

HEALTHCARE philanthropy

REFLECTIONS on a Fundraising Journey

10 lessons for
encouraging leader
engagement



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HEALTHCARE philanthropy

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The Association for Healthcare Philanthropy (AHP) is the health care development professionals' definitive source of thought leadership, connections to facilitate innovation, and tools to advance knowledge and elevate philanthropy. As the world's largest association for health care fundraising professionals, AHP represents 4,500 members who raise more than \$11 billion each year for community health services. Our mission is to inspire, educate and serve those transforming health care through philanthropy.

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Healthcare Philanthropy will be an authoritative resource for health care development professionals by providing a timely, informative and insightful collection of literature that will raise the standard of individual and organizational performance. Serving as the premier forum for health care philanthropy literature, *Healthcare Philanthropy* will educate, empower and inspire development professionals and, thereby, help strengthen the case for philanthropic support and the mission of AHP.





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By Randy Varju, MBA, FAHP, CFRE | Chair, AHP Board of Directors



FROM THE CHAIR

Optimistic for the future of health care philanthropy

It is such an honor to serve as chair of the board for AHP, especially at a time when health care is undergoing such transformation.

I can remember my first International Conference back in 2008. I was struck by the breadth of shared experiences, common interests and shared purpose. Shortly after that experience, I joined a conference committee and eventually served on a membership task force. But most of my direct involvement sprouted from receiving my Fellow of the Association for Healthcare Philanthropy (FAHP) designation in 2011.

As a board member for the last few years, I've valued the opportunity to serve with such a dynamic, thoughtful, creative, innovative and committed group of colleagues. Most notably, I've appreciated the leadership of our previous chair, Jory Pritchard-Kerr, FAHP.

On behalf of our members, I thank Jory for her vision, compassion and enthusiasm over the past two years. She persisted with grace during times of transition and kept focused on key strategic initiatives that helped AHP deliver on its vision to be the definitive authority in health care philanthropy. I'm grateful for her leadership and continued partnership on our board.

We are so privileged to serve in such a caring profession. Much of what we do affects change, provides impact and uncovers new discoveries. I sought this profession because of gratitude for the care provided to my brother. Fresh out of college, I joined my mother and youngest brother on an urgent trip to the Mayo Clinic. At age 9, he was diagnosed with a rare cancer in his leg that required immediate attention. We lived in


I pledge to ensure your AHP membership will continue to provide value for you and your organization.

a Ronald McDonald house for six weeks as he went through surgery to remove his leg and intensive treatment to save his life. He will turn 43 this year. My entire family was transformed by the experience. Two of my seven siblings also serve as not-for-profit executives. While I served in roles in the human service and higher education sectors, health care has been a natural fit for the last 20 years.

There has been significant change in those 20 years—advances that allow us to act proactively, intentionally and strategically. We have significant data that we can segment, test and interpret. We have access to networks that allow us to determine best practices and benchmark our own performance. We've advanced from the role few wanted or understood to a career path ripe with educational

offerings. We have grown from the last item on the agenda to fully functioning members of the executive team. The common thread in each of these transformations has been AHP.

You can't help but be optimistic for the future of this profession. Philanthropy plays an important role, and AHP is committed to providing relevant resources whether you represent a small community hospital or a large and growing system. I pledge to ensure your AHP membership will continue to provide value for you and your organization—especially as our landscape continues to transform.

On behalf of our board, thank you for your AHP membership. On behalf of the grateful patients and family members you have impacted, thank you for your caring dedication to our profession. 





A S I S E E I T

Philanthropy's role in the health of our communities

In much the way that Steven Reed's piece, "How a culture for philanthropy enables fundraising performance," encourages us to think differently about our internal organizational structure and work, I have been thinking about how we also might think more expansively about our role in the health of our communities.

"We need to move beyond the paradigm of the patient."

—Kevin Lofton, chief executive officer, CommonSpirit Health

Our missions collectively focus on providing the best patient care possible to the communities we serve. However, our understanding of what health care is has changed in the years since the passage of the Affordable Care Act. The shift from fee-for-service to value-based care has mandated that we consider the health of people in our communities, not just during acute episodes but throughout their lives. I've heard


Philanthropy—"the love of humankind"—is the logical group to lead this transformation.

chief executive officers of some of the largest health systems challenge their teams to increase the number of healthy days of those within their care and to move beyond the paradigm of the patient to a more holistic approach to health.

Philanthropy—"the love of humankind"—is the logical group to lead this transformation. We understand and participate in the strategic planning work to advance our missions, many of which include a focus on community health and the social determinants of health. We understand our communities—the people within them, the needs of those most underserved and the community leaders with whom we can partner—better than any other group within our health care organizations. Our organizations are frequently the most trusted and respected in the community, and our communities are eager for our leadership. We can connect our organizations and leadership with the broader needs of our communities through an expansive view of what health care philanthropy can be.

The work that many of you are already engaged in to create healthier communities is inspiring, but more importantly, it is meaningful to donors we might otherwise be unable to reach. These donors are focused on social change, equity and social impact. They span generations, they are interested in seeing quantifiable return for their contributions and they are active in our communities. They are individuals, corporations, foundations and government grantors.

The work of social change and community care is often done by many different disparate groups, all contributing to a solution, sometimes without an understanding of what others are doing. As one of the largest organizations focused on health in our communities, our hospitals are a natural organizer of these groups. Our philanthropy teams can assume this role.

This is the transformational future that health care philanthropy will bring—healing our communities, and keeping them healthy, so we can all live the very best lives possible. 



AHP

40 UNDER 40

DOES SOMEONE COME TO MIND?

Nominations are now open for AHP's 2019 40 Under 40 class. These awards honor 40 young professionals who are shaping the future of health care philanthropy. Nominate a passionate and successful up-and-coming leader in your organization today!

Learn more and submit a nomination at AHP.org/40Under40

NOMINATION DEADLINE: JUNE 15, 2019

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AHP High Performers



AHP selects a list of high performers every year to highlight those organizations that are striving to raise the standards in the health care philanthropy industry. These organizations represent the top 25 percent in net production returns. They raised more than \$12.4 million in the U.S. and more than \$14 million in Canada and represented a median of \$27.29 million in the U.S. and \$19.61 million in Canada in net fundraising returns.

USA

MEDIAN VALUES FOR KEY METRICS, HIGH PERFORMERS AND ALL INSTITUTIONS

	NFR	ROI	CTRD	FPDE
High Performers	\$27,293,094	\$5.49	\$0.18	\$1,683,617
All Institutions	\$3,939,280	\$4.03	\$0.25	\$940,275

Note:
 NFR: Net Fundraising Returns (Gross Funds Raised Production—Total Fundraising Expenses)
 ROI: Return on Investment (Gross Funds Raised Production/Total Fundraising Expenses)
 CTRD: Cost to Raise a Dollar (Total Fundraising Expenses/Gross Funds Raised Production)
 FPDE: Funds raised per Direct FTE

Source: AHP 2018 Report on Giving Survey, USA

CANADA

MEDIAN VALUES FOR KEY METRICS, HIGH PERFORMERS AND ALL INSTITUTIONS

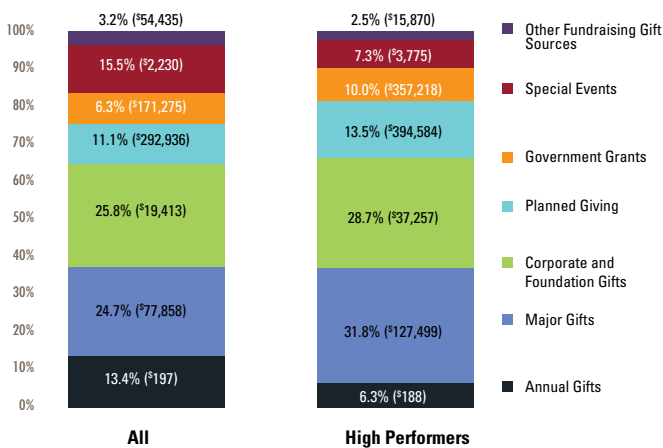
	NFR	ROI	CTRD	FPDE
High Performers	\$19,618,962	\$3.90	\$0.26	\$2,109,829
All Institutions	\$5,171,766	\$4.18	\$0.24	\$1,106,040

Note:
 NFR: Net Fundraising Returns (Gross Funds Raised Production—Total Fundraising Expenses)
 ROI: Return on Investment (Gross Funds Raised Production/Total Fundraising Expenses)
 CTRD: Cost to Raise a Dollar (Total Fundraising Expenses/Gross Funds Raised Production)
 FPDE: Funds raised per Direct FTE

Source: AHP 2018 Report on Giving Survey, Canada

PRODUCTION RETURNS: HIGH PERFORMERS AND ALL INSTITUTIONS, FY 2017

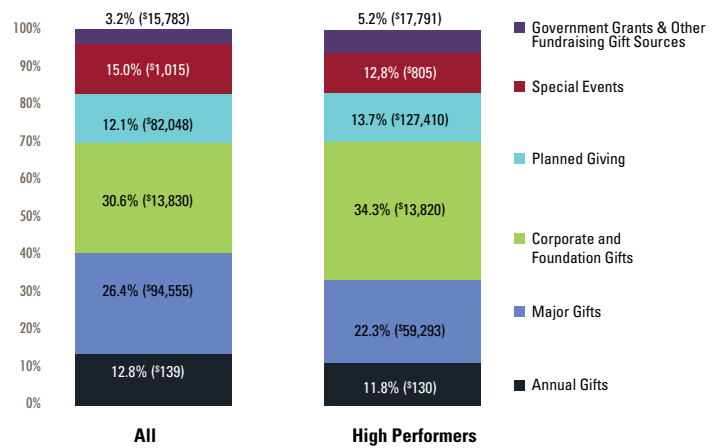
By Activity (Average amount per gift in parentheses)



Source: AHP 2018 Report on Giving Survey, USA

PRODUCTION RETURNS: HIGH PERFORMERS AND ALL INSTITUTIONS, FY 2017

By Activity (Average amount per gift in parentheses)



Source: AHP 2018 Report on Giving Survey, Canada

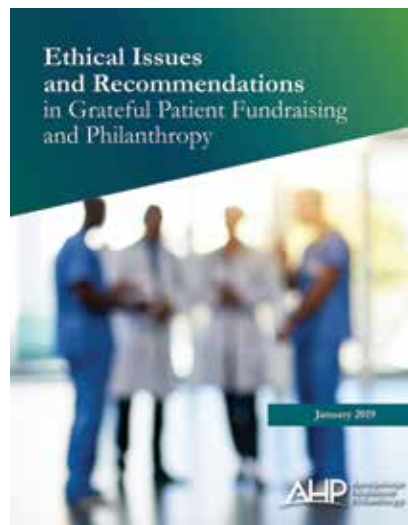
The 2018 High Performer List

HOSPITAL/INSTITUTION	FOUNDATION	LOCATION
Advocate Health Care (part of AdvocateAurora Health)	Advocate Charitable Foundation	Downers Grove, IL
Albany Medical Center	Albany Medical Foundation	Albany, NY
Allegheny Health Network	Allegheny Health Network	Pittsburgh, PA
Allina Health System	Allina Health System	Minneapolis, MN
American University of Beirut Medical Center	American University of Beirut	Beirut, Lebanon
Ascension Seton	Seton Foundations	Austin, TX
Baptist Memorial Health Care Corporation	Baptist Memorial Health Care Foundation	Memphis, TN
Barnes-Jewish Hospital	Foundation for Barnes-Jewish Hospital	St. Louis, MO
Beaumont Health	Beaumont Health Foundation	Southfield, MI
Boca Raton Regional Hospital	Boca Raton Regional Hospital Foundation	Boca Raton, FL
Boston Medical Center	Boston Medical Center	Boston, MA
Calgary Health Trust	Calgary Health Trust	Calgary, AB
Catholic Health Initiatives	Catholic Health Initiatives National Foundation	Colorado Springs, CO
Cedars-Sinai Medical Center	Cedars-Sinai Medical Center	Los Angeles, CA
Children's Hospital Los Angeles	Children's Hospital Los Angeles Foundation	Los Angeles, CA
City of Hope	City of Hope	Duarte, CA
Cleveland Clinic	Cleveland Clinic	Cleveland, OH
Collingwood General & Marine Hospital	Collingwood General & Marine Hospital Foundation	Collingwood, ON
Dignity Health	Dignity Health Philanthropy	San Francisco, CA
Einstein Healthcare Network	Einstein Healthcare Network	Philadelphia, PA
Hackensack Meridian Health	Hackensack University Medical Center Foundation	Hackensack, NJ
Hackensack Meridian Health	Meridian Health Foundation	Neptune, NJ
Hoag Memorial Hospital Presbyterian	Hoag Hospital Foundation	Newport Beach, CA
Houston Methodist	Houston Methodist Hospital Foundation	Houston, TX
Inova Health System	Inova Health Foundation	Falls Church, VA
Intermountain Healthcare	Intermountain Foundation	Salt Lake City, UT
Johns Hopkins All Children's Hospital	Johns Hopkins All Children's Foundation	Saint Petersburg, FL
Johns Hopkins Hospital	Fund for Johns Hopkins Medicine	Baltimore, MD
Kelowna General Hospital	Kelowna General Hospital Foundation	Kelowna, BC
LifeBridge Health	LifeBridge Health	Baltimore, MD
Mackenzie Health	Mackenzie Health Foundation	York Region, ON
MedStar Health	MedStar Health	Columbia, MD
Mercy	Mercy Health Foundation	St. Louis, MO
Mercy Health	Mercy Health Foundation	Cincinnati, OH
Mission Health System	Mission Health System Department of Philanthropy	Asheville, NC
Morristown Medical Center	Foundation for Morristown Medical Center	Morristown, NJ
Mount Sinai Health System	Mount Sinai Health System	New York, NY
NewYork-Presbyterian Hospital	NewYork-Presbyterian	New York, NY
North York General Hospital	North York General Hospital Foundation	Toronto, ON
Northwell Health	Northwell Health Foundation	New Hyde Park, NY
Orlando Health	Orlando Health Foundation	Orlando, FL
Partners HealthCare System Inc.	Partners HealthCare System Inc.	Somerville, MA
Penn State Health Milton S. Hershey Medical Center & Penn State College of Medicine	Penn State College of Medicine	Hershey, PA
Piedmont Healthcare	Piedmont Healthcare Foundation	Atlanta, GA
Providence Saint John's Health Center	Saint John's Health Center Foundation	Santa Monica, CA
Providence St. Joseph Health	Providence St. Joseph Health Foundation	AK, CA, MT, OR, TX, NM & WA
Queen Elizabeth II Health Sciences Centre	Queen Elizabeth II Health Sciences Centre Foundation	Halifax, NS
Regions Hospital	Regions Hospital Foundation	St. Paul, MN
Rutgers Biomedical and Health Sciences	Rutgers University Foundation	New Brunswick, NJ, and Newark, NJ
Sacred Heart Health System Inc.	Sacred Heart Foundation	Pensacola, FL
Sanford Health	Sanford Health Foundation	Sioux Falls, SD
Sharp HealthCare	Sharp HealthCare Foundation	San Diego, CA
Spectrum Health	Spectrum Health Foundation	Grand Rapids, MI
St. Peter's Health Partners, a member of Trinity Health	St. Peter's Health Partners Foundations	Albany, NY
Sutter Health	Sutter Health	Sacramento, CA
The Hospital for Sick Children	SickKids Foundation	Toronto, ON
The Ottawa Hospital	The Ottawa Hospital Foundation	Ottawa, ON
Trillium Health Partners	Trillium Health Partners Foundation	Mississauga, ON
University of Alberta Hospital	University Hospital Foundation	Edmonton, AB
University of Arkansas for Medical Sciences	University of Arkansas for Medical Sciences	Little Rock, AR
University of Kentucky HealthCare	University of Kentucky HealthCare	Lexington, KY
University of Massachusetts Medical School/UMass Memorial Health Care Inc.	The UMass Memorial Foundation Inc.	Shrewsbury, MA
Virginia Mason Health System	Virginia Mason Medical Center Foundation	Seattle, WA
Visiting Nurse Association Health Group	Visiting Nurse Association Health Group	Holmdel, NJ

Ethical issues and recommendations in grateful patient fundraising and philanthropy

Grateful patients provide substantial philanthropic funding for health care institutions, resulting in important societal benefits. Although grateful patient fundraising (GPFR) is widespread, it raises an array of ethical issues for patients, physicians, development professionals and institutions. These issues have not been described comprehensively, and there is insufficient guidance to inform the ethical practice of GPFR.

Consequently, the authors convened a “Summit on the Ethics of Grateful Patient Fundraising,” with the goal of identifying primary ethical issues in GPFR and offering recommendations regarding how to manage them. Participants were 29 experts from across the United States who represented the perspectives of bioethics, clinical practice, development, law, patients, philanthropy, psychology and regulatory compliance. Intensive discussions resulted in articulating ethical issues for physicians and other clinicians (discussions with patients about philanthropy; physician-initiated discussions; clinically vulnerable patients; conflicts of obligation and equity regarding physician’s time, attention and responsiveness and the provision of special services; and transparency and respecting donor intent) as well as for development officers and



institutions (transparency in the development professional–donor relationship; impact on clinical care; confidentiality and privacy; conflicts of interest; institution–patient/donor relationship; concierge services for grateful patients; scientific merit and research integrity; transparency in use of philanthropic gifts; and institutional policies and training in responsible GPFR).

While these recommendations promise to mitigate some of the ethical issues associated with GPFR, important next steps include conducting research on the ethical issues in GPFR, disseminating these recommendations, developing standardized training for clinicians regarding them and revising them as warranted.


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for the participants in the Summit on the Ethics of Grateful Patient Fundraising

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- Johns Hopkins Berman Institute of Bioethics
- Association for Healthcare Philanthropy

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Read the full report at www.ahp.org/docs/gpfrethics.



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No laughing matter: Philanthropy as the best medicine

By John Drake, CFRE

"**M**aybe it's just a swollen lymph gland from mononucleosis," my wife said reassuringly, trying to diagnose over the phone what our 24-year-old daughter described as a small but palpable lump in her neck. My wife and I were 5,600 miles away from home and on our 30th wedding anniversary trip. It was the summer of 2018 and the long-distance diagnosis was a best guess—exactly what it would have been if we were standing smack-dab next to Grace. Neither her mother nor I was medically trained, but we both were superb at virtually kissing a boo-boo from halfway around the globe and predicting all would be fine.

After returning from our trip, it was Grace's turn to travel. But her trip never left our hometown of Irving, Texas, and her itinerary was from one physician to

another—and finally to a surgeon. It wasn't a swollen lymph gland from an infection. She went from being told it was "probably just a cyst" to "you need a biopsy." Biopsy.

Anyone who's had a cancer diagnosis—or who loves someone who has—knows the stomach-knotting worry that comes next while you wait days or weeks for results. Time crawls while mortal fear inflates faster than a recalled Takata car airbag.

To read more about how community support for health care philanthropy in Irving, Texas, made Grace's cancer treatment possible without leaving her hometown, visit ahp.org/connect.

John Drake, CFRE, is president of the Baylor Scott & White Irving Foundation.

10 things your board should know about philanthropy

By Bill Littlejohn

In an AHP Huddle post, AHP President and Chief Executive Officer Alice Ayres asked a question: What are the top 10 things those of us engaged in health care philanthropy wish our boards knew? I have been working to answer that question—and share the answer with our boards—for the past 20 years. It is especially challenging in health care, as we are institutions in a very complex industry with equally complex organizational structures. So, as a champion of "institution-based strategic philanthropy," here is my list of the top 10 things your board should know about philanthropy:

1. Philanthropy creates the greatest legacy in our society, and hospitals and health care are no exception. Communities and religious groups financed the building of much of the American health care


system, often through a combination of philanthropy, institutional sources such as debt, and federal funds. (The Hill-Burton Free and Reduced-Cost Health Care Act after World War II provided financing for many community hospitals.) It was community volunteers and boards who led those initiatives. The boards of today need to know and understand it is their responsibility to preserve and enhance that legacy.

2. All health care boards should view philanthropy as an investment strategy for hospitals and health care—not just a fundraising function that fills a need. There are just three ways to generate funding in health care: Earn it, borrow it or ask for it. Philanthropy is a powerful lever for the other sources—and vice versa. Donors and the community receive a great return on investment when their

gifts are leveraged with other sources of funding.

3. Boards should consider philanthropy as an institutional priority—and not just the "nice to have" fundraising function that is just the responsibility of the foundation or development department. Such an institutional priority should be vision based and not solely need based. Boards are the decision makers for institutional priorities and are vital in helping to articulate the vision and financial investments (including philanthropy) required to achieve the vision.

To read the rest of the top 10 things your board should know about philanthropy, visit ahp.org/connect.

Bill Littlejohn is senior vice president and chief executive officer at Sharp HealthCare Foundation. 

THE 2018

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Reflections

on a
fundraising
journey

The key to organizational fundraising success is CEO and C-suite engagement

Henry was peculiar. He was a character with a big heart and a soft spot for our hospital. I looked forward to my visits to his home, during which my chief development officer (CDO) and I were serenaded by the cacophony of his 300 antique clocks ticking not quite in unison ... clocks he would wind religiously each day at 3 a.m. These formed the sometimes deafening, always fascinating, backdrop for our discussions, which ranged from antiques to hospital support to his views about anything and everything. I can still hear the ticking when I think of his generosity.

My visits with Fred could have been laden with sorrow. After all, he had lost both his wife and daughter, and nobody deserves so cruel a fate. Somehow, though, Fred maintained an even demeanor in the face of terrible loss. Perhaps it was a survival instinct of a truly self-made man. Having literally started his career in a basement mailroom, he eventually became chief executive officer (CEO) of a well-known New York City-based advertising company. I remember being comforted, and even inspired, by his outlook on life and his persistent will to endure. His sense of humor emerged frequently, too. When the time was right to ask him for a seven-figure gift, he pretended his hearing aid had slipped out. “What did you say?” he asked. A building on campus now displays his name.

Eleanor, born into great wealth, lived her life in service to others. She lived in a modest home, drove a used car, tended her own garden and kept current with politics, arts and science. As a younger woman, she had hiked some of the most challenging peaks in the world. She had both an iron will and a great sense of caring for those in need. Our visits to her old farm, sitting in lawn chairs, sharing stories and occasionally swatting mosquitos, are treasured memories. She had experience with world-class hospitals and had a unique appreciation for the gem of a hospital we had close to her home. She made a lead gift in a campaign in honor of her internist, whom she credited with saving her life.

Larry was trained by the Massachusetts Institute of Technology, a very bright man, with a tremendous zest for life and incredible memory for details, even at 90. During some of my visits with him, he would be overcome by grief and his eyes would fill with tears while recounting stories about his late wife. I remember wishing there was a way I could help. What I didn't realize at the time was that our discussions about generously supporting the hospital were doing just that. He eventually made a substantial gift to name our hospital's new emergency room in her memory.

During my tenure as CEO of Monadnock Community Hospital (MCH) in New Hampshire, one of my true joys was building meaningful relationships with donors such as Henry, Fred, Eleanor and Larry, all of whom eventually made seven-figure gifts. These and a number of other truly remarkable men and women had a permanent impact on me. The investment of my time and energy resulted in creating relationships that benefited these donors, the hospital and the community. Most importantly, over time, I helped create an environment where philanthropy could flourish.

my first visit in a donor's home, as we shared insights about our lives and interests. I realized that this was not a transaction; it was an investment in a relationship that would last for years. I also recognized the power of my position as CEO in cultivating and securing major gifts for our hospital and patients. Time spent with donors soon became of high value to me—and one of the most satisfying parts of my job.

In order to encourage CEOs and their C-suite colleagues to invest in the fruitful and fulfilling area of philanthropy, I'll share 10 lessons learned from my personal journey that I believe can benefit

resources and cared deeply about the hospital. All four wanted to support the hospital but clearly wanted to do so on their own terms and in their own time. And the relationship built with each of them was the bridge between their desire to make a difference and the realization of a major gift.

Cultivating gifts of any size can consume large portions of your calendar. Foremost among these activities is staying visible to hundreds or even thousands of potential donors, often through special events, stewardship and acknowledgements. As CEO, I must have made between 50 and 100 phone calls each month to connect with and thank donors, and signed hundreds of letters each year as well. It seemed daunting at first, but I came to relish these communications, which were acknowledged and appreciated by grateful donors.

Many new hospital CEOs are unaware of the impact fundraising will impose on their time. Budget more than you think you need. You will never regret it.

2. Use your board wisely. All members of the organization's governance should be engaged, encouraged and educated on matters of philanthropy. They represent an essential element of your philanthropy program. Don't let volunteer leadership spend its valuable time on events alone, but rather be strategic and efficient; review lists of donors and potential donors, including prospects in their personal and professional networks; take assignments for opening doors and occasional visits; and advise the CDO and CEO of what they find. If your board has a development committee, it should regularly report back to the full board the

The tipping point was my first visit in a donor's home, as we shared insights about our lives and interests. I realized that this was not a transaction; it was an investment in a relationship that would last for years.

I started this journey with some trepidation about what was expected of me. How could I possibly learn and manage the rigors of fundraising in addition to other CEO responsibilities? With the guidance of a great CDO and others around me, I realized that this was an essential part of the job, and I really didn't need to have every aspect of a program in place to initiate fundraising efforts. Eventually I learned to love these challenges and create a very successful track record. The tipping point was

every member of the C-suite and will be of interest to every CDO.

1. Devote sufficient time to the fundraising effort. Major gifts can take years of cultivation, so patience is indeed a virtue. My CDO and I visited Henry, Fred, Eleanor and Larry numerous times, sometimes just to say hello, and other times broaching the ask in a gentle way. We created a personalized plan for each of these donors based on their interests and preferences. Through research and those cultivation steps, we knew they had the



goals and accomplishments of the philanthropy program.

3. Work a plan. It's vitally important to link your philanthropic strategy to your organizational strategy. All organizations have a strategic plan, whether written or unwritten. The lack of a written plan doesn't mean there isn't one. It just indicates a particular style of management and approach emanating from the C-suite and the board of directors. A well-defined and up-to-date plan allows all stakeholders to identify and promote priorities that are most important to the organization and, consequently, most compelling to donors—not just those needs that seem expedient.

A detailed plan will not only provide a roadmap for growth but will address key donor concerns around mission, vision

and brand. Why do you exist? What might the future hold? What differentiates you in the marketplace? Answers to such questions will underpin the more basic components of your plan. This information will form the pillars upon which you build your case for support, and serves to connect the donor's legacy desires with your organizational strategy.

4. Engage other key administrators. If the C-suite members are not on board with the goals and objectives of the philanthropy program, it will be undermined or undervalued, eroding its effectiveness. If the C-suite is fully engaged, they can serve as willing partners by providing additional contacts, personally communicating the organizational mission and vision to others, reinforcing the importance of philanthropy to the hospital's future viability and

bringing their own unique styles, backgrounds and interests into closer connection with donors.

5. Give your CDO a seat at the table. I asked my CDO to be part of my senior leadership team, and I never regretted the decision—even though she had to sit through some operational discussions that were not particularly relevant to her work. A CDO should be privy to and have a voice in strategic decision making at the highest levels within the organization. Others should view that person as having the CEO's ear and confidence.

6. Do your homework. Prospective donors find comfort in knowing that those leading the organization are in touch with who they are, what's important to them, what's going on with their families and businesses and what they are capable of contributing. In all of the asks I was part of,

only once did we overestimate what a donor could do. Part of the CDO's responsibility is ensuring you have current research to make informed decisions. Guesswork and intuition certainly play a role, but back up gut feelings with good data.

There is reliable software available today that can accurately estimate giving potential.

7. Build capacity over time.

As a new CEO, I had a lot to learn about building gift capacity. My earlier experience with fundraising involved minimal face-to-face meetings with prospective donors. It was primarily focused on events, corporate donors, grants and the occasional estate gift. Although important, focusing on these aspects alone is missing perhaps the biggest fundraising opportunity you will have as a CEO. I was very fortunate to receive on-the-job education in fundraising from a top-notch CDO, as well as the support of an outstanding fundraising consulting firm with deep experience in health care philanthropy. I would highly recommend this type of education and support for others in the C-suite who wish to maximize their impact.

To build capacity at your organization, you should expect your CDO to prepare you for success with weekly call lists, timely strategic prompts and a playbook for each donor visit. Trust your CDO to encourage you to venture beyond your comfort zone—you may be surprised at the results. And when things don't go as planned, be honest and nonjudgmental with each other, and use this information to improve your approach to donor research, style



Dean Mitchell/Getty Images

Throughout both campaigns, I realized that success was based on relationships that had been established long before the initiative was even considered. Those relationships needed to be cultivated over time.

of communication, participation, timing of delivery and follow-through. Know that you miss 100 percent of the shots you don't take!

During my tenure at MCH, we executed two successful capital campaigns, working closely with our fundraising consultants. In both cases, we started with a comprehensive campaign planning study, followed by a structured, strategic campaign. Our first campaign raised \$2.1 million, and our second campaign ultimately raised \$10.6 million against an initial goal of \$6 million. Fortunately, in this latter campaign, as we made some initial asks, we were able to identify a few large gifts that

hadn't been anticipated, and consequently, we realized a higher campaign goal than had originally been projected.

Throughout both campaigns, I realized that success was based on relationships that had been established long before the initiative was even considered. Those relationships needed to be cultivated over time, through multiple interactions, openness to hear both positive and negative feedback, and honesty about what could be accomplished. Eventually, a relationship of trust is established, and an ask made possible. And it is very important to maintain a close rapport with a donor following the ask, whether or not the donor

responds positively to it. Most of my asks involved more than one request, and several times the donor increased his or her pledge after responding positively to the first ask.

I believe events do have their place in the donor philanthropic pipeline, but in most cases their real importance lies with building enthusiasm for the organization's mission and identifying important donors for the future, not raising significant funds for the present.

8. Involve physicians and caregivers. Caregivers have a special place within the organization and the community as well as a special relationship with each consumer. They engender a high degree of public exposure and exert considerable influence as the key link to grateful patients and the giving potential of that critical constituency. Nursing is consistently ranked among the most trusted professions. Having physicians and caregivers on board with organizational strategy, enthusiastic about the sincerity of the vision and able to tell the hospital's story can advance the philanthropic agenda, as well as build and nurture a culture of philanthropy with all employees throughout the organization. Another way to look at it is if they're not fully on board or—worse yet—apathetic, it can really take the wind out of the sails of a successful program. Also, physicians and other caregivers are very effective advocates for the organization, and we were fortunate to have a number of them willing to participate in our campaign, both personally and in meetings with others who were considering making donations.

9. Invest in experienced legal

and campaign counsel. An investment in knowledgeable fundraising legal counsel will pay considerable dividends. These individuals will help you to respond quickly and efficiently to donors and avoid legal risks when establishing agreements between donors and your organization. These can range from a relatively small gift annuity to an agreement for a naming opportunity that involves a seven-figure donation. They can also help you make sure that the legal documents, such as commitment letters and planned estate giving options, are fully and fairly represented to donors.


In each of our MCH campaigns, we engaged a leading firm in health care philanthropy with professionals who helped us plan and execute our capital campaign. As a result of each successful campaign, we developed a significantly more mature and robust philanthropy program, one that established realistic goals for capital projects, prioritized our fundraising efforts and set performance goals for our staff.

Eventually, we created a 10-year projection of fundraising capacity linked to our strategic needs. Our approach to major and planned gifts emerged organically, and our strategic efforts gave us solid credibility with the board and our donor community.

10. Lead by example. As CEO, you are often the face of fundraising. Be visible, especially during asks. Share the vision of the organization, and demonstrate to others how to articulate a case for giving. Be a passionate and generous giver yourself. My CDO loved to say that if we can't get passionate about the case, how do we expect someone to invest in

it? And most importantly, devote time each day to the effort—make calls, attend meetings and presentations, send letters. Act as a mentor and coach, and remain open to your own continued learning and growth.

Conclusion

I often think back to those visits with Henry, Fred, Eleanor, Larry and so many others with generous hearts and extraordinary spirits. In fact, those relationships I developed over time provided my greatest education about fundraising and the impact we all could have on it. They inspired me to embrace that role, and perhaps I inspired them in some collaborative way to make major contributions to the hospital. When done right, philanthropy can be a transformative experience for everyone, and the CEO and other members of the C-suite play a pivotal role in this transformation. 



Peter L. Gosline, LFCHE, is a Life Fellow in the American College of Healthcare Executives and a former hospital chief executive officer (CEO) with a career spanning more than 30 years. As CEO of two community hospitals in New Hampshire, his strategic abilities led to three capital campaigns, the largest exceeding \$10 million. In 2014, he founded PLG Consulting, serving hospitals and health care organizations, specializing in executive coaching, philanthropy, interim management, organizational strategy, governance and advocacy. Gosline also collaborates with Ghiorso & Sorrenti Inc. to coach CEOs in the strategic philanthropic process and in gift solicitation.



Many organizations strive to create a culture of philanthropy within their hospitals or health centers. This may refer to increasing opportunities to show gratitude or developing robust employee giving campaigns. But many cultures of philanthropy neglect to reach the strategic goals of the organization itself. Shifting from a culture of philanthropy to a culture *for* philanthropy may seem like a simple semantic change, but sometimes semantics can make all the difference.

In this section, find out how one word can ensure organizational systems, processes and policies support donor needs and enhance fundraising capabilities. You'll also read about a successful employee giving campaign at an organization where almost half of employees choose to give back and you'll learn that becoming an active participant is the key to inspiring complete buy-in to a culture for philanthropy.

How a **culture for philanthropy** enables fundraising performance

Susan's monthly meeting with the chief executive officer was going well: "More than a 10 percent increase in per capita employee giving? That's excellent! Good job! We're really developing a culture of philanthropy."

The enthusiastic praise from her boss was nice to hear, particularly given the huge increase in effort her fundraising team had put into this year's employee campaign. But in the back of her mind was the report she had reviewed before the meeting that projected her total amount raised for the year would fall short of the organization's

growth-in-giving goal. Again.

This is a disguised but true story. Unfortunately, there are many similar stories.

Much has been said and written about creating a "culture *of* philanthropy." Unfortunately, the term is too often misunderstood, leading to initiatives focused only on employee giving, elevating appreciation for the virtues of philanthropy and storytelling about the good things done with charitable dollars—all of which are good, laudable and worthwhile to continue—but insufficient.

Perhaps a better approach would





relif/Getty Images

be to focus on creating a “culture for philanthropy.”

It's not just semantics

Corporate culture, as defined by Mitroff et al. in *Framebreak: The Radical Redesign of American Business*, is: “The set of rarely articulated, largely unconscious, taken-for-granted beliefs, values, norms and fundamental assumptions the organization makes about itself, the nature of people in general, and its environment ... organizational culture consists of the set of unwritten rules that govern acceptable behavior within and even outside of the organization.”¹

It's well established that without an organizational culture that supports philanthropy, initiatives to create a high-performance fundraising operation will not succeed. The literature is replete with blogs, white papers and articles telling us three, five, seven and 12 steps (and other ways) to create a culture of philanthropy.

A common theme is that fundraising needs to be central to the organization, not a distasteful necessity to be left to the development people.

Beyond that, other frequently reoccurring themes in the literature indicate a culture of philanthropy requires:

- Personal involvement of the top executive and C-suite support.
- Philanthropy consciously aligned with the mission, and the organization's core values consciously aligned with philanthropy.
- Everyone from the frontline to the board chair knows the case for giving and is an ambassador for it.

Some other characteristics of a culture that supports philanthropy are a chief development (or chief philanthropy) officer who is part of the C-suite, support for fundraising as part of every position description, donor engagement in



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organizational strategic planning and a breakthrough case that offers donors opportunities to achieve their philanthropic objectives. (For more about the role culture plays in creating case, see “Create a Breakthrough Case” in the Spring 2018 issue of *Healthcare Philanthropy*.)

Claire Axelrad’s succinct summary says it best: “The job of philanthropy is to demonstrate love of humankind. Fundraising is merely service to philanthropy.”² So why is a semantic change to a culture for philanthropy

care organizations can easily fall into the trap of behaving like big business. She says, “Many a donor has been dismayed after giving to a hospital and then seeing the hospital make a large gift elsewhere.”³

Richard Perry and Jeff Schreifels point out that everyone is “donor-centered” these days but say, “[I]t feels like window dressing. Nonprofit leaders talk a good game about being ‘donor-centered’ ... But it’s still not often that we find that donors are actually part of the mission. To

for philanthropy can enable high-performance fundraising is fundamental organizational design decisions.

Fundraisers, as do their counterparts in other areas of the organization, struggle with constraints to productivity, such as:

- Too much time spent in internal meetings and busywork.
- Too much energy devoted to “fiefdom” goals rather than mission.
- Too few clear operating parameters and too many constraints on autonomy.

“A culture for philanthropy recognizes *both* the *opportunities* for philanthropy to advance the mission and the unique *requirements* of a fundraising operation that can do so successfully.”

important? Because it’s not just semantics.

One word—*for*—makes a huge difference. A culture *for* philanthropy recognizes *both* the *opportunities* for philanthropy to advance the mission and the unique *requirements* of a fundraising operation that can do so successfully. That recognition can ensure organizational systems, processes and policies support donor needs and enhance fundraising capabilities.

For instance, donors expect a charitable beneficiary to act like one. Betsy Chapin Taylor, FAHP, notes that large health

be blunt, donors are still being treated as a means to an end.”⁴

It is critical for an organization with ambitions for high-performance fundraising to recognize how management’s ways of thinking affects philanthropy.

Organizational design is key to raising more money

A culture for philanthropy elevates philanthropy to a partnership role and fundraising to a place within the organization that allows high performance by the fundraising team. One of the most critical areas where a culture

An organizational structure and policies driven by clinical and related administrative considerations can hobble a function with a different focus that requires a different way of working for optimum performance. High-performance fundraising requires an operating structure and system designed to:

- Change the fundraising revenue mix to significantly increase the average gift size by rebalancing the organization to focus more resources on frontline fundraising of individually solicited gifts.
- Align other fundraising modalities not as separate silos with success judged by their own revenue goals, but as part of a process that is one continuum and the way and means for everything concerned about prospect and donor relationships.
- Realize significant gains in measured output per full-time employee through the strict application of Lean Six Sigma thinking (see sidebar), including the key principle of “highest and best use,” to ensure teams are working at the top of their

performance envelopes.

- Streamline the organization to reduce the number of management fiefdoms and overhead headcount.

My observation after some 20 years of working with hospital service lines and health care fundraising operations is a successful fundraising operation doesn't fit well within the standard operating structure of a hospital, which—of course—was structured for a purpose other than fundraising.

Yet, unfortunately, fundraising is often treated as simply another department or function—forcing the square peg of fundraising into a round hole. As a practical matter, even when an organization establishes a separate IRS 501(c)3 or CRA charitable status entity for fundraising, the fundraisers are usually employees of the parent health care organization and subject to its organizational design.

Titles are one problem area. The larger organization rightly wants titles to have meaning and consistency within the hierarchy. And, of course, major donors want to deal with people they perceive to have stature and authority within the organization. But titles are usually tied to requirements for the number of direct reports for which a manager is responsible. The problem is the highest paid and most productive frontline fundraising professionals should not have direct reports. The consequence is a lack of perceived (or real) status for development professionals within the organization and the community.

And, of course, position rating and banding for compensation also are impacted by the same



Lean Six Sigma thinking in fundraising

Achieving dramatic gains in fundraising production requires embracing a set of principles in key areas that dramatically affect everything, from the role of the board to how a case for giving is created. These are the “Four C's” of fundraising. Each is a fundraising performance imperative, and together they are the pillars of a new approach to fundraising based on Lean Six Sigma thinking.

The Four C's are primarily based on three sources of performance improvement knowledge and data:

- Ongoing research by AHP to identify those factors that drive high performance in fundraising.
- Proven Lean Six Sigma and quality principles from the commercial world.
- Our own observations over the past 12 years in developing and refining the fundraising performance imperatives (FPI) system with pioneering fundraising operations.

The FPI Four C's of fundraising are the following:

- **Culture:** An organizational culture for philanthropy, in both the fundraising operation and its completely engaged organization, valuing, enabling and supporting philanthropy.
- **Case:** A compelling, attention-getting, donor-centric breakthrough case oriented to today's investor philanthropists presenting compelling opportunities to make a quantifiable, major difference in people's lives.
- **Constituency:** An ownership community of board members, campaign volunteers and institutional partners and other committed leadership donors who engage in the fundraising process as connectors, mavens and closers.
- **Capacity:** A process-based, metric-measured organizational design creating high potential for, and focusing more resources on, relationship-based frontline fundraising.

The results are more potential donors engaged with the mission; more current donors engaged as connectors; more internal fundraising partners engaged in support of the development process; and more (larger) gifts.

traditional thinking. The idea that a high-performing development professional who brings in significant funds should be paid as much as—or more than—a manager is still foreign to the not-for-profit world. Yet in the commercial world, it is not uncommon for top salespeople to make more than their managers.

Too often, the best frontline fundraisers become fundraising administrators because that's what they must do to advance their career in terms of both pay and prestige. Consequently,

development through stewardship through repeat giving. Anything that has to do with prospect and donor relationships is part of that process. That process is at the core of the fundraising organization, its *raison d'être*, and should not be broken into individual fiefdoms by fundraising modality or any other kind of "silozation."

This not only improves relationships with donors, it streamlines the organization by lowering the number of management fiefdoms and overhead headcount.

needed to mentor or help remove roadblocks.

A high-performance fundraising shop will have fewer managers and more highly paid frontline professionals with no direct reports than may be typical elsewhere in the organization (other than in hospital-owned physician practices). That business model is being reflected in the way leading-edge organizations operate. Frederic Laloux's *Reinventing Organizations*, which shows the success of frontline-empowered "Teal" organizations, is recognized as one of the most influential management books of this decade.⁵

Gary Hamel, one of the world's most admired business authors, in his recent bestsellers *The Future of Management* and *What Matters Now*, presents impassioned pleas for reinventing management. In a recent *Harvard Business Review* article, Hamel and co-author Michele Zanini say most organizations do not realize how much the cost of excess bureaucracy is affecting performance. They also point out radically flat organizations are often seen as "weird exceptions, as opposed to valuable exemplars."⁶

Allowing development to move to a flat organizational design that works well for fundraising can be challenging for organizations. The fundraising organizational chart can raise eyebrows in the human resources function or elsewhere. Nevertheless, an organization with a culture for philanthropy will allow the fundraising operation whatever structure best suits its unique purposes and needs.

The duality of recognizing both the opportunities and requirements of philanthropy fundamentally changes the way the fundraising operations and

"A high-performance fundraising shop will have fewer managers and more highly paid frontline professionals ... than is typical elsewhere in the organization"

the organization either loses its best people to managerial jobs in other organizations or loses significant production by taking them off the front line, at least part of the time, for managerial roles. In the second instance, organizational bloat is exacerbated by creating more managerial or quasimanual positions and expanding the structure in which managers often inadvertently work against each other to achieve siloed goals.

Traditional management models are based on an idea—and a structure—that dates to the Roman legions. The development process, conversely, is a continuum from pipeline

A successful flat organization supports "management by exception." It creates a process-based, metric-measured environment where the professional staff clearly knows what they need to do to succeed and a data flow ensures they constantly know how they are doing. Managers relate to direct reports very differently in this environment. The data flow makes it clear where the manager needs to focus his or her attention for providing either praise or counsel. But it is not up to a manager to continuously provide direction or feedback. Instead, the working manager's role is to lead by example and be there when

their hospitals or health systems relate. Simply focusing on creating a culture of rather than for philanthropy can misdirect the organization's fundraising efforts while neglecting cultural and policy issues that should be addressed in support of philanthropy. ^{AHP}

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triple major gift production. His book, *Hope Is Not a Strategy—Applying Lean Six Sigma Thinking to Fundraising*, will be published in 2019. His previous feature articles published in AHP's *Healthcare Philanthropy* journal are "Hope is Not a Strategy" (Fall 2012); "What the Aging Population Means for Health Care and Philanthropy" (Spring 2016); and "Create a Breakthrough Case" (Spring 2018).

SPONSOR SHOWCASE



Three tips to encourage a culture for philanthropy

Creating a culture for philanthropy does more than just encourage donations: It ensures a vibrant future for our collective humanity. Put simply, philanthropy is goodwill to the human race. And it is a fundamental component of society: Without it, society as we know it would cease to exist. Humanity depends on philanthropy.

How can your organization contribute to a culture for philanthropy while also fostering an environment that achieves ongoing fundraising success? It may be more obvious than you think—and it starts with your team.

When we are "for" something, we conduct ourselves differently, letting what we are inspired by guide our actions. Here are three habits your organization can form to move toward this culture:

1. Make sure your colleagues remember your "why." And let it guide them. Remembering the "why" is critical to what we do, although it can easily get mired among day-to-day tasks. Keep the "why" of your organization front and center. It will empower your team to communicate your mission most effectively to your donors.
2. Maintain strong and consistent channels of communication. Keep your staff informed on an ongoing basis with an emphasis on transparency. Your people can only be as enlightened as the knowledge they possess. Set them up for success by making sure they have easy access to what is accurate, including a platform for asking questions and seeking answers.
3. Say thank you. Just like we recognize and thank our donors regularly, remember to also thank and commend your colleagues—both frontline fundraisers and backline staff—for a job well done. A little can go a long way in making sure your team feels recognized for contributing their "why" to both your organization and as part of the greater good.

Graham-Pelton Consulting is a leading fundraising and nonprofit management firm with offices around the globe and is the trusted advisor and partner to leading impact-driven institutions across all sectors of the nonprofit world. The firm customizes fundraising services to the needs of the client and the institution's culture, providing campaign management, planning studies, board training and development, major gift counsel, interim staffing and other uniquely tailored services. Graham-Pelton's mission is clear: Elevate philanthropy so nonprofits flourish.





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'All in' for the win

Why almost half of this hospital system's
employees give back



Every two weeks, the annual giving team at Johns Hopkins All Children's Foundation has a captive audience of 50 new hospital employees. The eight-hour employee orientation carves out 10 minutes each session for the team to “show and tell” the impact of employee-driven philanthropy at the hospital through the ALL IN employee giving campaign and explain how new employees would be amiss not to join in. Armed with sign-up sheets and a slick two-minute video of employee testimonials, the team rallies excitement for the ALL IN campaign, taking advantage of a rare chance to get face-to-face with every level of staff—from physicians and scientists to janitors and gift store cashiers.



The Building Blocks Society wall display at Johns Hopkins All Children's Hospital.

In a health system with 3,300 employees, it's an initiative with the potential to make a significant contribution to the foundation's fundraising goals. "We have this window of opportunity to make an impression on an employee's first day—when they're excited to be a part of Johns Hopkins All Children's Hospital," says Carissa Hughes, senior gift officer for direct marketing and giving societies. "We make the most of our time, and it is starting to show in our numbers. Every orientation session, we sign up at least half of the attendees—last

year giving topped \$422,000." This was a 17 percent increase in the number of employees giving and a 29 percent increase in revenue per pay period. A comprehensive program that allows employees to determine their level of engagement every step of the way is why nearly half of their staff is "all in."

Determine your designation

Employees can enroll in the ALL IN campaign anytime throughout the year by utilizing automatic payroll deduction. After they sign up, often

immediately after the 10-minute orientation introduction, they have another decision to make—how to designate their gift. A majority—about 57 percent—choose not to restrict their gift. Contributors have the option to designate their gifts to one of the following programs:

1. Employees Helping

Employees—Employees can apply for assistance for a variety of reasons. A committee, composed of employees, approves how funds are spent. When Hurricane Irma impacted fellow staff in 2017, nearly \$100,000 was

dispersed from this fund, and many employees sought out ways to give above and beyond their monthly contribution amounts.

2. Employees Helping Families

—Day-to-day employees touch the lives of patients. This fund is a way for employees to discretely give anonymously to patient families and have a direct impact. Binders full of gift cards to local eateries, gas stations and big box stores can be found in each hospital unit, giving doctors and nurses the autonomy to distribute when they see a need.

3. Employees Helping the Hospital (unrestricted)

—This is the most popular designation and a way to

Giving to the ALL IN employee giving campaign is on the rise

- FY19 Campaign Week: 52 new donors and 49 donors upgraded
- \$5.2 million raised in 30 years

	September 2017	September 2018
Number of employees giving	1,139	1,331
Club 26 members	159	243
Revenue per pay period (approximately)	\$12,947.50	\$16,731.93
Recurring donors	1,123	1,293

support multiple hospital initiatives as needs arise.

Your generosity is showing

Peer-to-peer recognition is a key component of the ALL IN campaign. Employees receive gifts, or “swag,” based on their level of commitment: one-

time, Premium or Club 26. The foundation keeps the swag fresh, changing the style and color of the items annually and offering campaign-branded items such as T-shirts, cups, lanyards and badge holders.

When ordered in bulk, these items are inexpensive, and the type of excitement they generate



Don't shy away from exclusivity

In 2016, the Johns Hopkins All Children's Foundation elected to set a higher standard of giving for its physicians, who largely have a higher capacity to give than other employees. The Building Blocks Society is a giving society exclusive to physicians who make a minimum annual contribution of \$1,000. Membership began with 12 physicians and grew to 77 members in just two years.

Most members of the Building Blocks Society elect a monthly payroll deduction, similar to ALL IN employees. A handful of members elect five-figure pledge amounts that are unrestricted, or benefit their departments. Members' names are featured on a special giving wall prominently featured in a main employee thoroughfare. “Physicians appreciate being recognized for going above and beyond their role as doctors. Having their names appear on the wall further acknowledges Building Blocks Society members' dedication to the hospital's mission and this recognition is seen as a giving challenge to other doctors as well,” says Patrick Mularoni, M.D., chair of the Building Blocks Society.

Knowing that 100 percent of ALL IN contributions go back to the hospital, its patient families or its employees is fuel enough to inspire giving. But having an organized campaign that recognizes and celebrates employees in such an outward way is what keeps Johns Hopkins All Children's Hospital employees ALL IN year after year.

.....

A comprehensive program that allows employees to determine their level of engagement every step of the way is why nearly half of their staff is “all in.”

can't be quantified. “We get a lot of calls and drop-ins from employees who can't attend the celebration but want to pick up their swag and add to their ALL IN collection,” notes Morgan Puttick, donor relations coordinator. Other perks include a \$5 meal pass to the cafeteria and a designated monthly “jeans day.”

Another strategy is to create and brand the levels of employee giving. An employee can give a one-time gift of any amount, even \$1, and receive at least one ALL IN benefit. Thirty-one percent opt for a modest Premium

membership, which equates to \$8 per paycheck with a reward of a shirt or a jeans day pass.

When an employee selects the highest membership level—Club 26, named for the 26 pay periods in a year—they give back one hour of pay per pay period. Club 26 members receive an upgraded shirt and additional swag, including a Premium lanyard for their employee name badge. They're also entered into a prize drawing; this year the prize was two tickets to an NFL game. “We build swag into our annual budget, and the returns are

excellent and well worth it,” says Hughes. “You can't make perks a one-time thing. The repetition is important. Staff comes to expect this reward, and we are happy to oblige if it equates to another 12 months of contributions.”

You're automatically 'ALL IN'

An important tactic in growing the program, and one that has evolved over the employee giving campaign's 30-year history, is a system of annual automatic renewals. Once an employee opts in and begins payroll deduction, it is rare that he or she will opt out during his or her tenure.

In fact, trends indicate that Premium members often increase their gifts as they become more vested in the health system. “There are 240 employees who have Club 26 status—this group is mostly employees who started off with a standard ALL IN contribution then steadily increased it after one or two years of giving,” says Puttick.

Engage, then engage again

Every fall, a two-week-long celebration kicks off the campaign. The ALL IN display is set up in a well-trafficked location with the goal of thanking current employee donors, engaging new employee donors and distributing new swag items. A modest amount of staff time is required—two-hour shifts with three employees at the booth to capture new sign-ups. In the spring, the display is up again for a party, stewarding donors with ice cream, donuts, oversized games and even a live deejay.


While the majority of the hospital's 3,300 employees are housed at its downtown St.



Watch employee testimonials of the ALL IN campaign. Visit <https://bit.ly/2Hjnuxf>.

Petersburg, Florida, campus, there are off-site staff who in previous years only heard about ALL IN through email communication. The annual giving team is making a concerted effort to be more inclusive, traveling to each of the hospital's nine outpatient care centers (OCCs)—up to eight hours round-trip—to sign up new ALL IN members and host pizza parties. “We decided that getting in front of our OCC staffers was going to be key to making them feel involved. They see the email blasts and fun pictures from our main campus celebrations and may become disenchanted with the initiative because of distance. We didn’t want that to happen this year,” says Hughes. Though new sign-

ups were modest—about a dozen among the OCC staffs—the trips created goodwill and a bridge for Hughes and Puttick to make return trips in the upcoming fiscal year.

The team also emails mini impact reports to ALL IN participants. The report shows statistics illustrating the amounts raised in the previous fiscal year. A plan is being developed to increase the level of stewardship through additional e-communications throughout the year. 



Jewanna Apawu brings 15 years of communications, public relations and development experience to her role as donor relations manager.



Carissa Hughes, senior gift officer—direct marketing and giving societies, is a fundraising professional with expertise in direct marketing and annual giving. She believes in a donor-focused philanthropy program, connecting donors to the mission in meaningful ways.



Morgan Puttick is donor relations coordinator and assists with the ALL IN program and other annual giving societies. She is currently pursuing a master's degree in nonprofit administration.

All three authors work at Johns Hopkins All Children's Foundation in St. Petersburg, Florida.





Culture shock

How shifting the vision helped remedy an ailing employee giving campaign

The phrase “culture of philanthropy” tends to be overused. At its root, an organization is simply working to move from a place of agreement to authentic buy-in by its members. Look at it this way: One can agree that it’s good to be charitable or philanthropic, at an individual and organizational level, without taking any action to support such an agreement. However, for someone to have buy-in to a culture, it means becoming an active participant. If some semblance of this can be achieved, then the culture has truly begun to shift.

At Dayton Children’s Hospital, a 178-bed independent, freestanding pediatric hospital in Ohio, a nearly 50-year culture had been established that didn’t really include philanthropy playing a significant role. However, after the hospital developed a new strategic plan in 2012 and completed an historic capital campaign in 2017, this culture began to evolve. There was a refreshed outlook for the organization—and so, too, for the role of philanthropy. And while on the surface things were cheery, there was an underlying concern with how the workforce was being engaged. Thus, an opportunity arose for a shifted vision: to create a culture for philanthropy at Dayton Children’s Hospital that reflects our values of compassion and value creation and encourages every employee to give back to our community.

The symptoms

For several years, since the early 2000s, employees at the hospital were solicited annually for the Loving In-Need Children (LINC) campaign, to support the Patient Assistance Fund. The charitable contributions to this fund supported the mission of Dayton Children’s Hospital—a safety-net hospital. Additionally, staff was asked annually to support United Way and Culture Works, the local arts collaborative, and to contribute during

the public phase of the capital campaign. While these initiatives all provided a level of employee engagement and resulted in acceptable revenue returns, significant gaps still needed to be addressed.

For starters, there was no real ownership for the two partner campaigns. The foundation staff saw them as potential threats that would siphon the limited number of donors and dollars—they didn’t welcome the perceived competition. Other organizational leaders never fully embraced the benefits that could result from strong employee campaigns. A shift in this paradigm had to become a priority.

Figure 1. Charitable Revenue

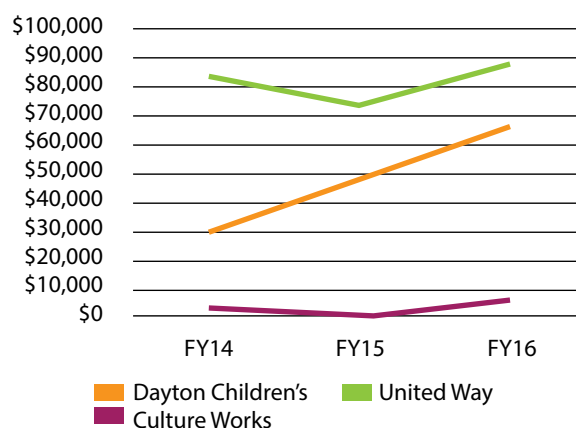
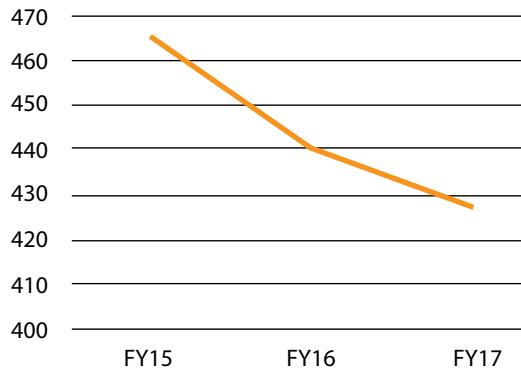


Figure 2. Total Donors



Donor fatigue was the most obvious issue. In 2015 alone, employees were solicited on four separate occasions for four separate campaigns. Anecdotally, this presented a problem. And, when analyzing the data, the assumptions were justified. For the annual LINC campaign, participation fell 8.2 percent over a three-year period—a significant decline for an already low engagement campaign (15 percent overall participation). For the partner agency campaigns, the situation was worse. United Way participation had dropped 47 percent and Culture Works 63 percent over a five-year period. Even as the total number of employees at the organization increased, the number of total participants continued to wane.

Substandard communications with employees during these “asks” posed another problem, adding to the rapid deterioration of these campaigns. Often embracing a passive messaging strategy, the foundation and marketing teams relied on the hospital intranet, an occasional letter from the chief development officer and word-of-mouth to advance the appeal. Even with a compelling story, employees

were never able to grasp the “why” for their giving. There was no connection back to what kind of difference their gift was making. There was no real donor cultivation nor stewardship.

Through the hospital’s employee engagement survey, it was clear the workforce was more engaged than at any time in recent memory. Between 2015 and 2017, the scores rocketed from the 11th percentile nationally to the 85th percentile. Yet, engagement in employee giving was plummeting.

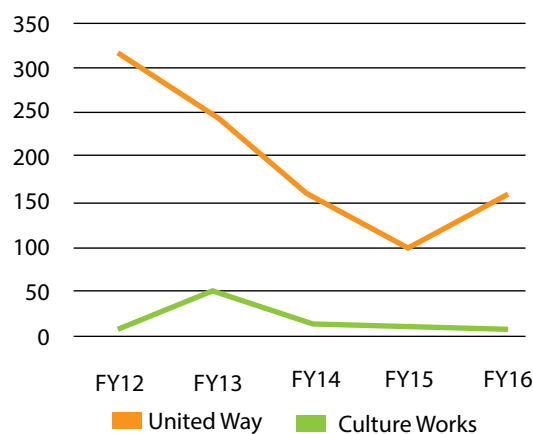
The treatment plan

With a continued trend in this direction, a variety of things could be impacted. Much was at stake, and course correction was critical. To maximize employee engagement, reduce donor fatigue and improve overall participation, a one-ask approach was proposed for 2018, combining all three solicitations into one comprehensive campaign.

The architects of this new strategy leveraged internal campaign analysis, peer research and commitment by key stakeholders, adopting a much more collaborative style. The knowledge gained through these efforts provided a strong starting point.

- In 2017, the new Employee Care Fund was added to the hospital’s employee giving campaign as a secondary option to the Patient Assistance Fund. Not only did the addition attract significant commitments for support, many employees saw it as an opportunity to do more. More than 100 employees chose to support the Employee Care Fund, and 57 of those employees elected

Figure 3. Partner Donors



to support both. And just one of the existing donors to the Patient Assistance Fund decreased his donation level—but only to make an even greater commitment to both. This data provided important rationale that more than one funding request could be made simultaneously and still produce desired results.

- Fewer than 200 Dayton Children’s employees supported United Way and fewer than 30 supported Culture Works in 2017. As a larger employer in the community and often viewed as a leader, the organization couldn’t continue with such woeful outcomes.
- Several hospitals and health systems, including a neighboring children’s hospital, had begun consolidating the campaigns to provide more thoughtful and intentional messaging on employee giving. Locally, a major university with a partner medical school also had made the switch to a comprehensive ask. These two organizations, in particular, experienced increased campaign participation but also realized a decline in overall giving. These examples served as guidance.
- With the natural alignment points of Dayton Children’s mission and those of the United Way and Culture Works, significant opportunities arose to share compelling stories and highlight how all organizations are positively and collectively serving the same families. This reinforced an organizational priority to focus on supporting the life experiences of the whole child and whole family.
- The fiscal calendars for each organization aligned, thereby making a transition to a single campaign window much more feasible than it might have been otherwise.

The most significant revelation during the research and development of the refreshed campaign came in the reminder that employees are donors, too, and should be treated as such.

Reaching out and sharing a vision that this shift, if executed well, could provide a universal lift to all certainly resonated with the partner organizations. After preliminary discovery meetings, their leadership agreed to the new direction. Once the commitments were solidified, the senior leadership team at Dayton Children’s examined the data and supporting research and unanimously approved the plan for 2018.

The remedy

The most significant revelation during the research and development of the refreshed campaign came in the reminder that employees are donors, too, and should be treated as such. So, the first order of business was to make the campaign as donor-centric as possible, using the following strategies:

- **One-ask approach**—Combine all three annual solicitations into one comprehensive campaign.
- **Strategic communications**—Elevate cultivation and stewardship of employee donors and connect them with “the why.”
- **User-friendly**—Leverage

technological capabilities to support easy gift-making.

- **Strategic campaign timing**—Conduct the campaign during a two-week window that aligns with the fiscal calendar and community partners.

By adopting the one-ask approach, three separate solicitations were fused into one annual, comprehensive campaign. This provided a profound opportunity to increase employee engagement by improving overall participation. Additionally, the partner organization alignment allowed for succinct and intentional messaging.

Being more thoughtful and utilizing strategic campaign communications also provided significant benefits. Employees learned more about the role and function of the foundation, and staff became more involved in the charitable work of Dayton Children’s—these shifts were noteworthy campaign wins. Additionally, the implementation team developed enhanced messaging and delivered it in a way that staff could fully understand the impact of their support—the

“why.” As Jerry Panas has shared, it is most important to communicate outcomes and results.¹

The third criterion was to become more donor-centric, to create a giving experience that was simple, straightforward and user-friendly. Assembling a cross-functional team of foundation staff with key colleagues from the employee experience and payroll departments helped build functionality within the online employee portal so every staff member would have the ability to make a payroll deduction gift via the platform or a one-time gift electronically through a dedicated landing page. This would prove worthwhile, as 53 percent of the workforce completed the assigned task of making a commitment to the campaign, even if they did not make a gift.

Finally, it was absolutely vital to get the timing right because donor fatigue had been identified as a top issue. In the health care environment, there really is no “slow time,” so it became about identifying the most strategic window. Fortunately, mid-June provided such an opportunity. In addition to serving as the time period for the employee giving campaign in recent years and the time when annual pay raises are given, it also allowed for payroll deduction commitments to begin in July, the start of the next fiscal year, and was agreeable to the community partners—a win-win-win!

The next step in executing the shift was to effectively cascade the message. Through collaboration with partners in the marketing department, campaign changes were shared globally via internal channels (email, intranet, Manager Monthly newsletter, video messages, etc.).

The senior leadership team issued a reminder in its June meetings with directors and during staff meetings. The team also established a multidisciplinary volunteer Employee Giving Committee to advance and champion the changes.

In an effort to create ever-important buy-in at the top, senior leaders were asked for three specific commitments: to become “pace-setters” and participate in the 2018 employee giving campaign at the appropriate level; to provide updated expectations to all director-level staff and encourage their support at the appropriate level; and to champion employee engagement by advocating participation in the campaign at any level.

This ask was modified and adjusted as it was funneled throughout the organization. Utilizing all available communication vehicles, employees at every level were asked to make their commitment or desired adjustments to a previous gift by a given date, with scheduled reminders built in. Additionally, during the campaign window, campaign administrators employed

a variety of tactics to elevate on-campus visibility and awareness, for which funds were available to support. For example, the cafeteria offered a special menu item, and local arts organizations gave live performances, among other promotions.

The outcome

When handling an organizational ailment, it is extremely important to analyze the symptoms, develop a commensurate course of treatment, provide a remedy and evaluate the outcomes so future opportunities and obstacles can be proactively addressed. In this case, there was a great deal of success worth celebrating. With the modest addition of staff and the strategic reallocation of existing resources, the team achieved significant growth.

Not only did participation and total donor count experience exponential growth, but total giving also was elevated to record highs. As planned, buy-in to the new vision was strong at the top and seemed to permeate throughout the entire workforce.

Figure 4. Outcomes Chart

total giving = \$210,236 (+26.1%)

- Culture Works **10%**
- Employee Care **22%**
- United Way **30%**
- Patient Assistance **38%**

participation = 20.2% (+30.2%)

	Payroll Donors 2017 Campaign	Payroll Donors 2018 Campaign	Increase in Donors
Culture Works	17	97	470.98%
Employee Care Fund	106	306	188.67%
United Way	105	199	89.52%
Patient Assistance Fund	400	537	34.25%

The foundation staff utilized a collaborative team approach to coordinate with the employee experience, information systems, marketing and communications, and finance departments to implement a user-friendly system, resulting in a 53 percent process completion rate.

One hundred percent of senior leaders participated. In addition, more than 97 percent of individuals at the director level, which includes more than 100 employees, made a gift commitment. All told, more than 20 percent of the entire employee base participated, which is a 30.2 percent increase over the previous year.

Based on the data, the charitable revenue results correlate directly with the increased participation. Both funds at Dayton Children's realized monumental growth—more than 90 percent greater than 2017. Culture Works saw a nearly 100 percent increase in committed revenue. United Way concluded the campaign down 16.2 percent, but the giving totals did not include donors who waited to complete their 2018 calendar year pledge from the previous campaign cycle—these individuals were invited to renew at the completion of their current commitment.

By using well-informed research, quality data and experiential feedback, campaign administrators


made key process changes and embraced new philosophies. The foundation staff utilized a collaborative team approach to coordinate with the employee experience, information systems, marketing and communications, and finance departments to implement a user-friendly system, resulting in a 53 percent process completion rate. Diverse communications, shared via employee intranet, video, email and interoffice mail, conveyed changes and campaign FAQs before, during and after the two-week window. Finally, consensus was built internally and externally to conduct the campaign at the end of fiscal year 2018 so all deductions would take effect at the start of fiscal year 2019 for each organization.

While, generally speaking, success was achieved, there always exists the opportunity to learn and grow. To that end, below are some additional takeaways that will help inform decisions and strategies moving forward.

- The combined organizational

messaging strengthened the overall case for support and resonated more with employees.

- Technological capabilities can be better leveraged to be as employee- and donor-centric as possible.
- The team can become more creative in communicating campaign awareness through on-site activities.

The vision—to create a culture for philanthropy at Dayton Children's Hospital that reflects our values of compassion and value creation and encourages every employee to give back to our community—is certainly lofty. There is a desire to build a systemic model that helps employees learn and understand the value of philanthropy, both inside the walls of the hospital and out. It was critical to start at the top in order to set the pace and build expectations. All the while, there was understanding that the process would not be quick, but if done right, it could be hardwired and sustained. The cure to creating a culture for philanthropy has yet to be found, but at Dayton Children's, there is reason to be encouraged. 

Reference

1. Panas, J. *Asking: A 59-Minute Approach to Everything Board Members, Volunteers and Staff Must Know To Secure the Gift*. Emerson & Church Publishers (2014). 86.



Adam P. Blanchard, M.S., CFRE, is the director of donor engagement at Dayton Children's Hospital Foundation in Dayton, Ohio, and has more than 15 years of professional fundraising experience. He is a member of both the Association for Healthcare Philanthropy and the Association of Fundraising Professionals (AFP), serving on the board for AFP Greater Dayton.

Essential elements for developing impactful proposals

Preparing your organization's programs for grant success

Is your organization prepared to pursue large grants as part of your revenue mix? Do you know what information resonates with funders as they review your requests for support? As development professionals, we work with physicians, nurses, administrators and program staff with varying levels of sophistication in the preparation of grant applications and major gift proposals. Some staff are extremely knowledgeable and successful in submitting complex requests to federal agencies or large national foundations, while others have only a passing knowledge of what is required for submission of the most basic letter of intent to a small, local funder.



wragg/Getty Images

We have a dual role as both a resource and an advocate for the programs for which we seek funding. We can assist in educating our organizations on the requirements for funding, serve as a sounding board to help craft the appropriate messaging and pull together all of the components that ensure the strongest possible proposal is delivered for consideration.

Our role may be more limited when working with an experienced, successful program director or researcher, so we'll focus on what is required to assist less experienced program staff. What are the questions we need to ask to determine not only the goals of the proposed project, but also the impact if

As development professionals, we work with physicians, nurses, administrators and program staff with varying levels of sophistication in the preparation of grant applications and major gift proposals.

the project is funded and carried out as envisioned? How do we best help program staff to think about the work they are doing in terms of their impact? How does that work fulfill the goals of the funders relative to their giving interests and priorities? How can we be strategic in proactively identifying the best matches for support, as opposed to chasing program opportunities to match to available funding announcements?

Getting to the question of impact is critically important for most funders. Much as our work in health care is transitioning from an emphasis on volume

results lead to long-term changes in health status or ultimately reduce the cost of care? If you and/or the program staff can't answer this type of question in a simple and compelling way, it may not be a program that will be of interest to a funder. That's not to say that the work isn't important to those who will benefit, but it may be more difficult to attract outside funding.

You have several opportunities within the context of an individual proposal to make the case for impact. We'll review how you can highlight the work of your organization

representing the institutional funder to vet the project you are proposing. This isn't always possible, but these conversations can help to increase your chances of success. You wouldn't place a gift solicitation in front of an individual major gift prospect without some measure of certainty that the proposed project was as close a match as possible to his or her philanthropic interests and priorities. Institutional funders should receive the same consideration.

Next, you need to completely review the application requirements and any requirements for organizational approvals by the executive leadership team or program staff. Is the project an organizational priority that has already been approved? Are there additional processes to approve capital purchases or new positions? Do these have to be completed prior to the submission of the grant proposal? Is there a separate process for the review of a draft or completed grant proposal? If there are internal organizational approvals required in advance of the submission, can they be completed in time to get the necessary signatures on the application before the deadline? The ability to submit an application electronically may allow you some additional time to complete the submission, but requirements to upload scanned documents with live signatures will still require you to complete all of the same processes in advance.

Third, does your organization have the capability to track and report on the use of funds to the funder? Are you able to perform an audit at the

It's important to be able to lay out how the funding they will provide will make a difference for the program's participants and the health and well-being of the larger community.

to value, the same can be said of a strong grant application. A funder wants to know about more than how many patients we plan to see or visits we'll deliver. Those may be, and probably are, important metrics that you can and should be tracking. It's important to be able to lay out how the funding they will provide will make a difference for the program's participants and the health and well-being of the larger community. Will your

in the following areas of your proposals: mission, organization background, project narrative, program evaluation, budget/ budget narrative and appendix. However, prior to investing the time and resources required to submit a compelling proposal, there is background work that you should undertake.

First, it is important that, whenever possible, you have a conversation with the executive director or a program officer

level of the program to ensure that funds are being spent in accordance with any terms and conditions outlined in the grant agreement? These are important considerations for grants of almost any size and should be thoroughly reviewed in advance of the proposal's submission.

Assuming you have been able to obtain all of the necessary internal approvals and are confident of your organization's ability to deliver the program to be funded, it's time to review the variety of ways in which you can highlight the impact you will make through this opportunity. We'll start by reviewing your mission.

Mission. The statement of your organization's mission sets the stage for the work you are engaged in. A clear, compelling mission can serve as an effective "elevator speech" that tells the community why you are performing the work you do. Highlighting the areas in which your organization and the funder's mission share common ground will be important to establishing a common language that can be carried throughout the proposal.

Organization background. Your organization has a standard overview of the facilities you operate and the services you provide. This is always a good place to start, but don't hesitate to call out different aspects of that overview depending on the type of grant you are pursuing and how that matches the interests and current priorities of the institutional funder you are approaching. The organizational background is usually a standard section in your annual report or on the website in the "About Us" section.

My organization is a large, Catholic, academic medical center affiliated with a medical school, nursing school and research center. The organization is complex and has many touchpoints that are of interest to a wide variety of local, regional and national foundations. When completing the organizational background section of a proposal, there are many different areas that can be emphasized based on the requirements of the specific grant for which we are applying. If the funding focuses on clinical care, I can focus on any of our centers of excellence, the recognitions achieved or our care outcomes.

If the focus of funding is on education, I can highlight our partnerships with the affiliated university's medical and nursing schools or our graduate medical education program and the hundreds of residents and fellows who are completing their training with us. Our research center gives us opportunities to share the work being done in basic and translational research and our interdisciplinary collaborations to improve care across the continuum.

Depending on the focus of the grant, we can communicate in a variety of ways how we set ourselves apart from the field of competitive proposals that the funder is reviewing and evaluating. It is important to glean from conversations with program staff what those elements of the program are that set us apart from others doing similar work and would make us a preferred partner for funding. Can we do this work better, at a lower cost or on a scalable basis that can be replicated elsewhere?

Project narrative. Now we

come to what may be the most important part of the proposal, the most cogent articulation of the request for support—the project narrative. Within the narrative, we lay out exactly what we will be doing and how we plan to deliver the impact we promise. It is here that we can best state our case for why the organization is uniquely suited to carry out the work enabled by the funder.

Let's start with the program staff. In this section you can lay out any special knowledge and expertise that your staff brings to the project. Are they recognized leaders in their field of specialty? Do they have a unique skill set that other practitioners in the area lack? Do others in the field consult with your experts, or has your organization established best practices for this particular work? This point of differentiation can be particularly important when a broad-ranging request for proposals generates many applications. As part of the appendix, you also may have the opportunity to further establish the bona fides of the staff with the inclusion of a biosketch, authored article from a professional journal or letters of support.

Next you will be able to lay out the particular aspects of program delivery that will show the funder how this work will achieve the goals of the program. It is important to lay out the methods that will be used specifically to accomplish your goals. Why are these methods the best methods? Have they been validated by an independent source? Try to avoid generalities in describing your work. Don't just say that tests will be performed when you can cite

the specific types of testing that will be performed and why those particular tests are the preferred method. Again, the appendix can offer you an opportunity to include documentation as to why your approach toward accomplishing the goals you have identified is best.

Program evaluation. In evaluating your program, metrics are the key consideration. Can you state in advance what you're measuring and what constitutes success? The clearer the picture you can paint for the funder of exactly what you are going to work to achieve, the better your chances for making an impression that sets your application apart from the field. Working closely with your program staff, strategic planning office, finance and information technology departments will

give you a sense of what you can promise to provide as these are the departments that have the most and best access to the data you will require to make and/or prove your case.


Budget/budget narrative.

There are many resources to assist you in preparing a budget for your proposal. Here, your organization's finance department and program administrators may have more complete information than frontline program staff. The budget and the accompanying narrative should clearly lay out the expenses for the program, what you are asking the funder to contribute as part of this specific proposal, as well as any additional sources of support, including in-kind contributions your organization will provide. The narrative also will allow you to clarify any special circumstances related to your budget. Are you delivering services in a specific, high-cost geographic area or with highly specialized staff that may appear to inflate the program's expenses when compared to other applicants? If so, lay out these special circumstances in your narrative or as notations included with your budget.

Appendix. The appendix is the last opportunity to include relevant information that is either requested by the funder or that will help you make your case for support. Standard items include your determination letter from the IRS, audited financials and lists of board members or other donors to the organization. Where possible, look to include those additional pieces of information that will demonstrate your organization's particular expertise and attention

to detail that will set you apart from the field of applicants. These can be letters of support from recognized leaders, a biosketch or bibliography that establishes the credibility of your team or samples of program materials and evaluation rubrics.

Whenever possible, I will prepare an early draft of the proposal to be reviewed by the primary investigator and/or the program staff; this draft includes as much of the stock language, narrative and budget templates and required attachments as I can put together in advance. I will highlight those areas where their particular vision and knowledge are needed for the project. This draft is helpful to everyone in focusing the work that remains to be done. Circulating this draft and requesting specific feedback from the contributors usually speeds the proposal writing process, making efficient use of everyone's time and expertise.

Your organization has an important story to tell about the work you do and the impact you make in your community. Help your staff to make the case by using these questions to develop a compelling, successful application to drive funding support for their work. 



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