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The data is in: Service excellence cultivates giving

ALSO IN THIS ISSUE

24 Lighting the way Great results in fail times

- 30 It's time to ratifink your annual fund
- 34 The power in concepts controlon

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FEATURES









The data is in: Service excellence cultivates giving

Bu Janna Binder, MBA: Craig Deao, MHA: and Betsy Chapin Taylor, MSJ, MBA, FAHP

A health care organization's mission begins at the 14 bedside and that's where a development professional's opportunity to forge stronger community partnerships begins as well. The authors examine a 2009 consumer loyalty study to determine the relationship between giving and a positive hospital experience, and explore the role development offices can play in helping their health care organizations create a culture of service excellence.

Lighting the way: Great results in bad times

By Laura King and Rick Bragga, JD, FAHP

This case study of Methodist Health Foundation's 24 employee giving campaign demonstrates that a wellrun program can produce great results, even in the midst of one of the most difficult fundraising climates in the past 75 years. By engaging a large group of employees to be ambassadors for an employee giving campaign, keeping the program fun and flexible and using effective and regular communication, the foundation raised more than \$1.85 million from 875 employees.

It's time to rethink your annual fund

By Wayne Gurley



When hospitals first started raising money in the 1960s they copied the fundraising tool that was currently successful for colleges and universities-the annual fund. However, annual giving programs tend to create large numbers of lapsed donors, and that attrition can

be deadly to a fundraising program. Learn how to create "constant" donors and stop deciding for your donors how often they will give, and instead let them tell you.

The power in strategic cultivation

By Mark J. Marshall



A fundraiser's ultimate job is not to raise funds—it is to build relationships. Fundraisers are measured by the amount of dollars raised, but the great ones also measure their success in terms of relationships built. Learn

how to create purposeful and strategic cultivation by following six steps to better understanding your prospects, and indentifying, planning and evaluating the "moves" required until you are ready to make the ask.

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DEPARTMENTS

FROM THE CHAIR

Changes ahead

By Mary Anne Chern, FAHP, ACFRE Chair, AHP Board of Directors

In this era of accountability and reform, stakeholders are studying how much value we bring to our institutions and our communities. As resource development officers, we are uniquely positioned to expand our role working with the community and to lead the strategic philanthropy dynamic for health care.

AS I SEE IT

Spring cleaning

William C. McGinly, Ph.D., CAE AHP President, Chief Executive Officer

13 It's spring cleaning time! Professionally, it is an opportunity to re-evaluate programs and their effectiveness, and to "wash the windows" of our preconceived notions of what works and let new light into our programs.

ADVERTISERS INDEX

1157 designconcepts	
1-2-1 Philanthropic Services	
Aria	
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Blackbaud, Inc.	
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CCS	
Creative Arts Unlimited, Inc.	
Crescendo Interactive	
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MD Designs by Metal Decor	
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Printed by: Naylor, LLC And Or 5950 NW 1st Place Gainesville, FL 32607 800-369-6220

Publisher: Chris Hodges Editor: Christine Cusatis Project Manager: Heather Ciocca Publications Director: Shaun Greyling Research Associate: Amanda Niklaus Sales Representatives: Heather Ciocca, Krys D'Antonio, Debbi McClanahan, Marjorie Pedrick, Beth Sheahan

PUBLISHED MARCH 2011/AHP-B0111/5193



ASSOCIATION FOR HEALTHCARE PHILANTHROPY

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The Association for Healthcare Philanthropy, a not-for-profit organization of more than 4,700 hospital and health care executives, was established to strengthen the performance of professionals who advance philanthropy and manage resource development programs for health care organizations internationally. Major products and services include publications, education programs, professional certification, research information distributions and legislative monitoring and advocacy.

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Article submissions should be sent to: Editor, *AHP Journal*, Association for Healthcare Philanthropy, 313 Park Avenue Suite 400, Falls Church, VA 22046. Article submission guidelines and deadlines are located in the Publications section of the AHP website at www.ahp.org.

AHP Journal mission:

The *AHP Journal* will be the authoritative and scholarly resource for health care development and philanthropy. This will be accomplished by the *AHP Journal* being 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, the *AHP Journal* 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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"Blackbaud's solutions for our multi-hospital system allowed us to coordinate donor and prospect information across multiple locations and databases — all in real time. Target Analytics has been very responsive to all of our needs." – Bill Littlejohn, CEO and Senior Vice President, Sharp HealthCare Foundation

Thanks to Sharp HealthCare Foundation and Blackbaud, San Diego now has a new state-ofthe-art medical facility. The goal was to raise \$60 million in five years — one of Sharp's largest philanthropic efforts ever. With help from Blackbaud and Target Analytics, they rallied support from 7,000 donors and reached their goal on schedule. www.blackbaud.com/targetanalytics



Changes ahead



By Mary Anne Chern, FAHP, ACFRE Chair, AHP Board of Directors

ealth care reform preoccupies everyone these days. And no matter which side of the discussion we find ourselves on, everyone agrees that health care and the way it is delivered will be changing which means change for our hospitals, our profession and our association.

The "2010 Bank of America Merrill Lynch Study of High Net Worth Philanthropy," sponsored by Bank of America Merrill Lynch and researched and written by The Center on Philanthropy at Indiana University, notes that among America's wealthiest donors, average charitable giving dropped 34.9 percent from \$83,034 in 2007 to \$54,016 in 2009, after adjusting for inflation. The study reports that health care was the most affected—among the most affluent households, the average giving to health decreased from \$12,430 in 2007 to \$4,511 in 2009, a 63.7 percent difference. Health giving as a share of all high net worth giving dropped from 10.4 to 6 percent. It is clear that we all need to be working harder and thinking smarter in health care if we want to increase giving levels.

In this era of accountability and reform, it is not only health care CEOs who are looking at how we do our work—stakeholders and elected officials also are studying how much value we bring to our institutions and communities. The public is realizing that when the value of jobs, services and housing are considered, hospitals are economic engines for our communities.

As resource development officers, we are uniquely positioned—because of our community relationships and partnerships, and donor and business philanthropic resources—to create strategic philanthropy. The most successful resource development professionals are becoming instrumental in identifying and developing financial, workforce and service line opportunities for their institutions to make positive change working with the community.

Whether we are partnering with a downtown business to hire and train needed workers from

Our strategic philanthropic relationships have become a critical dynamic for health care and the economy.

the community with city monies, or working with administration and the board to start or expand a needed patient service with federal funding with health care reform dollars, the performance measures for all of us in health care administration have become more demanding over the last decade. The increased challenges and accountabilities for us personally and for our profession mean that—especially under health care reform-the spotlight is on us to create value, and not just fundraise, for our institutions and communities.

Our strategic philanthropic relationships have become a critical dynamic for health care and the economy. The Association for Healthcare Philanthropy's new mission statement reflects these broader expectations of societal impact: AHP will "engage and educate people who change lives through health care philanthropy." In this regard it should be noted that AHP membership numbers and education and conference attendance are all up, and member retention is high at 93 percent—our members know that keeping current professionally is the first part of working and thinking smarter.

At the AHP Board's request, William Littlejohn, AHP Board secretary/treasurer and chief executive officer and senior vice president of Sharp HealthCare Foundation, is leading a "Future of AHP" effort with Greg Pope, FAHP, CFRE, AHP Board past chair and vice president of philanthropy of St. Thomas Health Services Foundation, along with AHP senior staff and selected volunteers. Sharp HealthCare was the first hospital in the nation to receive the prestigious Malcolm Baldrige Award, and Bill is bringing that same rigor to our work at AHP as we develop goals and tactics with aggressive performance measures and accountabilities under four strategic pillars: knowledge, engagement, leadership and standards. AHP continues to strive to find new ways to help development professionals and their institutions achieve and exceed their goals more effectively.

AHP has been the premiere association for health care fundraising over the past 25 years. Our model for the next 25 years will be infinitely more challenging: to lead the strategic philanthropy dynamic for health care. Stay tuned—changes are ahead, and this is an exciting time to be involved with our association!



AS I SEE IT

Spring cleaning



By William C. McGinly, Ph.D., CAE AHP President, Chief Executive Officer

s the winter begins to fade and lose its chill, many of us will embark on spring cleaning—the annual ritual of giving our homes a deep scrubbing. We wash windows and attack the clutter in our closets, basements and garages to get rid of those things that we no longer need or use, or that no longer fit. It's an exhausting and invigorating process.

Professionally, most of us are terrible at spring cleaning—at getting rid of programs that have lost value, impact, the interest of our donors and the needs of our communities. We spend far too much time trying to fix and modify programs that have failed for far too long.

The term "spring cleaning" has its origins in many cultures, but my favorite reference is to the Persian New Year ritual of Khooneh Takouni, which literally means "shaking the house."

If you had the opportunity to shake your development house, to start all over, would you build your organization and programs the same way? How would you create a new mix to add value and generate more philanthropy?

Several of the articles in this issue of the AHP Journal ask us to engage in spring cleaning—to wash the windows of preconceived notions of what's worked and to let new light into our programs.

Wayne Gurley invites us to throw out the traditional notion of an annual campaign in his article, "It's time to rethink your annual fund," and to instead consider a continual, sustained giving campaign. The authors of the cover article, "Service excellence cultivates giving," argue for fundraisers to branch out of their comfort zones and to get more involved in the patient care experience in order to create a better environment for giving.

Whether these are concepts that you've already embraced in your program or "shaking the house" ideas, they are a good starting point for your efforts to rebuild and enhance your philanthropy program and increase the results you achieve.

Professionally, most of us are terrible at spring cleaning—at getting rid of programs that have lost value, impact, the interest of our donors and the needs of our communities.

The data is in: Service exce Cultivates

A health care provider's mission begins at the bedside, and that's where a development organization's opportunity to forge stronger community partnerships starts too.

By Janna Binder, MBA; Craig Deao, MHA; and Betsy Chapin Taylor, MSJ, MBA, FAHP

llence giving



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■ Betsy Chapin Taylor, MSJ, MBA, FAHP, is the president of Erlanger Health System Foundations in Chattanooga, Tenn. She has been a member of AHP since 1995.

he role of grateful patients is becoming increasingly important to health care philanthropy as development organizations seek to better target their acquisition efforts, to expand their pipelines and to support longterm major gift growth. Many health care development shops are now turning increased attention to the tens of thousands of potential donors and their families who come through the health care organization's doors each year. However, the psychology at the heart of donor motivation is complex. For fundraisers to leverage the opportunity this most promising group of prospective donors presents, development leaders would benefit from understanding the experience that shapes patient attitudes and helps determine the desire to give.

Anecdotal evidence has supported that a positive patient service experience would engender positive feelings that could incline a grateful patient to give. However, there has been little or no quantitative and qualitative data to show what specific aspects of the patient experience or of the patient's perceptions of the health care organization drive the conversion of a grateful patient to a donor. In seeking to better understand health care consumers' and donors' behaviors, health care marketing research firm PRC surveyed 1,000 U.S. consumers who were health care decision-makers for its 2009 National Consumer Loyalty Study.

The data

The PRC study shows that overall 20.5 percent of consumers have made a charitable gift to their preferred hospital. Taking a closer look at this group, consumers who made a charitable gift to their preferred hospital are more likely to:

• Rate their overall quality of care as excellent (52.7% vs. 41.6% overall).

- Believe the hospital typically exceeds their expectations (37.0% vs. 26.1% overall).
- Have their loyalty most affected by the hospital staff (20.6% vs. 14.7% overall).
- Have a close friend or relative who had an inpatient stay at this hospital (75.8% vs. 63.6% overall) or received emergency care at this hospital (73.2% vs. 61.9% overall).

It is nearly impossible to determine the exact triggers that ensure a grateful patient will become a donor. However, we can analyze the behavior of those who have contributed to their preferred hospital in the past to help steer our donor cultivation.

From the study we know that of people who believe that the employees at the hospital are excellent, and the hospital provides excellent quality care, and the hospital always exceeds their expectations, nearly half have given to their preferred hospital (48.4%). If we look only at those who believe that the hospital provides excellent quality care and always exceeds their expectations, the number of donors drops significantly to only one-third of the population giving to the hospital (30.4%).

In other words, providing excellent quality care and exceeding expectations generally isn't enough to foster the feelings that will drive someone to give—and many hospitals focus almost exclusively on these two key metrics. To drive the level of ownership needed for a patient to decide to give, the hospital must do all three things:

- 1. Have excellent overall quality of care.
- 2. Exceed expectations.
- 3. Have excellent staff.

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Most patients do not have the knowledge or experience to evaluate whether clinical quality was good. They assume that it is. However, they can effectively evaluate the interpersonal interactions which make up their care experience, which are about *service*.

Hospitals that successfully achieve these have more than double the percentage of donors (48.4% vs. 20.5% population overall).

Redefining quality of care

It is important to clarify what patients are evaluating when they rate "quality of care." While the question could seem to point to clinical quality indicators, such as outcomes or safety, patients who respond to this question are generally evaluating their *service* experience. The reason for this is simple: most patients do not have the knowledge or experience to evaluate whether clinical quality was good. They assume that it is. However, they can effectively evaluate the interpersonal interactions which make up their care experience, which are about service.

So, all three primary drivers to cultivate donors come down to one thing: service excellence. By grooming excellent staff that exceeds expectations and by providing excellent care, hospitals are much more likely to build relationships that lead to charitable investment.

Simple actions and interactions that are part of the patient care experience also can make a big impact on a patient's overall perception of their care. For example, some key drivers that affect the three indicators that support giving include:

- Physicians, nurses and staff working together as a team.
- Courtesy and friendliness staff shows toward patients.
- Instructions and explanations nurses communicate about patient treatment and tests.
- Physicians easing patient worries and fears.

While this list is not exhaustive, it provides an indication of the aspects of care that have a significant impact on patients.

Expanded view of grateful patient prospects

The PRC survey data shows development professionals also need to think more broadly about who their prospective donors may be. It isn't necessarily the patient



Beyond Giving

	Donors	Nation Overall
Recommended hospital or said positive things to others regarding hospital	94.6%	79.0%
Volunteered at the hospital	19.1%	6.1%
Attended hospital fundraising events	35.5%	14.1%
Attended hospital classes	49.7%	31.7%
Strongest loyalty toward hospital	57.3%	35.0%
Most likely to recommend hospital in future	62.1%	42.2%

Beyond advancing philanthropy through financial gifts, donors also are more likely to become advocates for the hospital: to recommend the hospital to others, to volunteer, to attend fundraising events and classes and to express higher overall loyalty than the nation as a whole.

Source: PRC 2009 National Consumer Loyalty Study.

receiving care who is more likely to contribute. It's often the close friend or family member of a patient who donates.

These visitors are keenly aware of hospital staff, their actions and the excellent service they provide, or the lack thereof. In some cases, they are even more aware of the service provided by staff than the patient is—something staff may not realize. By hiring excellent staff and developing training programs that seek to better understand what patients and families need and how to exceed their expectations, hospitals will provide better care, increase word-of-mouth referrals and have better patient compliance with discharge instructions. They also will have more donors to invest in strengthening and sustaining the mission into the future.

The survey also indicates development organizations may need to think more broadly about who their best grateful patient prospects may be from a service area standpoint. Anecdotal wisdom says outpatients are less inclined to give than inpatients. The thought is that most of these patients generally have nonlifesaving, routine care that does not build the strong emotional connections and gratitude that inspire giving.

The 2009 national study turns this assumption upside-down and shows that patients with an outpatient experience in the last two years are *more likely* to give to their preferred hospital than those who have an inpatient or emergency experience (25.0% outpatient vs. 21.5% inpatient vs. 20.9% ED). While it is unknown if the gifts were made prior to or following care experiences, this is worthy of more research and demonstrates that development organizations should consider all patient types when soliciting gifts.

Implications for development organizations

Providing a service experience that patients view as excellent produces desirable benefits for the health care organization. However, few providers act systematically and proactively to understand and to address what patients value in the nonclinical aspects of their care experience.

Progressive development organizations and health systems looking to increase philanthropic investment in their mission should consider what they can do to create the ideal environment for attracting new donors. It should embrace and



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advance the three key indicators: excellent employees, excellent quality and always exceeding expectations.

For many development organizations, driving the culture to support service excellence could be a logical extension of their commitment to being donorcentric. However, it would be too simplistic and likely unsustainable to focus on this as a customer service initiative. Creating an environment in which staff and the organization are perceived as excellent and in which each individual patient's expectations are understood and exceeded often requires organizational transformation.

The development organization can be a catalyst toward this by helping hospital leadership and the board understand the connection between improvements in patient perception of care and growth in charitable gifts—a link that is seldom considered. Development organizations also may facilitate strategic financial investments to enable building an organizational culture to support service excellence.

Helping to create a culture of service excellence

The Studer Group is one of several consulting firms that offers coaching and evidence-based tactics to drive a service culture in hospitals. The firm says the aim is to create a "leadership operating system" that fosters a culture of accountability for creating better outcomes for patients. This is reflected in both technical quality improvement and gains in how patients perceive their care. Their research and experience working with more than 700 hospitals provides these specific opportunities for development organizations to consider:

1. Initiate dialogue with senior leadership and the board about the correlation between patient perception of care and the ability to attract charitable gifts.

Most organizations have some form of balanced scorecard with goals under specific focus areas such as service, quality, people, finance, growth and community. For example, goals to improve patient perception of care may be in the "service" section, core measures would be included in "quality" and philanthropy may be in the "community" section. Too often, these are viewed as discrete, which results in fragmented approaches and diluted resources.

The development organization can play a leadership role in identifying specific opportunities for collaboration through adopting evidence-based tactics proven to impact results across these areas. For example, proactive hourly visits to patients improve the patient perception of care and clinical quality outcomes.

2. Encourage the adoption of aligned leadership goals that focus the organization and all leaders on the patient.

Health care organizations are notorious for using obsolete leadership evaluation systems that reward effort and competency rather than outcomes. The result is a disconnect between organizational priorities and the focus of its leaders. Conversely, organizations that objectively evaluate individual leaders' performance based on objective performance outcomes foster accountability and leadership consistency.

It's a difference even patients can see. In a review of organizations coached by the Studer Group that have objective leader evaluations hardwired, overall patient perception of care is rated on average 10 mean points higher than those organizations without objective leader evaluations.

3. Proactively visit with employees—yours and those in other departments.

Research in health care and other industries shows a clear connection between satisfied patients and satisfied employees, and the strongest driver of employee loyalty is their rating of senior leadership. So, just as a physician makes routine rounds on patients, hospital and development organization leaders should initiate directed visits with employees.

The most impactful strategy for strengthening this relationship, with ripple effects on patient loyalty, is having intentional conversations with employees. This provides the opportunity to understand what's working well, to harvest occasions to recognize other employees, to spot areas for improvement and to knock down barriers caused by inefficient systems or missing equipment that prevent employees with skill and will from being effective. Development leaders can ask employees for specific ideas on what they can do to support an improved employee and patient experience.

continued on page 22





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4. Participate in patient rounds.

Just as rounding builds rapport with and harvests information from employees, there are several similar strategies used with patients. Among the best is daily nurse leader rounds. Development leaders should consider joining the rounds to hear firsthand from patients their positive and negative feedback, which will uncover specific opportunities for improvement or the opportunity to expand best practices that the development organization may support. In the last several years, many development shops also have started programs to round on current donors or on those patients with identified ability to give. A strategic and proactive approach that surfaces and corrects issues and expresses the commitment to deliver excellent care can help enhance the care experience.

Specific strategies that could add value during development organization rounding include:

• "Managing up" the unit's staff by communicating their expertise and experience.

• Expressing genuine concern or caring for the patient or their family when appropriate.

• Serving as a friendly, positive presence who offers an ear to listen when needed.

In hospitals where it is not legally permitted or organizationally accepted for the development organization to directly interact with patients, it will be important for clinical leaders to take the lead in making these personal, proactive touches to ensure a positive experience. In these instances

a strong organizational understanding of the role of philanthropy and how it is impacted by service can be greatly beneficial.

5. Encourage the inclusion of patients in shaping the care experience.

Development organizations can help find and cultivate patients to participate on advisory councils. As in any organization, direct input from customers is an essential strategy for ensuring the organization understands and exceeds expectations. Development organization sponsorship of these forums also is an excellent opportunity to position the development organization as taking an active role in engaging the community to enhance the patient care experience.

In addition to the general understanding of patient perceptions that can be gained from advisory councils, an even more profound strategy for understanding and exceeding expectations is when this can be done for each and every patient. This starts with caregivers asking patients at the beginning of their encounter to describe what excellent care means to them or to define a specific goal for the visit or day. The caregiver writes this goal on a whiteboard in the patient's room, so all who interact with the patient understand that Mrs. Jones in room 208 wants to ensure that her pain is well managed, while Mr. Reed in room 410 has specific religious requests. At each change of shift, this goal is revisited with the patient to ensure evolving needs are noted.

Shaping a care experience that will foster giving is about creating an organizational culture that empowers employees to provide excellent care that exceeds expectations.

6. Focus development organization investments on the key drivers of patient experience.

Not all aspects of care are perceived by patients as being equally important. In general, items like pain management and nurse communication carry far more weight in a patient's overall experience than items like the cleanliness of the environment or the level of noise.

Strategic investments to improve those areas deemed most important by patients will have the biggest impact on experiences. Again, many of the most important measures can be addressed simply by implementing hourly rounding. For instance, nurse communication, pain management and responding to call lights are all directly impacted through hourly rounding. Additionally, research shows that hourly rounding reduces falls by 50 percent and pressure ulcers by 14 percent. The development organization may invest in training to implement or sponsor research to accelerate the adoption of this best practice.

7. Upgrade your leadership operating system.

Development organizations have long supported facility upgrades and capital investments in technology. However, emerging roles for philanthropic investment include programs to drive quality, safety and *service*. With hospitals facing median operating margins of under 3 percent, strategic investments to improve the care environment will increasingly require charitable support.

Since health care delivery continues to be a high-touch service delivered by people, the key to producing a highperforming organization over the long term depends on the robustness of its leadership operating system. This entails how the organization selects and retains people with compatible values, provides them the skills they need to maximize their potential, gives them clear feedback and rewards based on produced outcomes, removes the obstacles along the way and introduces evidence-based practices that can be sustained over time. A solid leadership system creates consistent leadership practices, which results in consistent employee experiences, which produce consistent patient experiences. It is the ultimate "killer app" to create an environment that produces grateful patients.

Expand your horizons

Shaping a care experience that will foster giving is about creating an organizational culture that empowers employees to provide excellent care that exceeds expectations. Health care organizations that can successfully meet these standards have the capacity to double the number of grateful patients who are likely to consider their organization for charitable investment. Participating in the creation of such a culture through advocacy, philanthropic investment or the adoption of these practices is also consistent with the development organization's overarching commitment to facilitate and steward the involvement of the community in advancing the organization's healing mission.

As all development organizations seek to achieve greater impact through their work and to build genuine partnerships with their community, now may be the time for fundraisers to expand their horizons and affect patients and the community in more positive ways than ever before.





By Laura King and Rick Bragga, JD, FAHP



■ Laura King is director of marketing and communications for Methodist Health Foundation. King has more than 25 years experience in marketing, communications, public relations and television production and has worked in a variety of settings from sports marketing and human services to health care.



■ Rick Bragga, JD, FAHP, is a senior consultant with Corporate DevelopMint, Charleston, S.C. A past AHP Mid-Atlantic region director, Rick won the AHP Professional Paper Competition twice, received the AHP Journal First Place award in 2003 and 2006, and was the 2008 recipient of the AHP Si Seymour award. magine your capital campaign is in the earliest part of the silent phase and successfully building on the 100th anniversary of the hospital two years previous. The senior management portion of the employee campaign is going extremely well. Then the world changes:

- The economy sinks.
- The hospital stops construction on several projects including the centerpiece of the capital campaign—a new critical care bed tower.
- As with many hospitals in North America, budgets, people, travel and education are either frozen or cut.

ing e way: Great results in bad times

Case Study: Methodist Health Foundation Employee Giving Campaign

What do you do? The leadership and staff of Indianapolis-based Methodist Health Foundation decided to bravely press onward with their employee campaign. Plans were already in place, a dollar goal had been set and employee volunteers recruited—it was just going to be a lot harder than expected. The Lighting the Way campaign had three goals:

- To raise visibility and awareness for the capital campaign and the foundation.
- 2. To raise funds for the campaign.
- 3. To have fun doing it.

Where to begin?

According to Jim Collins, the noted author of "Good to Great," leadership and getting the right people involved are two of the five important issues when applying the "Good to Great" concepts in the social sector.¹ At Methodist Health Foundation, these two components were the foundation of a successful employee campaign that raised more than \$2 million from 875 employees in one of the most difficult fundraising environments in the past 75 years.

But it didn't happen overnight. The campaign preparation began in the fall of 2008 with the selection of the campaign chair. In May 2009 a cabinet was selected, employee ambassadors recruited and campaign awareness efforts began. The program officially kicked-off in March 2010 and after two extensions closed in December 2010.

To follow are the ten building blocks that led to the tremendous success of this campaign, despite bad timing.

1. Leadership

The selection of Chair Jane Manning, RN, and Development Officer Michael Ault to lead the campaign was the first of many good decisions. Manning chaired the last employee campaign in 1991 and Ault had successfully run the 100th anniversary events and other hospital-wide activities. From there, it was all about letting these two professionals network with their colleagues for advice and then selecting their team.

That team included an employee campaign cabinet of 22 members, which was selected by Manning and Ault with input from the foundation and administrative leadership. Cabinet members were chosen based on a variety of characteristics, including their departmental leadership, popularity and visibility, areas represented, ability to serve as a campaign spokesperson and their influence among employees. From administrative assistants and managers, to directors and executive leaders within the hospital, the cabinet was comprised of a crosssection of employees who had high visibility and were perceived to be champions and figure heads for their departments.

The cabinet in turn recruited employee "Luminaires" who were asked to:

• Be ambassadors for the campaign.

- Communicate with their departments.
- Hang and display posters in their areas.
- Create an opportunity for a presentation to their department.
- If possible, conduct special fundraising activities in their department or area.
- Provide envelopes to those who did not use electronic giving.
- Assist with understanding of the electronic pledge process.

Each cabinet member provided a list of 10 candidates and Luminaires were then selected based on their ability to serve and influence. 152 Luminaries, representing nearly every department within Methodist, as well as suburban campuses such as Riley Hospital for Children and Indiana University Hospital, served as the troops on the ground to implement and execute.

The role of both the cabinet members and the Luminaires was to be an ambassador for the campaign, Methodist Hospital and the foundation. The cabinet, working with the campaign chair and foundation development officer executive, provided direction for the tone and events of the campaign. There were more than 174 employee volunteers supporting the campaign, in addition to part-time help from five foundation development professionals and the support staff at the foundation.

About Methodist Health Foundation

The foundation supports Methodist Hospital and the communities of central Indiana. The office of 11 includes the president, vice president of development, two development officers, and administrative support staff. The foundation administers nearly 500 funds that support critical care and related health care initiatives for the hospital.

2. Passion

In every hospital there are people who are passionate about their work. The new critical care tower is essential to local and statewide future success of the hospital. While not all were initially enthused about philanthropy, they soon saw the need and that philanthropy was an important vehicle to achieve the tower. And, of course, it was going to be fun!

3. Fun

"If it wasn't fun, then it would be just another add-on job in an already busy work environment," Chair Jane Manning said. "It was an amazing campaign and our most successful ever." And Manning should know because she's been with the hospital for more than 39 years. "While there was a template for many things, personalization and flexibility added tremendously. Departments found fun and unique ways to contribute to the atmosphere and the dollars raised."

Specifically, employees coordinated fundraising activities such as a "treadmillathon," dog obedience training, pie baking, a chili supper, a cookbook, cake decorating, bake sales and dress-down days. Hubbard and Cravens, the coffee vendor in one of the lobbies, even created a specialty drink and donated part of the proceeds to the campaign.

Throughout the campaign the foundation held reminder events, one with jazz music and coffee and donuts at others. All were designed to keep momentum going and to maintain the visibility of the employee effort.

The campaign timetable also was extended by 60 days to assure that everyone had a chance to participate and to bring back an event that would be the highlight of the campaign victory celebration—the bed race. There were 28 entries with 148 participants. Various teams raced decorated "hospital beds" on the street next to the hospital and raised an additional \$20,035 for the campaign. It was a grand culmination to a great campaign.

4. Preparation

Plans began more than a year before the pre-kickoff event. Preparation included an extremely detailed communications plan and general campaign collateral materials, such as the employee case. frequently asked questions, "how to ask" instructions, fliers, PowerPoint presentations, fundraising suggestions and much more. Giving levels were set and a new category of giving called the Beacon Club was established at one hour's pay per month for three years. By the end of the campaign there were 331 members in this new club alone.

5. Personalization

Using the basic tenants of fundraising, the foundation collected personal stories of employees who had benefited from the hospital's critical care services and produced videos for online access and other use throughout the campaign. Foundation staff and managers also held individual solicitation meetings.

6. Engagement

There were many employees engaged in numerous positions for this campaign. There also were efforts made to involve and solicit satellite facilities, retired employees and employees of physician practices. The development staff made more than 70 department presentations and conducted 261 individual personal solicitations.

Luminaires represented Riley and University hospitals, which along with Methodist represent the three foundation hospitals that originally formed Clarian Health. All Indianapolis campuses received the electronic communications throughout the campaign, including Clarian West Medical Center, Clarian North Medical Center, Methodist Medical

Creating a culture of philanthropy: Amy's story

Development Officer Michael Ault was in his office one afternoon when Amy Jones, an employee in the hospital's nutrition and dietetics department, stopped in and handed him a check for \$23, which she had split between three campaign funds: the critical care bed tower fund, the physician fellowship endowment and the nursing education endowment. She told him that she had taken her time in making a gift, but after much consideration she realized the campaign was for a very good cause.

"She was so proud to give me that check and she knew in her heart she was making a huge difference," Ault said. "She didn't say it, but I knew that for her this was a big commitment and for us, a great example of the heart and soul of Methodist Hospital. She took time to determine exactly what she could afford to give and because it was so important to her to make a gift, she wanted to hand deliver it. In philanthropy, we talk about 'significant gifts.' To this employee, her gift was a significant gift and it really touched me because it demonstrated our mission and her belief in supporting the hospital—right to the core."

Plaza outpatient centers and offcampus administrative offices.

These efforts were mostly for awareness and to try and communicate with former Methodist employees who may be now working at other Clarian facilities.

7. Education

The foundation developed materials to address the importance of the campaign, the history of philanthropy at Methodist Hospital, the need for the critical care tower and the value of the hospital to the community. Staff used these for employee meetings, direct mail, board reports, Web presentations and Luminaire training.

8. Communication

During the campaign, the foundation sent all employees a series of eight e-mails signed by the CEO, containing personal employee stories as well as informational updates. In addition, there were weekly e-mail communiqués and updates to Luminaires and cabinet members, and talking points shared at board, campaign cabinet, clinical and managerial meetings. All employees had the option to give online using the foundation's secure website. Most took advantage of that option, although some used traditional paper response vehicles.

9. Promotion

Pre-campaign promotion and awareness-building events included an ice cream social, three donut and coffee sessions and a very successful silent auction during the holidays that raised \$20,500 from 350 items ranging from an \$890 golf package to \$20 restaurant dinner coupons. A second holiday silent auction in December 2010 served as the final campaign event and raised more than \$30,000, putting the employee campaign over the \$2 million threshold and doubling the goal of \$1 million.

During the campaign, significant image efforts were made in high-traffic areas within the hospital, including vinyl window treatments in the cafeteria, banners, hanging signs, posters of what the foundation has donated to the hospital and vinyl wraps for columns within the building. Individual story posters were displayed in break rooms.

No employee promotion would be complete without advertising specialty items. The Lighting the Way employee campaign had the usual complement, including carabiner lightup pens, stickers, T-shirts and jackets. Luminaires wore blue campaign T-shirts and "Ask Me" buttons every Friday.

Perhaps the largest and most visible promotional item was a threedimensional, eight-foot-tall, 350-pound lighthouse beacon. It was a replica of the 80-foot "Lighthouse of Health" beacon that has sat atop the hospital since 1933. The replica beacon served as a tote board, lighting up to indicate campaign progress. It was located near the cafeteria, at the confluence of corridors with the highest traffic in the hospital.

10. Recognition and Acknowledgement

It has been said that you can never say "thank you" enough. The foundation acknowledged employee campaign gifts through a structured and tiered system of thank you letters and small tangible items. The foundation used progress billboards in high traffic areas to say "thanks," and a stewardship committee of the foundation board is currently coordinating permanent recognition in the new critical care tower.





The beacon tote board lighted the campaign progress.

The employee campaign was so successful, with more than \$2 million dollars pledged, that the general capital campaign co-chairs and the physician campaign chair each asked the foundation to make a presentation to their leadership, to share the accomplishments from the concerted effort of the employee campaign. They also wanted to enhance their campaign programs to make them more fun, like the employees' campaign. That's high recognition!

Why did it work?

As with many things in life, leadership and passion separate

the average from the outstanding. From the CEO of the hospital, to the president of the foundation, the employee and staff volunteers and donors, everyone stepped up. The challenges were clear and formidable, but through commitment and hard work, the campaign leaders overcame adversity, made it fun and were successful.

According to Betty Stilwell, foundation president, "It was everything we expected and then some. The teamwork and enthusiasm between the employee volunteers and the foundation staff was amazing. Despite all the barriers and the unfortunate timing, everyone went above and beyond. It clearly showed in the dollars committed and the number of people who now understand more about Methodist Health Foundation and the critical care tower."

The major difference between the previous 1991 campaign and the 2010 campaign was the use of multimedia technology. Electronic communication was the primary means by which the foundation informed, educated and solicited employees. Each week, the foundation sent employees an e-mail from the office of Methodist Hospital President Samuel L. Odle, FACHE. Within that message was a link to videotaped stories posted on the foundation's website. Immediately above the video player on the website was a link that directed the employee to the secure gift section of the site.

In addition, the foundation used internal communication tools such as "The Clarian" employee newsletter, the Media Tile internal still-frame video communication monitors in the hospital cafeteria, and the video screens on the monorail that ferries employees, patients and visitors between the three downtown hospital campuses.

Using the Luminaires as troops on the ground to implement activities and serve as goodwill ambassadors was a first for the foundation. Cognizant that many front-line patient care employees do not sit at desks all day, promoting the special events and utilizing the Luminaires on patient floors was significant in overcoming potential communications barriers.

At the end of 2010, plans were already underway to visit with new employees and those who didn't give, but might be ready to make a year-end gift. Timing is important, but not as much as a good case, passionate leadership and a "do what it takes to get it done" attitude.

Editor's note: A detailed timeline, sample promotional materials and photos of campaign events can be found on the AHP website at www.ahp.org, Publications and Tools >AHPJournal >AHPJournalArchives >Spring2011AHPJournal.

References

¹⁴Good to Great and the Social Sectors: Why Business Thinking Is Not the Answer; A monograph to accompany Good to Great," by Jim Collins, 2005.





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It's time to rethink s your annual fund

By Wayne Gurley

It's 2011. We're more than 10 years into the 21st century. We've got flat panel TVs, high-speed Internet, instant text messaging, Facebook and Twitter. But we're still raising funds like we did in the 1960s



■ Wayne Gurley is a 32-year veteran of the direct marketing industry. For the past 27 years, he has served as president and creative director of Allegiant Direct, Inc., a full-service direct marketing firm specializing in health care philanthropy. He can be reached at wayne@allegiantdirect.com. t's high time we put the past in the rearview mirror and move forward. It's time to completely rethink the annual fund.

Stuck in the past

When hospitals and their development offices and foundations first started raising money back in the 1960s, they looked around and said, "Hmm...I wonder if there's an existing fundraising model out there we could just pick and use for hospitals?" And the answer was, "Yes—at colleges and universities!"

Colleges and universities are the grandfathers of modern-day health care fundraising. They invented the annual fund, and they're still using it. Sadly, so are health care institutions.

And herein lies the problem: The annual fund or annual giving concept assumes you're only going to ask your donors for one gift per year, and that you're only going to get one gift per year.

That just doesn't work anymore, especially in difficult economic times.

Annual giving programs tend to create huge piles of lapsed donors. If you only ask—and only get—one gift per year, you dramatically increase the odds that you will have a significant number of lapsed donors on your file, which is deadly to any fundraising program.

Your goal should be to create an environment where multiple gifts over the course of the year are the norm—not the exception. In other words, convert annual donors into *constant* donors.

Definition of a true donor

Perhaps with the exception of major donors with single largest gifts of \$1,000 or more, for many the definition of a true donor is someone who gives to your organization at least two or more times each year. Longerterm, consistent donors who give four or more times a year up to \$250 annually, are generally considered your best planned giving prospects not necessarily those who give you big bucks.

Your goal should be to create an environment that encourages people to give multiple gifts over the course of a year in order to develop precisely those kinds of prospects. Once-ayear donors aren't that committed to your organization. They may give annually during the holiday season, but their motivation for giving is the "season" instead of your organization's good work.

Definition of a lapsed donor

The generally accepted definition of a lapsed donor is one who hasn't given to your organization in the last 12 months.

In reality, some donors may lapse far sooner than that. That's why you need a strong donor renewal program and contact strategy in place to avoid excessively high numbers of lapsed donors. Otherwise, you can't replace them fast enough through your acquisition efforts.

Conventional fundraising wisdom holds that 20-40 percent of your donors will lapse every year—and there's not a whole lot you can do about it.

Donor Attrition over Five Years

Number of Donors	Attrition Rate	Donors Remaining After 1 Year	Donors Remaining After 2 Years	Donors Remaining After 3 Years	Donors Remaining After 4 Years	Donors Remaining After 5 Years
1,000	20%	800	640	512	410	328
1,000	40%	600	360	216	130	78
1,000	60%	400	160	64	26	10

But you can work hard at renewing the remaining 60-80 percent of your active donors, while at the same time replacing the 20-40 percent you lose to attrition, plus grow your donor base at a reasonable annual rate.

Fundraising termites

Donor attrition is the equivalent of termites eating away at your home. And if you don't watch it closely, it doesn't take long to devour the very core of your donor base.

Take a look at the donor attrition table above that illustrates what happens at various attrition percentages for every 1,000 donors:

- A 20 percent attrition rate, which is actually quite good, can turn 1,000 donors into 328 donors in five years. That's 10,000 donors into 3,277 donors in the same time period.
- At a 40 percent attrition rate, 1,000 donors become 78 donors in five years, and 10,000 donors dwindle to 778 donors.
- One thousand donors shrink to just 10, and 10,000 donors diminish to 102 at a 60 percent attrition rate.

The harsh reality is, some programs have even higher attrition rates—around 70 percent.

Donor attrition run amok

Let's say you had 5,000 donors last year with a low 20 percent attrition rate. This year, 1,000 of those donors will be lost to attrition. To make up for this loss, you'll need to acquire 1,000 new donors to break even.

But you don't want to just break even. You want to grow your donor base and make it bigger. What you really want is to replace the 1,000 donors lost to attrition, and on top of that, grow your base by another 1,000 donors annually—or a 20 percent increase. In reality, you need 2,000 new donors this year in order to overcome attrition and grow your donor base.

But what if your attrition rate is much higher—let's say, 40 percent. It would have the effect of doubling the number of donors you lose this year to 2,000. You will need 4,000 new donors from acquisition this year just to break even and grow at a reasonable 20 percent rate.

That may be tough to do from a budgetary standpoint.

Think about this: In five years, 40 percent attrition will turn 5,000 active donors into 389 donors. How hard is it to renew 40 percent of your donors every year? Very hard. Keep a sharp eye on your attrition rate. If it's high, do something about it immediately.

Keep your eyes on the prize: Donor long-term value

In these previous examples, we've seen the devastating effects of donor attrition. With such high donor attrition rates running amok, the annual fund concept only exacerbates this problem. It stands to reason that moving away from the one-gift-a-year mindset will create an environment in which more and more donors will become prospects for major and planned gifts, which should be your ultimate goal.

Fundraising is a lot like planting an acorn and watching an oak tree grow over time. It's not a quick process, but the end result can be spectacular.

That's why efforts should focus on moving a person from point A, the first-time gift, to point B, a major or planned gift. This is known as donor long-term value (DLTV). Some also refer to this process as "moves management."

In most organizations, the average worth, or long-term value, of a health care donor is between \$1,000 and \$2,000. You want to move your new donors from an entry-level gift (\$25, \$50 or \$100) to a major gift (five-figures) or planned gift, within a relatively short period of time—seven years or so, which is the average life of a direct mail donor.

And considering that the optimum demographic age of a new health care donor is 65, you don't really have a lot of time. Seven years seems about right.



The MD Anderson story

One of the best examples of successfully cultivating new donors to their long-term value comes from the MD Anderson Cancer Center in Houston, Texas.

During a 15-year period between fiscal years 1990 and 2005, Anderson spent \$9,617,974 to generate 248,971 new, first-time donors producing revenue of \$9,491,844. The cost per dollar raised (CPDR) was near breakeven at \$1.01.

At the end of this 15-year period, 50,103 donors out of the original 248,971 donors—a retention rate of just 20 percent—were still giving. However, these 50,103 donors had made gifts totaling more than \$49 million. The average worth per donor, or long-term value, was \$983.39.

In this case, it makes perfect sense to spend \$9.6 million to raise \$9.4 million and reap the benefits 15 years later with a more than \$39 million net return on investment, less annual cultivation costs.

A solution for success

Getting the first gift is very important, but you must be willing to do what is necessary to move new donors from the first gift to the second gift. Otherwise, they quickly become lapsed and are more difficult to renew as time goes on.

Statistics show that at least 50 percent or more of first-time donors never give again. But roughly 80 percent of donors who make a second gift will continue to give.

Here's a strategy for overcoming high donor attrition rates:

1. Thank donors promptly

As soon as a gift is received, it's important to acknowledge it properly and quickly—if possible, within 48-72 hours. This creates confidence in the donor that your organization is being a good steward of its resources and that you appreciate their generous support.



In many cases, a new donor is auditioning you to see how you will treat them after they send their first gift. Look at your current acknowledgement process and ask: "How was my audition?"

2. The welcome package

More and more organizations are using a welcome package to further cement the relationship with a new donor.

Within two weeks after a donor has been properly thanked, you should send a welcome package. It's a lowkey effort designed as a second thank you. But its secondary objective is to further inform new donors about your organization and additional giving opportunities.

The welcome package letter talks in terms of partnering with the new donor to achieve the stated mission of the organization. It also highlights ways this can be done.

3. The "thank you" call

Two weeks after sending the welcome package, you should call all new donors who gave a first gift of \$50 or \$100 or more, depending on the quantity of donors in this category and your resources. Perhaps your volunteers or board members could help with these calls. The purpose of your call is to thank the donor for their first gift and affirm the donor's original decision to give.

If you want to be slightly more aggressive, the occasion of the phone call is a good time to put the idea of making a second gift into the donor's head. Have a matching gift program set up that will serve to double the donor's gift to a special appeal.

For example, let's say your hospital needs to purchase some new cancer or heart treatment technology. You can tell the donor a little bit about this technology over the phone, then tell them that a gift in support of this technology will be matched 100 percent, thus doubling the donor's gift. Ask them if they mind receiving some information about this equipment in the mail. The matching gift will increase your chances of getting a second gift.

4. Live conference calls with physicians

Within two weeks of the phone call, have a postcard ready to go out inviting your new donors to participate in a webinar or live telephone conference with a senior member of your organization, preferably a physician. The postcard will serve as an invitation and should have all of the necessary dial-in details.

The physician can discuss the new cancer or heart technology you mentioned in your earlier thank you phone call. This phone conference should last roughly 30 minutes, with time allowed for questions and answers at the end.

It's possible that very few of your donors will actually participate in the conference call, and that's OK. The fact that you invited them will let them know that you want them to be more involved with your organization as a philanthropic partner. You may also wish to invite all of your donors to participate.

After completing these steps, you should merge your new donors into your regular communication schedule.

Your job is to ask

Don't worry about asking your donors too often. I realize that with the words "annual fund" stuck in your mind for so long, it may be difficult to make this paradigm shift.

If you worry about asking your donors too often, you end up making the decision for them as to how many times per year they wish to give. Don't. Your donors will tell you by the number of gifts they give how often they wish to give.

Remember, your job is to ask. Your donor's job is to give.

Do you remember?

According to a 2004 study by Campbell Rinker of Valencia, Calif., as few as 5-10 percent of active donors recall without prompting the names of specific organizations they've recently supported. And lapsed donors are twice as likely to have forgotten their

gift to you.

Do you remember the contents of direct mail solicitation you read three or even six months ago? Last month? Last week? I didn't think so.

If your title is Director of Annual Giving, ask your boss to change it to something like Director of Current Giving. Current giving is, well...so "today."

And don't forget, if you don't ask your donors to give, some other organization will. And your lapsed donors become another organization's active donors.

So, say goodbye to your annual fund! Parting is such sweet sorrow.







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Fundraising is really relationship building

Let me offer an idea that may be viewed as heresy by many development staff members. Our job is not fundraising. Let me repeat that: our job is not fundraising. A fundraiser's ultimate role is as a relationship manager. However, a fundraiser is appropriately measured by the amount of dollars raised, and the great ones also measure their success in terms of relationships built.

Gifts that are truly raised—those gifts that are a result of our direct efforts with a significant prospect should be the finest measure of our work. Reflect for a moment about the relationships you have had with friends, co-workers and even relatives,

trategic cultivation

By Mark J. Marshall

in which you began exchanging gifts for holidays or birthdays. Those gifts that are meaningful are the result of a deepening relationship. The gift giving feels natural and can even be sacrificial.

One might question if we really cultivate our personal friendships. Sure we do. How do we decide who to invite to attend a sporting or arts event? We may ask an old friend, or we may extend an offer to a new coworker. Whatever the activity, we are building a relationship. Very few people begin a relationship with the idea that they might receive a birthday present, but it can be a very natural outgrowth. We must apply this idea to our fundraising work.

This does not mean that we revert to an old model of fundraising that sometimes focused on becoming your prospects' BFF (best friend forever). Rather, it means we must focus on concerted relationship building that is methodical, intentional and focused on generating meaningful gifts. The success of these efforts is measured by the dollars raised.

The methodology

Many years after David Dunlop introduced the fundraising profession to the concept of "moves management," its premises are now universally accepted. These same principles of moves management are ones we can apply more narrowly to cultivation as an isolated activity or phase of moves management.

Common wisdom and several research efforts tell us that a major gift requires approximately eight to nine meaningful contacts or "moves" in the language of moves management. Of these contacts, we usually anticipate that one to two will be discovery contacts and one to two will be solicitations. This means that four to six of these meaningful contacts will be cultivation contacts.

The basic math tells us that cultivation is in some ways the most important component. Solicitation could be viewed as simply a test of the relationship fundraisers build through cultivation. We all know that an effective solicitation is vital, but strategic cultivation sets the stage for a meaningful and clear solicitation.

So how much time and energy is spent on cultivation?

More importantly, how much time is spent on *strategic* cultivation—on coordinated actions that move us towards a desired outcome?

Strategic cultivation produces results, allows the donor pipeline to be effective and offers the greatest return on our investment. The relationship is managed through this process. Discovery and solicitation have their place, but cultivation is the critical bridge to donor investment.

Shaping inclination

We cannot affect capacity, but we can affect inclination. Shaping inclination is ultimately what strategic cultivation is designed to do. We spend a lot of time on solicitation plans and some on discovery efforts, but cultivation is the most important part of our relationship with donors and our work as development professionals.

Let's return to the concept of our personal relationships for a parallel to development. If you met your future spouse and then a year later you saw that person again, a marriage proposal would be sudden and most likely rather awkward. Despite having conducted discovery and attempted solicitation, the relationship may not proceed. We use courtship to strengthen the personal relationship and hopefully guarantee the "right answer" when that ultimate solicitation is made. The middle part of that relationship is necessary to cultivating a successful outcome.

Let's apply this to a prospect relationship. We know that major and planned gifts occur when a prospect's values and interests intersect with the institution's. It may take time to learn these values and intersections. Therefore, our cultivation efforts should serve to determine just how they intersect and perhaps clarify differences. The cultivation becomes strategic as we deliberately engage the prospect in realizing how the organization's mission and vision intersect the prospect's interests and values.

Take, for example, a family who has lost a child to an inherited genetic disease. Your institution's research protocols in bone marrow transplant or stem cell therapy offers a ray of hope for them, but so does other institutions' research. The cultivation serves to build confidence. identify shared values-in this case the elimination of or a cure for the disease-and build trust that you will deliver on promises made. That trust leads to the right to ask for their support of a mission that is near and dear to their hearts. This relationship must be earned through cultivation and will not happen accidentally.

Applying the methodology

A classic flaw of fundraising is the tendency to skip cultivation or more commonly to prolong an endless cycle of cultivation. Development professionals have spent hours at



lunch and in meetings with prospects and want cultivation to be perfect. The challenge is, perfect in whose eyes? Prospects and even board members will occasionally indicate they were ready to be asked and it never came, or it took forever. Data from a Bentz Whaley Flessner 2010 Affluent and Healthcare Survey confirm how frequently donors were not personally asked for a gift.

When we are not strategic about cultivation, we either skip key steps or we miss key signals. The path to great strategy is to be purposeful and thoughtful in approaching prospects. Let's apply basic moves management principals to the narrow band of cultivation. The following method helps ensure our cultivation strategies are effective.

Step 1. Understand the current condition

If we are to develop an effective strategy we must first have a clear perception of what condition we hope to change. This is not the same as discovery work. The purpose of discovery work is to determine whether this individual or organization has some affinity for our organization and/or some capacity to make a gift. Cultivation can strengthen affinity but it cannot always create it. By the time we have decided that a prospect is ready for cultivation, we have determined that the prospect has some level of capacity and usually some level of inclination.

One should check the current condition of the relationship with the following questions:

- What is the prospect's level of passion for the organization? Its mission? The project?
- What is their current relationship with the organization's leadership?



- Do they trust the organization and the people to perform?
- Where does this project and organization stand in the prospect's philanthropic priorities?
- What are potential barriers to the prospect making a gift? Other commitments?
- What is the prospect's financial ability to fund the intended request?

The development professional should determine what the desired level is for each of these issues. These questions may be revisited throughout the process.

Step 2. Identify what conditions must exist to produce a successful request

While it may be possible on occasion to meet all of the prospect's needs, invariably there will be a hierarchy of these needs. We need to know which conditions trump others. We should hypothesize at what level the prospect's needs must be met. For example, if the donor must develop confidence in or build a relationship with the organization's CEO, one must determine at what level that relationship or trust must be established. Think about what must be present in the solicitation and explore that during cultivation:

- Does the prospect fund an endowment? Programs? Bricks and mortar?
- Is a named gift important?
- What relationships must exist?
- How much information must be available to the prospect?
- What is the relationship dynamic for a decision? Is there a spouse, or financial or legal adviser?

Consider two different scenarios: the parents of a critically ill child and a leading community member whose father was a physician at the hospital. The parents may be vastly more focused on a cure or treatment and, therefore, a physician or researcher may be vital to cultivation. The community leader may be focused on the family's legacy, and the CEO may play a much larger role in the relationship. Both are prospects but will require significantly different cultivation plans to maximize their giving.

Step 3. Develop a strategic plan to create these conditions

What critical activities or "moves" do we orchestrate to help accomplish the identified goal or set of goals? It may take multiple actions to accomplish one critical element. Building comprehensive action plans to accomplish the developed plans will be necessary when one looks at the totality of their prospect portfolio. If we consider that a typical major gift officer makes an average of 30 proposals a year and four to six contacts a week, we should be managing a significant amount of activity.

What features should be present in the action plan?

- The desired outcome of that particular activity.
- The key moves and the activities that will ensure the move is successful.

- The individuals who will play roles in each component of the cultivation.
- The time frame in which the specific activity is to occur.

Step 4. Implement a plan

At the end of the day, plans are good for one thing only—doing. If we cannot execute, the plan is for nothing. It is not uncommon to find prospects whose cultivations just ended, not because they were no longer prospects, but because they were lost in the shuffle. Worse still are those prospects who are placed into a never-ending cycle of cultivation.

Good implementation requires maintaining momentum. Therefore, a good cultivation plan is placed on a calendar, a database tickler system or otherwise operationalized.

Step 5. Review outcomes after each identified move

Dwight Eisenhower is reported to have once said, "Plans are useless, but the planning is invaluable." This is the process part. Each move should test our hypothesis and we should make a deliberate decision; Is our plan still valid, or does it need adjustment?

Great strategists are constantly evaluating and readjusting their strategies. Many great development officers do this instinctually. However, when we have more complicated gifts that may involve a CEO, physician or researcher, it is unrealistic that all our partners will be able to adjust to the same strategy without thoughtful consideration.

Step 6. Validate your cultivation plan

When we feel that we have successfully answered our questions, when we can visualize a "yes" to our invitation to participate, and making the gift seems a normal part of the relationship we have developed, then we are ready to ask.

This process is a fluid one that requires us to continually review our strategy.

Invest the time

Relationship building requires strategic cultivation. Discovery and solicitation are integral, but the need for very deliberate cultivation should not be underestimated. Great gifts are a result of strategic cultivation. Cultivation will ultimately provide you with a road map for effective stewardship of the donor following a meaningful gift. That stewardship will once again allow us to begin our strategic cultivation of the next gift.

Investing time and energy into these six steps for each prospect is essential. The power of strategic cultivation is in comprehensively building a relationship with a prospect that identifies intersecting interests and helps the prospect accomplish something that is important to him or her in terms of making a difference. If you invest time into the relationship first and fundraising second, you can be assured of the best possible outcome.



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