



'BIG FISH TO FRY'

Quest for Major Donors

LESLIE BIGGINS MOLLSEN

I met him in the lobby of a large hotel in the Midwest as we were waiting for the doors to open to a panel discussion of health care experts. I noticed his name tag and recognized his Catholic health care system immediately. We had a common network. I introduced myself and discovered he was the system's chief financial officer. We were having a pleasant chat when I asked him about his system's foundation.

"I love their ROI, but I have bigger fish to fry," he said.

I was gobsmacked. How could he be so nonchalant over his health care system's fundraising arm — one that made a contribution of almost \$20 million to his revenue last year? My company's CFO explained it to me: "It's a matter of perspective, not a judgment."

The corporate executive I met deals with revenues in the *billions* and several thousand employees. His system operates in a highly competitive and ever-shifting environment, one with increasing financial pressures through lower reimbursement rates, uncertainty over the Trump presidency and the future of the Affordable Care Act, the need to attract the best physicians, and on it goes.

Still, fundraising is critical to the livelihood of any health care system and its ability to fulfill its mission. In fact, according to *Giving USA*, \$29.81 billion was given to health organizations in 2015 — and that's nothing to shrug at.

Those contributions don't just materialize. It takes skill, hard work, professionals in the field of development and leaders who support them to make it successful. Fundraising allows health care systems to live their mission by raising funds specific to mission advancement. In fact, fundraising will play an increasingly important role in the future as the health care industry

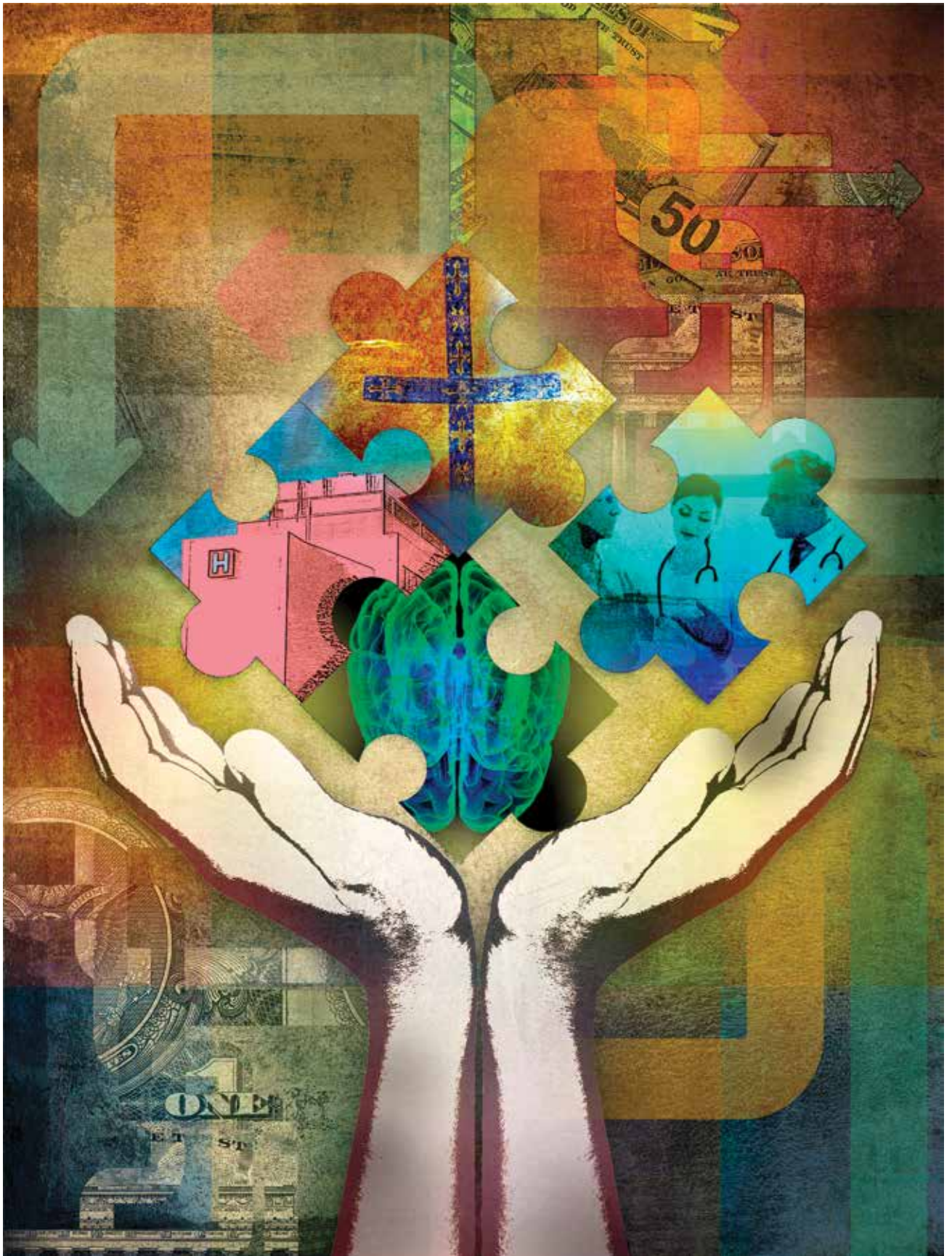
shifts from fees for service to the idea of fees for value. This is particularly true for Catholic health care systems.

DONOR MOTIVE

Although the components and fundraising mechanics may be the same as for other nonprofit organizations, when it comes to Catholic fundraising, donor motive is as central to giving as is organizational mission. There seems to be an innate desire among Catholic health care donors to pay it forward or to give back. In Catholic fundraising, you could say, giving back demonstrates one's faith. It's a way of connecting to God by sharing one's blessings.

Matching donor faith, motivation and philanthropic instincts with your system's mission is the cornerstone to health care philanthropy. In other words, your system's capital campaign to build the new emergency room with state-of-the-art equipment and technology is not really about building the new emergency room with state-of-the-art equipment and technology. It is about the donor's

There seems to be an innate desire among Catholic health care donors to pay it forward or to give back.



Roy Scott

dreams to help have an impact, through his or her philanthropic contribution, on the lives of people he or she may never know. Lives are transformed

Lives are transformed through philanthropy — not just the recipients' lives, but the donors'. The power of this must not be underestimated.

through philanthropy — not just the recipients' lives, but the donors'. The power of this must not be underestimated.

Also not to be underestimated: the power of personal and active involvement in health care philanthropy by Catholic religious leadership. Though they may not think of it this way, hospital chaplains and women religious who sponsor health care institutions are faces the development office relies on. "May I pray with you?" is a simple gesture that reminds the patient that he or she is not alone. Timely visits by religious to the sick and the patient's loved ones leave lasting impressions on people who often want to give back.

Patients of all faiths have reported a deep appreciation for the opportunity to connect on a spiritual level while in the hospital. Regardless of religion, we often are bound by similar values and beliefs, such as respect for human dignity, supporting the sanctity of life, preferential care for the poor and promoting the common good.

BUILDING A RELATIONSHIP

In major gift development, wherein donors make significant philanthropic contributions, nothing ever will replace the value of building a relationship. It is the development officer's main function to discover what is meaningful to a donor, because the motivation will be different for each person. What is that donor passionate about? What would inspire him or her to make an investment gift ver-

sus a token gift? Importantly, who is the person within your organization that the donor respects and trusts? And how would the donor prefer to be recognized? Choices could range from putting a name on a building to preserving the donor's anonymity with no public recognition at all; it depends on the individual and perhaps his or her family. Major donor development takes time and care, because no one size fits all.

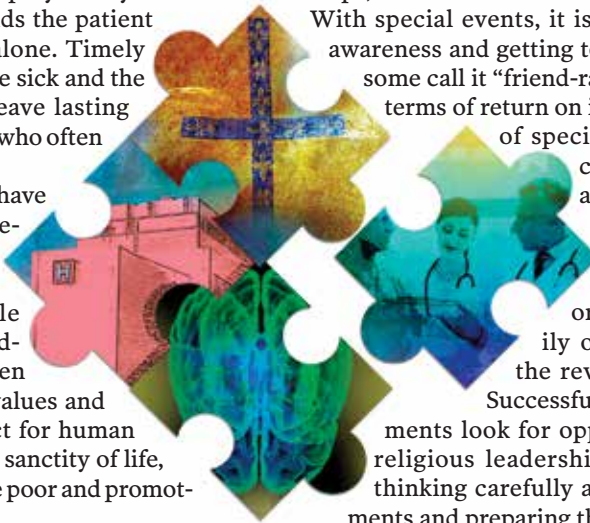
There are other fundraising vehicles besides major donor development that play a role in a successful development office. It is important, however, to remember that most of these efforts strive to identify major donors and move them up the donor pyramid.

For example, a system's annual appeal is likely to target through direct mail many (thousands) of lower-end gifts that will support operational, restricted needs. Special events such as black-tie galas or golf events will identify mid-range donors and corporations interested in sponsorships, and there will be fewer of them (hundreds). With special events, it is more about building awareness and getting to know donors better; some call it "friend-raising." Often costly in terms of return on investment, the upside

of special events is that they can build camaraderie and traditions in families that can lead to legacy gifts.

Some health care organizations rely heavily on special events and the revenues they generate. Successful development departments look for opportunities to involve religious leadership at the event itself, thinking carefully about seating arrangements and preparing the religious leaders for the conversation if the opportunity for solicitation presents itself.

A system's major donor program typically consists of nurturing five- to seven-figure (and up) donor prospects and is designed to build relationships in order to cultivate and solicit those donors for the coveted unrestricted gifts. And finally, if the development office has done its job well, its planned-giving program will have the fewest donors yet, but the impact of those donors





can be transformational.

In a successful development office, each of these fundraising vehicles — annual, special event, major and planned gifts — has a role to play, and each has a link to major gifts, some more obvious than others.

SYSTEM CONSOLIDATION

It is difficult to talk about health care philanthropy without mentioning the impact of health care consolidation, both in terms of external acquisition of other systems and internally bringing separate facility foundations under one system foundation. If done properly, there are great efficiencies to be gained, as measured by a system's cost to raise a dollar (CTRD). There are several different CTRD benchmarks, depending on the type of organizational focus. For instance, children's hospitals' average CTRD is 25 cents, whereas teaching and academic hospitals enjoy a CTRD of 19 cents, according to the Association for Healthcare Philanthropy's 2016 annual report on giving.¹ The report, which covers fiscal year 2015, says the average CTRD for systems is 23 cents, which is down from 25 cents the year prior.

For fundraising operations to successfully assimilate and adapt in the aftermath of a consolidation or the intentional integration of distinct fundraising operations into one entity requires considerable planning, proficient implementation and continued evaluation. There are a number of moving parts with which to contend, particularly on the development side. Will the donor's gift benefit her home-town hospital, or will it be redirected to the health care system four hours away or possibly in a different state? Will a donor be approached by a system leader to make a contribution, or will that request come from local leadership? Donors usually can see the benefits and strengths of consolidation, but the outcomes regarding philanthropic development are less clear. Suffice it to say, local philanthropy matters as much as local leadership.

Tom Hammerton, president and chief development officer for the OSF Healthcare Foundation of Peoria, Illinois, acknowledged that balancing individual, local facilities within a system framework is a constant work in progress as local leadership express concerns about local dollars being shifted elsewhere.

"We have to assure donors that their gifts will go exactly where the donor wants it to go," Hammerton said. This, too, requires constant, open and honest communication and establishing trust between local leaders and the system.

CLINICIANS' ROLES

Similarly, trust and open communication must be maintained with the local physicians and medical staff. One of the quickest ways to kill a fundraising campaign is news that the physicians and medical staff do not believe in the project. They may not be an active part of your routine fundraising activities, but in terms of fundraising for a specific purpose — a new technology or capital campaign, for instance — they have a powerful voice. One of the first orders of business in health care philanthropy is to secure ownership and support from this critical group.

In addition, physicians and nurses play a vital role, in fact the primary role, in a patient's experience, which is the inspiration for "grateful patient

One of the quickest ways to kill a fundraising campaign is news that the physicians and medical staff do not believe in the project.

programs," now standard practice. Timely donor engagement is a central component in the success of grateful patient programs, as are caregiver recognition programs. A note: Take special care to be sure information about caregivers or patients mentioned in these programs is accurate and that there have been no privacy law violations.

Another fundamental issue of consolidation from an operations standpoint is donor data, data management and gift processing. It takes significant time and attention to detail to transition different programs, even different versions of the same programs, into one seamless, user-friendly system. There can be challenges regarding adjusting internal fundraising routines, personnel and culture. Speaking about overall data integration, David Wilke, system director of operations for Presence Health in Chicago, said, "To gain efficiency, accuracy and consistency requires buy-in throughout the system and with a number of different constituencies."

TELLING THE STORY

Technology is driving new methods of health care delivery and data, such as connected medical devices and on-call technology that allows for providers to check on patients outside of an office visit. Patients are more comfortable with and more expecting of new technology, especially younger generations. For development officers, this means figuring out how best to connect with donors and the best medium for telling your story.

With the advent of online giving and #GivingTuesday, a global day of giving celebrated on the Tuesday following Thanksgiving, technology in philanthropy is finding its own niche as a fundraising vehicle. However, the ultimate goal of online giving is the same as other tried-and-true fundraising vehicles: a means to building relationships with donors, moving them closer to a point of genuine face-to-face relationships with your institution's development representatives, and the prospect of major gifts.

Quite simply, at the heart of major gifts are human beings with hopes, desires and dreams that are difficult to understand unless there is a good old-fashioned, face-to-face conversation. Appealing to one's desire to make a difference in

this world takes time, effort and yes, a little love, but the outcome will have exponential benefits.

Although the health care field will remain highly competitive and ever-shifting with increasing financial and physician recruitment pressures, new technology, uncertainty over a new administration and its potential effects on health care, we should take comfort in the one thing that always will remain consistent, steady and proven: the essential role of philanthropic development in Catholic health care. You can count on this. The personal interaction between the health care institution, its representative (advancement officer, CEO, chaplain, sister, physician, nurse and the like) and the donor is fundamental to receiving transformational gifts and stewarding them into the future. In my book, those are the big fish to fry.

LESLIE BIGGINS MOLLSEN is chief executive officer of the 104-year-old philanthropic development consultancy American City Bureau in West Dundee, Illinois.

NOTE

1. Association for Healthcare Philanthropy, *2016 Report on Giving*.

QUESTIONS FOR DISCUSSION

Author Leslie Mollsen asserts that it takes dedicated effort to match donor faith, motivation and philanthropic instincts with a health care system's mission.

- In what way does your ministry dedicate time, resources and personal involvement to ensure every interaction has the sense of gift rather than transaction?
- When your ministry initiates a large fundraising campaign, how does it communicate and respect the input of clinicians, senior staff, congregational leadership and the community? How could it do better?
- How does your ministry use technology to affirm mission and personalize message in building donor relationships? Do you have any suggestions to focus on the gift rather than the transaction?

JOURNAL OF THE CATHOLIC HEALTH ASSOCIATION OF THE UNITED STATES

www.chausa.org

HEALTH PROGRESS®

Reprinted from *Health Progress*, March - April 2017

Copyright © 2017 by The Catholic Health Association of the United States
