal entrepreneurship program. SOE would need to consider the return on investment from incorporating such a program—ensuring a positive return to maintain aligned with its consistent lean program development approach. SOE would also need to allocate significant resources to focus on building a solid operational budget for the center. While it seemed likely that the strong interest in entrepreneurship programs could assist in attracting new faculty, **not having a track record could make it challenging to recruit the best researchers and teachers.**

How would SOE build a strong program while waiting for the remaining part of the gift? While there were enough start-up funds for initial activities, how would they create additional revenue sources to remain sustainable? **How would Blue Stone transition to a researcher-based faculty given the fact that the initial Executive Director was more of a practitioner—with a lot of experience in entrepreneurship outside of academia?** There are different skill sets associated with working as a practitioner rather than an academic. Would it be possible to find a candidate who had experience in both areas? How would the current faculty within SOE and the university overall take to the potential opportunity and/or risks of the new center?

SOE would need to think through the operational implications of the creation of the center while the building was constructed. SOE would also need to consider how the program would be tailored to avoid duplicating the efforts of the Bluepreneur program. **How would entrepreneurship education fit with the vision and mission of SOE? How would the vision and mission of SOE change as a result of the donation? How would the new SOE center cooperate with the Bluepreneur program?**

Martinsen felt a range of emotions in approaching the decision. **He thought through all** of the implications of this initiative as he prepared for the Bluepreneur BOD meeting. Was SOE ready to be entrepreneurial?

The Entrepreneurial Donation Dilemma for Bluepreneur
With the creation of The Curry Entrepreneurship Program, Blue Stone could become established as a well-known, reputable university for entrepreneurship education within

the United States. This was a rare opportunity to grow entrepreneurship education and to remain competitive with other schools looking to build similar centers. However, there were challenges for the Bluepreneur program that were associated with the development of the new center. Specifically, would The Curry Entrepreneurship manage its own branding or would the Bluepreneur program handle the branding at the university-level? How would the competition for donors change now that there were multiple programs within Bluestone looking for entrepreneurship funding? **How could the Bluepreneur program and The Curry Center Entrepreneurship Program share their resources yet built their own competitive advantages?**

Northrupsen sat in his chair before the start of the next quarterly Bluepreneur BOD meeting mulling over the idea of The Curry Entrepreneurship Program. What should they do to ensure minimal duplication of effort across the university in reaction to the center development? What would happen to the Bluepreneur program?

The Plan for Donations or “Don’tations”

One hour before the BOD meeting about the plans for the launch of The Curry Entrepreneurship Center, Stevensen received a call from a prominent alumnus, Jacob Caseysen **who said**, “The new center for entrepreneurship is a great idea. I saw the media on it and this will be great for Blue Stone. However, I think we need a center focused on strategy—strategy really drives entrepreneurial thought. I will be writing a check to match The Curry Family donation. I want the center to be called The Caseysen Battles Center as a tribute to my family. Since I graduated from the SOA, I want the center to be housed within SOA. Who should I write the check out to and where should I send it?”

Stevensen sighed and thought about the irony of being frustrated with getting funding for another new venture. He told Caseysen he would get back to him after the Bluepreneur BOD meeting.

The upcoming Bluepreneur BOD meeting would be filled with excitement, uncertainty, and a range of ideas about the new structure for The Curry Entrepreneurship Center. With the new idea of The Caseysen Battles Center on the table, Stevensen knew he needed a plan. Going into the meeting, he couldn’t help but think about the idea—how could he create a process to ensure that all funds from alumni came in as donations and not “don’tations” (a term used to describe when a university receives a large donation with defined donor demands that are required to be met in exchange for the donation).

Teaching Notes

This case reflects complicated issues aligned with utilizing an **alumnus** donation to build an entrepreneurial center within a university. It also highlights the challenges associated with **making new educational offerings coherent given the needs of the university, the stipulations of the alumni donation, the original missions of the schools, and resource sharing and brand building across the university and within the individual schools.** For **discussion**, the students should be familiar with both the Fullan Model (2001) and Bolman and Deal's (2008) four organizational frames. The students should also have a basic understanding of business and Streeter and Jacquette's conceptual framework for university-wide entrepreneurship programs. The **following points** were created for students to consider, especially in ensuring alignment between a new program's initiatives and the ability to manage stakeholder expectations. Although a number of issues could be **discussed, I will present** some prompts and questions that could be considered for a group discussion. In preparation for the class discussion—"How could Stevenson create a process to ensure that all funds from alumni came in as donations and not "don'tations?"—break the class into small **groups to discuss**:

1. Using Bolman and Deal's structural frame, explain how leadership could successfully design a new structure at Blue Stone to incorporate The Curry Entrepreneurship Center. What are the main pressures that cause your restructured model? (e.g., environment shifts, technology changes, organization growth, etc.)?
2. Using Bolman and Deal's political frame, discuss which stakeholder interests should have the greatest impact on Bluepreneur to meet its metrics, and why? **What is your suggestion on how the university should negotiate the terms of the donation?**
3. Addressing the four frames, develop an action plan for Northrupsen to consider when approaching the upcoming Board Meeting.
4. What implications does the creation of The Curry Entrepreneurship Center have on the human resources function in the university? Think about this question from three areas including: recruitment, retention, and development.
5. **Project a plan** for Martinsen's **next actions using the Fullan Model**. Which of the five components should he focus on? What characteristics are necessary to invoke change?
6. How should the university approach the structure of the Bluepreneur program moving forward? **Complete a SWOT analysis and identify the top three things that the university should consider when moving forward.** Which of Streeter and Jacquette's conceptual framework applies to your solution?
7. Draw out a decision tree for how Blue Stone should approach alumni donations in the future. Should the decision be at the university level or school level? What stipulations should Blue Stone create to align incoming alumni-donations with its strategic plan?
8. **Discuss the pros and cons of creating programs within a university that are alumni-demand driven versus student-demand driven. What is your recommendation?**
9. **Identify the top three groups that will benefit from the creation of The Curry Entrepreneurship Center. What will each group get as a result of the center creation? Draw a diagram of the value chain for each of the three groups.**
10. What skills are needed to build an entrepreneurial center at a school within a larger university? Draw out a diagram of the top 10 skill-sets needed and then rank them in order of importance to complete the creation of the center. **(1 is lowest, 10 is highest)**

11. How does The Curry Entrepreneurship Program build its own unique competitive advantage? What resources could it use from the Bluepreneur program?

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Note

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ERIC Descriptors

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Instructional leadership
Fundraising