



## 2.5 Marketing and Fundraising

Although the NSF provides generous financial support for conducting core ERC program activities, most centers continuously pursue additional external funding opportunities. Many ERCs have been successful in leveraging the NSF investment by more than three-fold when associated activities are added. These additional funds are used to deliver greater services to students, the engineering community, and the center's home institutions and to broaden their research activities, conduct enhanced education programs, and carry out additional innovation and translational research activities.

The NSF generally supports, and in fact encourages, these external funding activities, provided they complement the research mission of the center and raise the visibility of the core program. Centers must be mindful of their core competencies and not stray too far from their key strategic vision. The additional funding also helps centers lay the groundwork for sustainability and continued operations after Year 10. From the beginning, a center should promote an entrepreneurial culture and develop the processes and administrative infrastructure that allow faculty and key stakeholders to work to secure external funding.

Communicating the value of the center and its key strengths to external audiences is an important ongoing function of the center leadership. Outreach, engagement, and raising the visibility of the center and its programs is of the utmost importance. Most centers work to achieve recognition and awareness within the professional scientific community they are associated with, primarily for their scientific prowess. This is accomplished through a wide variety of actions, typically undertaken by staff at the lead institution. The benefits of actively marketing the center are many and include gaining additional market sector insights, delivering and communicating value, setting the stage for long-term growth, and attracting new members and collaborators.

One strategy for motivating faculty to actively market the center is to appoint center “Ambassadors.” These Ambassadors are typically senior faculty who travel widely and hold important committee positions in professional associations, standards organizations, governing bodies, government agencies, public policy making organizations, and other appropriate external organizations. As Ambassadors, their role within the organizations they are involved in is to represent the center, spread the message about the center's programs, and bring back important information to share within the center. These Ambassadors can be offered a small travel stipend for their services.

Industry members can also serve as important ambassadors of the center. Industry members that have forged close relationships with the center are often happy to promote the center and its programs to their professional network and stakeholders; and as “customers” of the center, their opinion carries weight. Some industry members will invite other companies to join the center based on their perception of value and history of positive experiences. Industry members who have a particularly wide reach in their domains or practice area can help spread valuable information to particular constituencies about the center and its programs.

Other marketing activities such as sponsoring booths at major conferences, supporting organizing committees for major industry events, and active, high-level participation in professional associations can help raise the visibility of the center. The value of marketing materials such as brochures, newsletters, and conference “swag” is often debated. There are many more electronic tools available now for disseminating a targeted message about the center that cost less and can arguably be more effective in educating different audiences. Social media and other information tools should be exploited to the greatest degree. The inexpensive logo giveaways and knick-knacks might not be the best investment of center resources.

The center's website is perhaps its most visible external image, with virtually unlimited variations and creative variations for conveying important information. A professional looking, easy to navigate, well organized website is a powerful marketing tool. Maintaining an up-to-date website and populating it with the appropriate information can be a fairly large burden for busy center staff; but it is vitally important as it is often the first introduction to the center that external stakeholders will see.

### 2.5.1 Potential Funding Sources

For most ERCs, their industrial partners are a primary source of funding to supplement the NSF award. This funding comes in the form of membership fees, sponsored research contracts, student stipend support, fellowships,



in-kind donations, gifts, and intellectual property royalties. Membership fees for most centers typically range from \$1,000 to over \$250,000 per year, depending on the benefits and/or intellectual property (IP) received. When considering industrial financial support, it is critical for ERCs to maintain balance. Too little industrial funding could cause the NSF to question the center's relevance to industry. But an over-reliance on industrial funding, especially if it is from one industry, could create a vulnerability during distressed economic situations and increase the center's susceptibility to choosing short-term problem solving over longer-term basic research. Industrial financial support is discussed further in Sections 2.3 and 2.6 as well as in Best Practices Chapter 5, Industrial Collaboration and Innovation.

There are a large number of competitive solicitations that are released by other federal agencies throughout the year, and many ERCs continuously apply for supplemental funding through this mechanism. The ERC and all that it conveys is generally viewed positively by other funding agencies and is seen as a stable, well supported platform for related R&D programs.

There are also a small number of NSF supplemental funding opportunities restricted to ERCs and other existing program participants, and centers which actively seek out these special solicitations can readily enhance their finances. Though very competitive, these are very attractive to centers because the pool of prospective applicants is relatively small, which increases the probability of success. The best known of these awards is the Small-business/ERC Collaborative Opportunity (SECO). The NSF programs aimed at accelerating commercialization of technology; such as Partnerships for Innovation–Accelerating Innovation Research (PFI-AIR) and similar grant opportunities are particularly well suited for Gen-3 ERCs; with their focus on commercialization. Similarly, the Research Grants in Engineering Education (RIGEE) and Catalyzing New International Collaborations (CNIC), or REU Site awards and similar NSF grants that can help to enhance an ERC's education and international engagement programs, are particularly attractive targets of opportunity.

Although the time horizon is long and it requires a considerable amount of up-front relationship building, centers can also pursue large, endowment-like support from corporate or private donors. It can take several years of meetings, discussions, and networking to lay the groundwork for soliciting this type of gift, but these large gifts can help to provide a modest but reliable source of operating funds for the center. Typically, approximately 4% of an endowment can be spent each year, while preserving the principal. The University development office, engineering foundation, or similar organization needs to be involved in this type of fundraising endeavor. Sometimes, a dedicated foundation or similar account is established for the center to receive this type of funding. There may be restrictions on the use of the funds and various University policies to comply with, but large gifts acquired from corporate foundations, high net worth alumni, and other similar donors are certainly worth pursuing. Naming rights for a lab, classroom, or test-bed facility can be part of the enticement to potential donors for these gifts.

### 2.5.2 The Director's Role

The role of the Director in marketing and fundraising activities is key. The Director creates the vision for the type of organization the center will be and must make the case that marketing and fundraising are important processes for achieving that vision. The Director must set goals, motivate staff, and guide staff in establishing the mechanisms and strategy for marketing and fundraising. The Director must work to create a culture where these activities are highly valued and where all center participants see their role in these activities. This can be a challenge, as scientists and engineers typically undervalue the importance of marketing, fundraising, and similar "soft" programmatic functions. The value of these activities in the life of the center and its sustainability and the potential benefit for all center participants that contribute to these activities must be conveyed.

It can be useful to establish annual targets for key metrics in marketing the center such as:

- Companies formally invited to join
- External corporate visits
- Proposals to be submitted
- Dollar value of proposals submitted
- Key conferences to participate in
- Others as appropriate.

The Director must also be an innovator in devising programs that keep the industry engaged and encourage higher membership levels. Thinking creatively and cultivating a good relationship with the University's Contracts and



Grants and Sponsored Programs Office are essential if the center is to meet the evolving needs of its membership.

Working with the staff of the center, the Director must constantly reiterate and reinforce the value of marketing and fundraising activities. To have the greatest reach, partner universities must be fully involved in all facets of the center's marketing and fundraising programs. There should not be the perception that the lead University is the key actor and the partner universities are lesser participants. The center must be seen as a tightly knit, focused enterprise with a unified vision and programs.

### 2.5.3 Role of Center Staff

In addition to the Director, all Center staff also have a role to play in this important process. The most important of these is the role of the faculty, the Industrial Liaison Officer, and the Administrative Director.

The faculty make up the largest pool of talent within centers. In addition, they typically have large networks of professional associates as well as talents and experience in many of the skills that can contribute to effective fundraising and marketing. This typically applies to senior faculty, but junior faculty should be encouraged to contribute as well, as part of their professional development. The challenge is in helping faculty see the value of these activities and convincing them to take them seriously. To some degree, they should view the health of the center to be in their own self-interest. Faculty members at all campuses need to be involved, not just faculty members from the lead University. It can be a challenge to keep partner schools, particularly those with a small number of students and faculty and who may be receiving a somewhat modest amount of funds, involved in the center.

The Industrial Liaison Officer will typically be responsible for the marketing and fundraising activities directed at potential industry members. Although membership dues often provide a small percentage of total operating funds during the 10 years of NSF funding, the long-term sustainability of the center can be supported by industry membership and participation. The ILO will typically work with the Director to devise the specific objectives for the industry marketing program. The approach taken to meet these objectives will vary based on the target audience. Small businesses, big business, national labs, public organizations, and other types of groups each require a slightly different approach. In each case, the building of a long-term, mutually beneficial relationship with tangible and intangible positive outcomes is the ultimate objective.

Creation of brochures, video, PowerPoint presentations, a social media presence, and other marketing materials that target industry and highlight the strengths of the center is the responsibility of the ILO, in collaboration with a Communication Director (or equivalent), where one exists. Dissemination of these at conferences, company visits, or visits to the center, are the primary means of distribution. Prompt follow-up after the initial contact for more detailed discussion about the value of membership is key to securing new members. Equipment donations and other services and intangible support can also be sought.

The Administrative Director also has a key role in the marketing and fundraising of the center. In many instances the AD is the initial contact point from outside sources, as all inquiries to the center are monitored by the AD. The AD must communicate the information to other staff members for follow up and action through phone calls and/or emails. Once marketing projects and fundraising activities are underway, the primary responsibility of the AD is to manage the expenses and revenues and ensure that they are accounted for appropriately. Care must be taken to ensure that there is traceability for all monies expended and received. The source of funds for creation and dissemination of these marketing materials and expenses associated with their dissemination will likely be from different sources such as the industry membership pool or gift accounts. The AD is also responsible for being aware of the applicable university regulations around fundraising and financial management activities and advising the director and others with regard to compliance.

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