



# CEO Update

BY WILLIAM 'T' THOMPSON, '73

## *EVERYTHING WE DO SUPPORTS THE ACADEMY...*

Welcome to this special edition of your *Checkpoints* magazine. It represents the beginning of a “kNew” chapter at

the AOG. No, that is not a typo. It’s actually a play on words; “Knew” and “New,” two homophones, and they are both relevant as reasons for this special issue.

No one can dispute that many “New” things have occurred at both the AOG and the Academy over the past year. At the Academy, we have a new Superintendent, a new Commandant, a new Air Base Wing Commander, and of course, a new class, 2013. At the AOG, we have a new Board of

Directors, a new slate of officers, and I’ve just finished my first year as President and CEO. The AOG has a new “enterprise-wide” model of conducting its business, including, among other things, a new emphasis on stewardship, membership development and revenue enhancement. Our new business model has created a strong financial base as we begin to emerge from these challenging economic times. This special issue of *Checkpoints* also marks the beginning of a new era in our communications efforts, which will be evident as we incorporate a number of changes over the next several months.

The other “Knew” relates to the knowledge I’ve acquired during my year-long tenure at the AOG. Since my arrival, I’ve learned an awful lot about alumni associa-

tions and fund raising at the university level. Through months of research, complete with days of interviews with heads of alumni associations and development offices across the country, I’ve come to appreciate that there is a distinct method to how these organizations are inextricably intertwined to maximize results for their universities. I’m fortunate to have been taught by some of the best in the business. From Harvard and Stanford to West Point and Annapolis, I have found my counterparts eager to share their wisdom and to contribute to my education. You have also been exposed to this knowledge if you read my CEO Update in the last issue of *Checkpoints*. Here is the link if you missed that article or would like to read it again: [usafa.org/ceo.pdf](http://usafa.org/ceo.pdf).



CEO "T" Thompson makes the hike to Jacks Valley with USAFA senior administration.

I've also come to know how much the AOG does for the Academy. Shortly after arriving to take the CEO job, I was asked by a grad, "How much of my contribution goes to support the Academy and how much goes to AOG operations?" The implication in the question, of course, is that "AOG operations" is distinctively different from Academy support. Spurred by the question, I launched into the research. What I discovered was eye-opening—but actually not surprising—now that I know how the alumni business works. The reality is that virtually **everything the AOG does is in support of the Academy**. Let me elaborate and simultaneously, educate.

The AOG supports the Academy in many ways. Most of you are aware that we provide

direct financial support to the Superintendent with additional financial support to many cadet programs. But we also provide considerable indirect financial support to the Academy, and equally important, we perform services on behalf of the Academy, all of which come from "AOG operations."

Over the past five years, the AOG has made direct donations to the Academy that have averaged approximately \$3 million dollars a year. This average figure includes the Memorial Pavilion which was donated to the Academy in 2007. Additionally, the AOG has provided substantial indirect financial support by paying for numerous programs or functions for the Academy. For example, the AOG picks up the cost *and* provides the event staffing for the Outstanding Squadron

Banquet, the Founders Day Dinner, the Jabara Award Dinner, and a portion of the Ring Dance Dining-out, all of which comes out of "AOG operations."

The AOG also provides services on behalf of the Academy that are usually funded by the Office of the President at most other universities. An excellent example is this very *Checkpoints* magazine that you are reading.

Universities provide a wide range of services to their graduates, which includes publishing alumni magazines and establishing alumni associations to keep their grads connected to their institutions. I recently received my alumni magazine from the University of the Pacific where I attended law school. I noticed on the back of the magazine that it was a publication of the university's Marketing and Communications Office. Further investigation revealed that this office is funded from the university's annual "operating" budget. I also have a best friend and Academy classmate who went to Tulane Medical School. His alumni magazine, the *Tulanian*, is also produced and funded through the university. *Checkpoints* magazine, however, is not funded through the Academy. It is produced, published and distributed by the AOG, which picks up the entire cost from "AOG operations." While it does generate some advertising revenue, it is a net cost center to the Association.

When you begin to understand how the university system generally works, it becomes clear that the AOG, from its "operations," is providing numerous required Academy services, on the institution's behalf, for which the Academy bears little or no costs. Maintaining the graduate database, new cadet Inprocessing, graduate reunions and the class ring program are just a few other examples of Academy support provided by the AOG that, at a regular university, are born by the institution. "If you only kNew ... what the AOG does."

Before leaving this subject, let me address two other related issues. I've been

asked why it wouldn't be better to donate funds directly to the Academy and let them provide and pay for some of these services. The answer to that question is that the Academy is a federal government institution, and federal restrictions limit what the Academy can do with the funds it receives. The AOG, as a 501(c) (3) non-profit organization, has more flexibility in how it can allocate its funds in support of Academy and graduate needs.

I have also been asked about the AOG fees policy. The fact is the AOG does request a fundraising fee for certain types of fundraising campaigns. I note, however, that the fee the AOG has historically requested is below the rates of both West Point and the Naval Academy. More importantly, the fees collected enable the AOG to better support those previously mentioned programs that

are funded from "AOG operations." The corollary, of course, is if fees are diminished, our ability to provide many of the services that the Academy and our members have come to expect would also be diminished. *Should reunion support be reduced? Do we only publish Checkpoints twice a year? Should we eliminate support for the Outstanding Squadron Banquet?* These are some of the tough questions that would need to be answered if fundraising fees or other revenue sources were to drop precipitously. As the old saying goes, "There are no free lunches." It also goes without saying that my goal is to preclude a reduction in the services you have come to expect by growing our revenue and keeping the AOG financially strong.

I hope some of the brief information that I've shared has been as enlightening for you as it has been for me. I have

significantly increased my knowledge base over the past year and my present goal is to share with you as much of the data as you care to learn. As John Naisbitt has offered; "We are drowning in information but starved for knowledge."

Now I invite you to sit back in, hopefully, a relaxed and undisturbed setting and learn even more about your AOG. You'll find informative yet entertaining features which will increase your understanding of the functions of the AOG while making you proud of your membership in the Association. Our goal, quite simply, is to show you what your AOG does, how it does it, and the tremendous positive effect that it is having on both the Academy and the graduate community. ✓



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