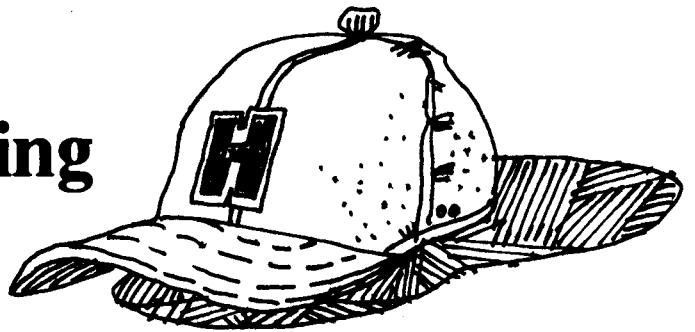


Yours for the Asking

By Jerold Panas



I don't really know what made me buy a biography on Lippmann. I don't especially like him, and I'm not in sympathy with his philosophy. But there was one paragraph that turned out to be an unexpected gold mine.

Ronald Steel is the author, and he explains why Lippmann gave his papers and significant estate to Yale. He was, after all, a graduate of Harvard and a member of its Board of Overseers. Yet he gave it all to Yale.

Lippmann always assumed Harvard would want his papers. And Harvard, in its usual way, assumed it would get them. But Harvard never asked.

A good friend of Lippmann's, Wilmarth Lewis, did ask. He urged Lippmann to leave his papers to Yale, persuading him that this would be the right place, and that the University would create a Walter Lippmann Room — and it did, with all his memorabilia, even his beloved baseball cap.

Yale asked. Harvard didn't.

And there you have one of the major verities of our business. If you want a major gift, you have to ask for it.

Raising funds for health care these days is not necessarily more difficult, just more complex — and, at times,

puzzling. HMOs and PPOs. Doctors doing more of their own work in their offices instead of the hospital. More out-patient services. Census down, and decreasing. And the investor-owned lurking around every corner.

The competition has never been keener. It seems that every organization and institution in your town is going after the same philanthropic dollars. They employ more full-time

fund raisers, and they're getting smarter.

When I first went into the work, there were 320,000 not-for-profits in the United States. Today, there are close to 800,000. And they're competing for effective leaders and board members, as well as dollars.

But, as Mark Twain said about Wagner's music: "It isn't as bad as it sounds."

Here are some guidelines to help assure the success of your program.

Focus your greatest attention and energy on big gifts. They are crucial because of the Rule of Thirds, a canon that is proven and irrefutable. The rule is virtually scriptural: 1/3 of your funds will come from your top 10 to 15 gifts; 1/3 will come from your next 100 to 125 gifts; and the remaining 1/3 will come from all other gifts. Lately, evidence is mounting that large donations are becoming even more critical. The base of the giving pyramid seems to be shrinking, making the top more important than ever. No amount of activity or fervor at the lower level can take the place of those key gifts coming in at the top.

To solicit a mega gift, you have to understand what motivates the giver in the first place. There is probably no single, overriding factor that



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causes a wealthy person to make a significant donation. More likely, it's a combination of feelings, timing, past giving, and the exigency of the moment. Perhaps even sheer serendipity.

Yet after personally interviewing more than 30 philanthropists who've recently made gifts of over \$1 million, and from a survey of 1,000 professional fund raisers — including data from 400 hospitals and medical centers across the country — I can say conclusively: there is more commonality in the factors that motivate large giving than there are differences.

Before I outline these commonalities, let's get rid of a few myths. First, men and women do not give out of a sense of guilt. They give because it feels good. Nor do they give primarily for tax considerations. Sure, the mega giver takes every advantage the tax laws afford for philanthropy, but the reason a person gives to your hospital rather than to another organization has nothing to do with the tax advantage. So don't sell it.

Place the strength and power of your presentation on the special mission of your hospital. We found in every instance that the big gift was the result of the donor's commitment to the focus and mission of the hospital. This is the most important factor. Nothing runs a close second.

Major philanthropy is spontaneous, not the result of heavy ruminations and soul searching. It is almost axiomatic that to delay is to deny. Thoughtful donors will certainly wish to consult their spouses or, if the gift is gigantic, their attorneys and accountants before signing the pledge card. But this is not the kind of delay I refer to.

I've had prospects put me off, telling me to come back in six weeks or so, after they've had a chance to consult their attorney. I'd cling to those prospects for dear life. Then they'd ask for another six weeks so they "could think about it." Virtually none of those gifts appeared.

Now that I think back, I realize there was no spark, no excitement, no awe, no wonder on the part of the prospect. I was guilty of talking

and not listening. The signs were all there that a gift would not be made.

It's entirely possible that you won't receive a consequential gift on the first visit. If you do, chances are it won't be as large as it could be. Consider the first visit a cultivation call. Don't even mention a specific amount. Spend most of your time talking about the mission of your hospital. And, you'd better see real enthusiasm in the eyes and the body language of your prospect.

If you're calling on a wealthy prospect for the first time, don't be disheartened if he indicates a level lower than you'd hoped for. Remember the admonition of one of the greatest fund raisers of them all, Si Seymour: "You don't make a pickle by sprinkling a little vinegar over a cucumber. You have to immerse it."

Slick campaign literature won't coax a huge check out of a donor, either. While it can help influence donors of smaller and medium-sized gifts, most mega givers feel campaign literature is irrelevant. The glossier it is, the more objectionable it becomes to them. They prefer a compelling verbal presentation, substantiated by simple written documentation of the program.

Among the wealthy donors I interviewed, only three had responded to a printed campaign brochure, and even they admitted the verbal presentation was what really made the difference.

The following tenets will provide the road map, the signs and signals, to direct you in securing major gifts for your hospital. They're based on lengthy personal interviews with typical target donors — wealthy individuals with a recent history of largesse:

Your best prospects are those who've already given money to your hospital. The names of a number of wealthy people may appear on your prospect list for a campaign. But if any of those people haven't already given to your hospital, chances are you won't be able to pry the big gift from them right off. That's why your annual sustaining campaigns are so important. Be willing to start small. The initial gifts may disappoint you,

but they're a start. With the proper kind of appreciation and recognition, you are certain to get increasingly large gifts from them in the future.

By the same token, if you're nearing the end of your campaign and haven't met your goal, the people to call on are those who've already made generous donations. They're the most likely to do more — and be pleased that you asked.

Ask for the gift. This may appear overly obvious, but you'd be surprised how many people neglect to ask straight out for the donation. They make superb presentations, but never pop the question. I'm not necessarily suggesting you ask for a specific amount. In some situations this is advisable, and in some it should be avoided. That's why it's important to know your prospect. But, for Heaven's sake, ask the prospect to make a contribution. And be simple, direct, and gracious about it.

The solicitor should be someone the prospect knows and respects, and the session should include a top-level staff person. I'll let my philanthropists speak for themselves on this score:

"It's really important to me that the president of the university or the administrator of the hospital make the call," says Alex Spanos, the West Coast real estate entrepreneur. "And it doesn't really matter how many come to make the call. I'm really impressed when the board chairman, a couple of board members, and the hospital administrator come to my office. If they feel I'm important enough to devote their time to the visit, I'm ready to listen."

Robert Saligman, a Philadelphia and Florida real estate developer, sees it this way: "I think getting the right person to make the contact is the key to getting my large gifts. For me, it is often a staff person. But, it's got to be someone I respect. If the staff person comes with a volunteer I know, or a friend of mine, all the better. I'm impressed when a staff member calls on me, and he's the kind of person who tells the story effectively and persuasively."

Leo Roon, inventor and entrepreneur, comments: "The solicitor doesn't necessarily have to be a peer or someone who will give or has given as much as I have. But it better be someone I regard highly. I like having a staff person involved in the call. They know the answers."

In my experience, it's important that the hospital administrator, the development officer, or the prospect's physician be as heavily involved as possible in designing the strategy and then making the actual call for a mega gift. In fact, I don't know of a major donation that was made to an institution where the donor didn't have high esteem for the CEO.

It goes without saying — but I'll say it anyway for emphasis — that sending a letter or telephoning simply won't do, not for the large gift.

As a result of my study, I rediscovered one of the great axioms of our business. I think I always knew it; I just didn't always practice it. "It's harder to get the appointment than it is to get the gift."

Use the best person possible — preferably a good friend of the prospect or someone to whom it's very difficult to say "no" — to open the door for you. But be forewarned, very good friends may not be the best people to make the actual solicitation. Often, a friend will be overly protective and may find it difficult to overcome an "I don't think so" from the prospect.

Individuals give to exciting programs. They give with their hearts more than with their heads. Giving is visceral, not cerebral. By exciting programs I mean bold and visionary ones. People give to dreams, visions, opportunities. They do not give to needs, or to hospitals with financial problems. By the way, hospitals do not have needs. People have needs. Hospitals have answers, solutions, audacious opportunities.

Buck Rogers is the Vice President of Marketing for IBM. He says: "At IBM, we never sell products. We sell only solutions." Mary Kay Ash told me: "At Mary Kay, we don't sell cosmetics, We sell hope!"

Sure, wealthy prospects will sit through your long presentation of details and specifics with appropriate good manners. Columns of statistics, financial statements, and historical facts may be important for substantiation and background. But large donors are unmoved by such minutiae and tedium. In fact, in several studies we conducted, we found that the majority of prospects can't read blueprints and floor plans anyway, so there's no point in spreading them out.

The rule of thumb is this: First sell your hospital and its mission. Then interpret how the current program will be of everlasting benefit to the community, or to the world, or to mankind. Sell the sizzle, not the steak.

You must understand what you are selling and how to package it well. A person doesn't go to a hardware store to buy a drill because he needs a drill. He buys a drill because he needs a hole.

While the rich may give with their hearts, they still want the object of their largesse to be well-managed and fiscally sound. Major givers feel that an organization in financial trouble is not able to make a significant difference, or may not use the money wisely. Since such an institution will have to spend most of its time and resources simply trying to save itself, it will have little energy or ability left to devote to fulfilling a big dream. And dreams are what philanthropists want to underwrite. No one wants to give to save a sinking Titanic.

Recognition of the donor is important; expressing appropriate appreciation even more so. Although most philanthropists claim they are not seeking undue recognition — in fact, may be avoiding it — I think this is only partially true. I'm convinced that appropriate recognition, tastefully and tactfully rendered, is welcomed and appreciated.

Don't, however, expect the donor to ask for this recognition. You have to broach the idea, encourage it, review it with the donor, enhance it to the point where it provides proper recognition for both your hospital and the donor. For example, you

might suggest a way to honor the donor's family, a loved one, or someone he admires. Should the donor balk at any recognition, don't drop the matter completely. At the very least, you must follow up. Keep the donor posted on the program he has supported. Progress reports are a way of staying in touch.

To express appreciation, I always rely on the Rule of Sevens. In other words, find a way to thank a person seven ways for the gift. Let's suppose, for instance, that the gift is for your Cancer Center. Immediately, there could be a thank-you letter from the administrator, and another from the chairman of the board. Then, the director of development could jot off a hand-written note. With the official receipt acknowledging the gift, there might be a cover letter from the treasurer. A very brief note from the Radiation Therapist who heads the Cancer Center would also be appropriate. In time, you are bound to get a letter from a grateful patient. Send that along with a note.

Dividends with this type of careful planning and development of the recognition of a gift will be immense and will lay the groundwork for securing another, even larger contribution from the same donor. The benefits are extraordinary. I promise you, follow the Rule of Sevens and you will greatly increase both the percentage of renewal and the amount given.

People want to give to institutions, programs, and campaigns that are successful. This is known as the bandwagon effect, and even the rich are infected by it. Success breeds success. Popular campaigns are those that mega givers want to be associated with. It is up to you to run a campaign with an aura of success.

Careful planning and research is important. Do your homework. Be careful in your planning. Careful and detailed research is critical. On the other hand, don't contract Analysis Paralysis. I've seen too many situations where a development office has spent months preparing for a call, months doing the research, and months trying to figure out who is precisely the right person

to make the call. If all possible problems and objections must first be overcome, the call will never be made.

Some will disagree with me, but I much prefer a concept I call: "Ready . . . Fire . . . Aim." In other words, it's much more important to make the call, even if everything isn't precisely the way you want it, than to not make it at all.

Don't say "no" for anyone. You will be hurt more by those who weren't asked but would have said "yes" than by those who say "no."

And finally, remember to ask!

The mega gift is yours for the asking.



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