Benchmarking for Relevance

This information is taken from the 2016 AHP Annual International Conference session "Showing Relevance to Your Board and C-Suite through Performance Benchmarking" by James DeLauro, Ph.D., Principal, DeLauro & Associates Consulting; Nancy Gregovich, Foundation Operations Officer, Intermountain Foundation; Tamra von Schroeck, Senior Director of Operations & Finance, Philanthropy, Dignity Health Philanthropy; and Randy Varju, MBA, FAHP, CFRE, CDO & Foundation President, Advocate Charitable Foundation.

> *"We've always benchmarked with AHP; for us, it is the definitive benchmarking tool as we're looking at different areas of improvement… it's rooted in well-tested definitions that are provided in their Standards Manual and helps bring uniformity to the data once it's presented."*
> *—Randy Varju, Advocate Charitable Foundation*

Healthcare development professionals have common goals, but they have no consistent standards for measuring and reporting performance. There are multiple benchmarking services, each using different metrics, and foundations typically subscribe to different industry groups. Therefore, when fundraisers talk to executive leadership, they have no united voice, and communicating the value of philanthropy is difficult, especially in environments where philanthropy is not a strategic focus in healthcare systems.

The following institutions are members of the **Health System Philanthropy Leadership Group (HSPLG)**, which whose goal is to promote unblinded benchmarking. HSPLG is comprised of development officers representing 15 US health systems and $450 million in philanthropy revenue. Creating groups like HSPLG and building the science behind philanthropy allow fundraisers to create advocacy, credibility and leadership in our field.

The Organization	The Situation	Sample Metrics
Intermountain Foundation	A decentralized system until 2012, it had 16 separate organizations raising money through events and annual fund activity. After recognizing the inefficiency (including 7 different databases) and risk (including possible compliance issues) in the system, a central foundation with five regions was created. Everything from annual fund appeals to database reports are now coordinated at the system level.	• Central reports from a single database demonstrate ROI to regional directors and hospital executives. • They track face-to-face visits, proposals asked and awarded, and dollars raised. The reports not only keep gift officers organized, but support requests to a hospital administrator for a new FTE.
Dignity Health Philanthropy	Currently a decentralized system, it has 31 foundations, each with separate bylaws and boards. Its current focus is on making its bylaws more consistent and moving the task of its boards to focus more on fundraising, retaining only core governance responsibilities.	• They identify similar health systems and collect data on a number of measures such as yearly donations, number of FTEs, and yearly donations per FTE. This information can provide insight into growing or stagnant donations and can help make the case for hiring more FTEs. • Tracking yearly fundraising revenue at each of its foundations provides statistics that can be shared with

		hospital presidents, service area leaders, and other leadership who want to know where their fundraising ranks.
		• Tracking transfers to the hospitals at each of its foundations shows whether the foundations are meeting their missions and shows the return on investment that Dignity Health makes in its foundations.
Advocate Charitable Foundation	A centralized foundation, it fundraises for 12 hospitals, from community hospitals to larger flagships. It exists, however, in competitive landscape, so it determines staffing patterns with benchmarking.	• Only a couple gift officer metrics are tracked, but they are tracked weekly: total number of gift solicitations and total number of contacts. This information helps identify any barriers to their work.
		• Metrics help volunteers understand what true success is. Instead of competing for the best entertainment at their events, they know their event goals are: instilling pride in the organization, building a portfolio of influence, and raising donations.
		• Data analysis also helps them project future growth and decide if they are building the capacity (i.e. adding FTEs) to sustain future growth.

Net patient revenue is the statistic HSPLG has settled on to level the size of their institutions to make comparisons worthwhile, as it reflects the size of the institution, payer mix, and other parameters relevant to philanthropy.

AHP's benchmarking services help foundations bring data to their leadership in order to drive investment and demonstrate the strategic value of philanthropy within their system. If the benchmarking questions on the Report on Giving survey do not make sense for your organization, email benchmarking@ahp.org to create or join a benchmarking peer group to share data.