


The Role of Alumni in the Development of their University



Thomas Bieger outlines the nature of alumni relationships and looks at how they can be capitalised on for mutual benefit

Every dean would agree that alumni are one of the most important stakeholders and resources for their university. However, the type of alumni relations, the institutionalisation of these relations, and the instruments and events used, vary between different schools and their contexts. At the same time, challenges like dealing with younger generations of graduates or keeping track of a more mobile alumni community seem to be common. As part of its 125-year programme, the University of St. Gallen organised a conference on alumni relations, bringing together representatives and perspectives from some of its partner universities: WU - University of Economics and Business Vienna, the WHU – Otto Beisheim School of Management, Bocconi University, ESADE, and Nanyang Business School.

"Alumni are the only stakeholders you cannot exchange. You might lose students, even dismiss faculty, and ownership might change, but alumni are there for a lifetime," as one dean put it. This means establishing a relationship that endures through good and bad times—a relationship that can be maintained, nurtured, developed, and managed to provide mutual long-term benefits. Accordingly, alumni relations play a role in every accreditation system. For instance, in EQUIS, it's outlined in criteria 3f of Standard 3 under "Students," which reads:

- Describe the way in which the school maintains and uses contacts with its former students.
- Is there an alumni association?
- How is it used to support the school's strategy, programmes, and students in their career development? How effective is it?
- How does the school support the alumni?
- To what extent do the alumni contribute to the funding of the school?

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Value potentials of symbiotic alumni relations

From a purely theoretical management perspective, school leadership must ensure access to strategic resources in its environment with the help of its stakeholders. The most important resources that alumni can provide schools include:

- Knowledge from the world of practice, crucial for school strategy and programme development.
- Future students through testimonials, support in marketing, and personal contact.
- Social capital like trust and reputation that support the school's brand thanks to successful alumni.
- Company and political networks, which provide value for graduates and fellow alumni in their careers, and also research projects for faculty.
- Lastly, finances; many schools rely predominantly on their alumni base for fundraising activities.

There are reciprocal strategic resources that alumni can draw on thanks to their relationship with their alma mater. These include preferred access to knowledge and international research results, lifelong learning thanks to preferred access to tailor-made programmes, academic networks which help them in research-related work, and the prestige and reputation of their alma mater and degrees, which are important success factors in their careers. Successful alumni relations always start with identifying the value proposition for alumni. It is clear that pure transactional values, such as discounts for executive programmes, have limited impact, and emotional values of belonging, being embraced and able to contribute are important ingredients for a long-term relationship.

Two models for organising alumni relations

Important questions must be addressed to develop and leverage this symbiotic relationship. The first is the nature of alumni quality and the type of relation, which can be categorised into two models. The integrated model and the traditional alumni association model:

- 1. Integrated Model:** This model involves an alumni relations office integrated into the university administration, often within the marketing department. The alumni relations office deals with the alumni and organises alumni-related events. Graduates become 'members' by signing a declaration with a pledge and agreeing to data confidentiality rules. This model is predominant for example in the US and in Asian countries.
- 2. Traditional Alumni Association Model:** In this model, alumni relations are managed by a separate, independent organisation with its own board, membership fees, and dedicated membership services for paying members. Traditional European universities like HSG or ESADE operate on this model.



Both models have their advantages and disadvantages. Most importantly in the association model the share of alumni members is usually around just 30% to 40% compared to 90% for the integrated model, although there are exceptions to this general rule. An advantage of the association model could be the active engagement. The deliberate decision to become a member might lead to a higher proportion of engaged and active members in the association model compared to the integrated model. On the other hand, an advantage of the integrated model is the access to data of graduates, which is often restricted for independent alumni organisations due to data protection laws. Furthermore, in the case of the association model, a working relationship between the alumni board and the university management has to be organised, which can sometimes be complicated due to conflicting interests but can also bring in additional energy and creativity. Some schools like WU Vienna and Bocconi in 2018 deliberately changed from an association model to an integrated model, mainly to increase the share of alumni they could have active relations with.



90%

The share of members in integrated models

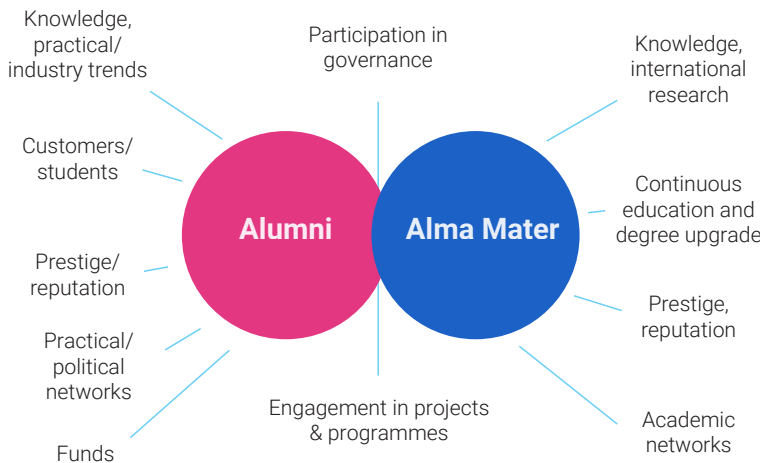


Another important question is how alumni are integrated into university governance. Here again two extremes can be identified. Some schools integrate alumni into their highest decision-making bodies, like the university board, while others establish an alumni advisory board while some only call on alumni on a case-by-case basis, for example for programme development project groups. It seems that a trustful, long-term relationship often requires a form of high-level involvement of alumni, and the alumni advisory board is a kind of a dominant design in this regard. Frustrations which hamper a fruitful alumni-school relationship might occur if too high an expectation for influence and decision rights are not met. Managing alumni expectations, especially regarding involvement in governance, is key.

Success factors in leveraging alumni relations

Alumni engagement takes various forms, including teaching and research involvement. Engagement in teaching includes alumni as speakers in classes, having alumni teaching entire courses, joint development of cases, or real case consultancy projects. On a strategic level alumni provide input in programme development through programme-specific alumni groups. Bringing alumni back to the classroom is a mutually beneficial and motivating experience for both alumni and students.

Engaging alumni in teaching and research projects requires in-depth knowledge about alumni and their backgrounds, making data a crucial component. US-American universities often use elaborate databases that summarise all contact points and contributions. Since these engagements often require direct alumni-faculty contacts, a database on alumni relations by faculty might also help focused engagement.





The key question for all schools is how to maintain contact with graduates in the early career stage

Engagement with alumni is easier for schools located in important economic centres, as they can host events at the school or in their town, attracting a large share of their alumni within close proximity. For international schools, a decentralised system of local chapters is an essential tool, with some schools like Bocconi operating up to 75 of them. Regular contact is a major success factor as it builds trust and familiarity. Some schools therefore set clear goals, such as a minimum of one contact per year.

Role models among leading alumni and their contributions are essential success factors. Career advice is possibly the most important long-term value for alumni. With contribution to careers through networks, career advice, or regular knowledge transfer, the relation to industry or market groups might in the long run become more important than the initial class network, which might be important right after graduation, and maybe again after retirement.

Life journey concept of alumni relations

From an individual alumni perspective, needs, expectations, and the desired level of engagement change over time. A life customer or life journey concept can be an important conceptual framework for alumni management. Key stages include early career right after graduation, the professional phase with family, a potential second career with entrepreneurial engagements, professional reorientations, and finally, retirement. The retirement phase is crucial from a fundraising perspective. Alumni organisations need to define products such as the senior chapter, with a related annual conference in the case of HSG.

The key question for all schools is how to maintain contact with graduates in the early career stage. A phase in life with a high degree of mobility, and thereby changing physical places but also email addresses, the rush hour of life with big and conflicting demands by profession, friends and family. Challenges range from technical issues like database management to being relevant for younger generations, with their new values. Engaging young graduates early on in alumni boards is crucial to addressing their needs.





And finally, fundraising

Fundraising cannot be the initial focus of alumni relations, except in emergency cases where schools are short of closure and need immediate help. As one dean put it, if everything is fine and working in alumni relations, then fundraising comes naturally. However, there are important cultural differences. In countries with relatively high tax rates and the expectation that higher education is part of the obligations of the state, building up a fundraising culture is more difficult. The danger that funds raised just serve to finance the reduction of state subsidies has to be mitigated. Iconic, strategically relevant projects might help to create role models for alumni financial contributions like in the case of HSG the new learning centre, SQUARE which was financed by donations of 65 Mio – in an environment of generally excellently funded state universities in Switzerland.



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