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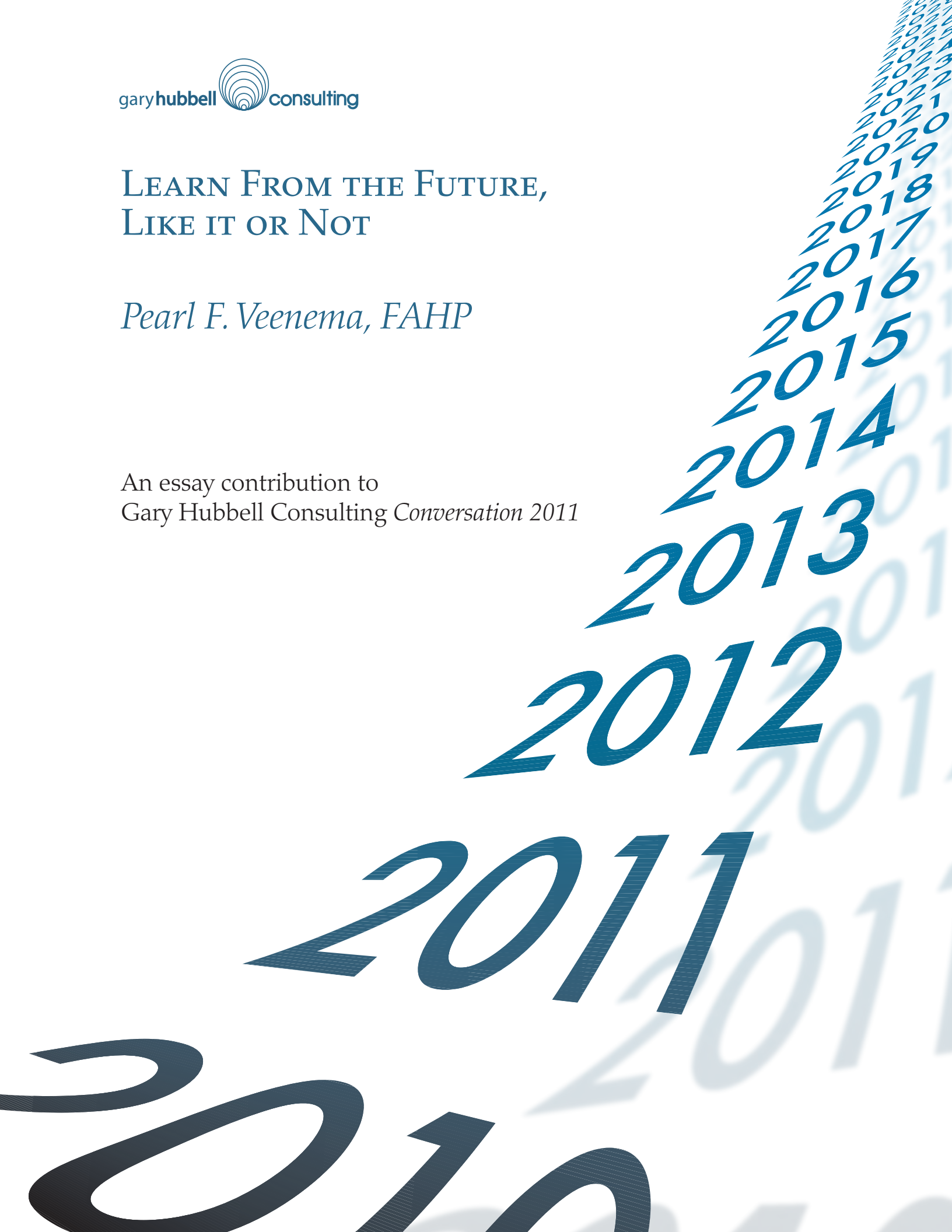
Learn From the Future, Like it or Not

Pearl F. Veenema, FAHP

An essay contribution to
Gary Hubbell Consulting *Conversation 2011*



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ABOUT GARY HUBBELL CONSULTING *CONVERSATION*

Annually, Gary Hubbell Consulting convenes and hosts a small hand-picked group of social sector professionals from throughout North America for three days of intense dialogue and critical thinking. We strive to create a thought-provoking, mind-opening, and stimulating conversation about philanthropy, organizational leadership, and social sector change. This deep exploration of the nature and challenges of the philanthropic environment is intended to engage, inform, and inspire senior leaders to be catalysts for change in their own organizations and communities of influence. With each GHC *Conversation*, we seek to establish the seeds of a continuing and enriching network that nourishes us as individuals and helps each of us change how we converse, inspire, and seek new dimensions of philanthropy.

Gary Hubbell Consulting *Conversation 2011*

Participant Bio

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Pearl is President & CEO of the Hamilton Health Sciences Foundation. The Foundation raises philanthropic gifts to support patient care, research, education and capital redevelopment for Hamilton Health Sciences, one of the most comprehensive healthcare systems in Canada, providing specialized services to patients from pre-conception through to aging adults.

Pearl began her healthcare career in nursing and has had extensive experience in healthcare administration, public affairs, marketing and as a patient representative. In 1999, Pearl decided to focus her career in development. She has served as the President and Chief Development Officer for the former Orthopaedic and Arthritic Foundation and as Managing Director of Campaigns at University Health Network (UHN). The UHN campaign achieved $554 million in funds raised. Before joining Hamilton Health Sciences Foundation in 2007, Pearl was Vice President Advancement for the Toronto General and Western Hospital Foundation.

A Fellow of the Association for Healthcare Philanthropy (AHP) and a Certified Fund Raising Executive, CFRE International. She has served in many leadership roles, including Chair at the Association for Healthcare Philanthropy and the CFRE International Board. Currently Pearl is Chair, AHP University-based Programs and Director of the Institute for Healthcare Philanthropy (Madison Institute).

This is Pearl's third *GHC Conversation.*

Learn from the Future, Like It or Not

By Pearl F. Veenema, FAHP

Introduction

With today's uncertainties, every day brings change and predicting what our world will look like in six months is difficult. In spite of our environment, the ever present and inherent good in human nature makes it possible to look ahead. Philanthropy at its truest core and meaning brings hope. The changes we face are good. The rallying cry to improve the overall health of our communities, an end to global poverty and the well-being of women and children are among many important causes that attract philanthropy today and will inspire and move people to support and invest. While corporations may change their social responsibility promise, they will continue to use philanthropy as an opportunity to earn the "good housekeeping seal of approval."

This essay examines a few areas that will shape the practice and promise of philanthropy, highlight what needs to be addressed today to learn from the future and poses questions where answers are yet to be explored.

Positioning, Branding and Communicating the Cause

A current television advertisement has caught my attention. It presents a young man who describes his vocation as a personal assistant to his clients. He is using his iPhone to keep himself highly organized and realizes that, with little time for himself he needs "Apps" to remind him to pay bills, call family and friends and to manage pretty much every aspect of his life. His "Apps" function as his personal assistant and are his single life tool.

As a potential donor, this kind of individual would be unavailable to the charitable sector through the current communication channels utilized in philanthropy today. While it feels comfortable knowing that online e-philanthropy is not the primary vehicle for significant philanthropic gifts, it is necessary to expand one's thinking to envision a philanthropy "App" and the inherent challenges of working within that framework.

Currently, mobile and text giving appears to be episodic. A corporate sponsored program for United Way or a cause marketing initiative for mental health where a percentage of earnings for a day will benefit those providing mental health services or a broadcast program for disaster relief are but three examples. The case and cause is presented with few words and images. A philanthropy "App" would also need to be pithy and memorable as a finger slides over a touch screen.

These communications devices very quickly are becoming commonplace. All generations are embracing digital communication tools as portable, convenient and cost-effective. Desktop computers, laptops, landline phones, televisions, stereos, newspapers, magazine subscriptions and an endless list of applications are already incorporated into one device.

Donors and the public at large are demanding transparency, accountability and cost-effectiveness. Perhaps it is timely to pilot a direct e-appeal instead of mail? What about an audio clip that introduces the annual report highlighting the impact of philanthropic gifts and provides password protected access to a shared donor/institution file to share information and garner support? This environment will not only require a larger technology infrastructure but also the staff with the necessary skills to design and implement such programs. I can only imagine that there would be substantial cost savings. No more costly mail programs, large print budgets and the vast array of support (internal and external) that is required to manage direct response and the more traditional legacy giving and stewardship programs.

CONTEST PHILANTHROPY

Paul McIntyre Royston, Vice President Development, Hamilton Health Sciences Foundation led our foray into the Pepsi Refresh contest. He describes the process as ***Contest Philanthropy***. Further he defines contest philanthropy as

> "part marketing and part friend-raising. A challenging new method to raise funds for non-profit projects. In a typical iteration, run by a corporation, non-profits are asked to submit a project that is then opened to the internet public to vote on. With

> basic requirements to compete, the barrier to entry is typically low. Consisting of photos, a project description and sometimes a video, the submissions are coming from all sizes of non-profits and even individuals with their own projects. Early examples have included the Pepsi Refresh Challenge in the United States and Canada as well as the Aviva Community Fund and Wind Mobile's Interesting Conversation program. It remains to be seen whether this is a suitable value proposition for the charities, while it appears to be very beneficial for the company hosting the contest in terms of media and good-works exposure. "

Paul is interested in who is the real beneficiary. Is it the company or charity? He proposes that

> "with the hundreds of entries and often few prizes offered it can be a hit or miss proposition. One of the main side-benefits is media exposure when a contest is first launched though in only a few cases has it been maintained over the life-cycle of the voting. The length of the voting period has varied from two weeks to two months and with a daily bombardment of 'please vote' messages, significant burnout has been noted among supporters and given the ratio of losing entries to winning, the potential for a lot of unhappy supporters."

As a fundraising and awareness vehicle, contest philanthropy has its merits. It is something new that will become commonplace and perhaps fatiguing as all other traditional vehicles such as direct response can be. The lesson learned is simply the need to be nimble and embracing of new fundraising techniques.

Capitalizing on the Power of Networks In Favor of Silos

In the fall of 2010, Gary Hubbell and Ken Hubbell worked with my leadership team to support each with a personalized leadership skills development plan and to begin the journey towards optimal team functioning as we developed with the board a 5-year strategic plan. One component of our session was devoted to comparing and contrasting our current reality with the desired future reality 2030. While the ideas were centered on the communities that our health system served, we focused on universal principles such as:

- A vision for a healthy and economically vibrant community
- Collaborator as a mental model and mindset as the norm
- Integrated regional and local philanthropic campaigns
- Embracing the growing Diaspora

- Community events to spark re-vitalization and the change from "steel town" to a knowledge based community

We were comfortable with the current reality of a silo organization and had to "stretch" to see beyond the barriers to collaboration for good. I envision that in the future, one organization will take the lead to invite, inspire and coordinate a collaborative model for philanthropy. Since Hamilton Health Sciences is the largest employer in the region, should the Foundation take that lead? Will that direction take us away from the focused attention on advancing philanthropy for our organization? Are donors ready to embrace such an undertaking or are they much more comfortable with the unique relationships they have with each organization. Will it be more cost-effective beyond the savings gained from central leadership? Dare I begin this dialogue and will it be supported by my board and organization?

Perhaps we should start by utilizing the networks that exist today for the Foundation. There are a myriad of third party relationships that can be substantially more strategic than community events with a high stewardship focus that are centered on event retention. Our strategic approach that utilizes the relationship building concepts so familiar with major gift giving is too new to use as concrete evidence of success. However, by its very nature of expanding networks and interactions between annual events, it will give rise to leadership identification, expanded partnerships from within the original partnership and a much better opportunity to match donor interests with our mission.

Simply put, Seth Godin's *Tribes* is akin to the network concept I described above. *"A tribe is a group of people connected to one another, connected to a leader, and connected to an idea."*[1] The leader in the above example is the relationship manager and/or the beneficiary representative. We are exploring these tribes as it relates to a cause, vision and engagement at multiple levels from grassroots activities to one-on-one conversations. Since tribes use the digital communications medium, we are better connected on Facebook, Twitter, YouTube, LinkedIn and other web portals – a much more effective way for pulling information and connections than pushing out through print and mass advertisement.

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[1] Seth Godin, *Tribes: We Need You to Lead Us* (New York, NY: Penguin Group, 2008), 1.

PHILANTHROPY IMPACT AND THE POWER OF ONE

Have you heard about Amazima and Katie Davis? Amazima Ministries International is a 501(c)(3) non-profit based in Tennessee. Katie is the Founder and humanitarian who at age 20 is Mother to 13 children in Uganda and is the provider of food for hundreds on a daily basis. Her story is one of inspiration, bravery, courage and ingenuity. Fulfilling her dream and making a tangible difference for every donor she attracts who gives $300 a year or more. Visit www.amazima.org to be totally humbled and inspired.[2]

In Canada, 12 year old Bilaal Rajan is an author, motivational speaker, child activist, successful fundraiser, and founder of a children's school in Tanzania for HIV Aids orphans, UNICEF Canada's child ambassador, and founder of Hands For Help organization (www.handsforhelp.org) and Bilaal Rajan Foundation and www.makingchangenow.com. He has raised millions and written a book titled: "Making Change: Tips from an underage overachiever." Bilaal's vision is to instill in children worldwide the importance of being of service to others less fortunate and living by his motto "Together, we can make a difference."[3]

These are two examples of young leaders who have channeled their hopes and dreams and the digital world to connect and engage individuals, foundations, corporations and other networks to help them achieve their goals. I envision many more of these individuals who will be working in the first and third worlds to address complex societal issues. What can we learn from them? They have powerful stories, can show an attractive return on investment for small dollars invested and the fundraising tactics that a traditional organization uses today. That said, they appear to have an ease and simplicity to organize themselves. They will be powerful and fierce competitors. Perhaps the lesson to learn and practices to adopt today pertain to how they connect, attract and leverage networks.

BEYOND BENCHMARKING AND PERFORMANCE SCORECARDS

Today there are a variety of ways donors and investors can independently assess the financial health of a charitable organization. Without a consistent manner in which to assess cost per dollar raised and return on investment, they make decisions about becoming engaged and establishing their level of investment. There is an inherent fear of publishing

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[2] *History*, http://amazima.org/history.html, (Feb. 5, 2011).

[3] *About Bilaal*, http://www.bilaalrajan.com/about_bilaal.html, (Feb. 5, 2011).

the cost of fundraising. As demands for transparency increase, organizations do as little or as much as they can "get away it." While there is not a deliberate intention to avoid transparency, it is fundamentally because there is no consistency in measurement or standards. Two decades from now, I believe that those standards will exist. Donors will be very savvy with critical assessment and successful philanthropic organizations will not be fearful providing information. That said, the lesson to learn is how to demonstrate impact related to cause and mission as opposed to cost per dollar raised. Significant donations and gifts will always be influenced by the financial health of a charity. There will be tolerance for a higher cost per dollar raised on certain programs based on the demonstrated impact of saving and improving lives and communities.

New Rules and Frameworks for Governance

As I reviewed the web sites of The Clinton Foundation, Stephen Lewis Foundation, Bill and Melinda Gates Foundation and KIVA, my thoughts centered not only on the story of global impact but the challenges of governance given the global nature of the work and donor community. With new wealth and considerably younger philanthropists, there will be many more such organizations. Should a Foundation like my organization think about potential partnerships? Begin exploring with the board, legislative and advocacy groups and professional membership organizations, the policies and frameworks for such collaborations that will ask and answer the following questions?

- What are the fiduciary challenges for a local board? How to overcome any?
- What charitable receipts will the Canadian Revenue Agency need?
- Within the Canadian healthcare context, what are the possibilities for "super foundations" that will see the end of local and provincial hospital foundations?

In all areas as I think about the future, this is one where I foresee the greatest barriers to rapid change and perhaps preservation of traditional charitable structures.

Meaningful Engagement of the Diaspora

On January 27, 2011 the Globe and Mail published results from the Pew Forum on Religion and Public Life. Looking at the Muslim population, they reported that

> "The number of Canadians who identify themselves as Muslim will reach 2.7 million by 2030, up from approximately 940,000 today, and will make up 6.6 per cent of the total population. … But perhaps the most visible increase, Mr. Cooperman said, will

> take place in North America, where immigration, fertility rates and the relatively youthful age of the Muslim population will cause the population to grow quickly compared to its relatively small base. In Canada, Muslims are expected to make up 6.6 per cent of the total population in 2030, up from 2.8 per cent today. In the United States, the Muslim share of the population will rise to 1.7 per cent in 2030 from 0.8 per cent in 2010."[4]

The substance of the article made me think about the slow integration of the Diaspora within our organizations from leadership involvement to a robust philanthropic engagement. While there may be examples of engagement, our conversations are still, "we should work to garner support and how best to do so?" In the article, the growth was a result of a large cohort approaching the child bearing age. As I look to our youth and next generation engagement program, it will be wise to focus on attracting individuals from the Diaspora especially given the local population mix.

CONCLUDING THOUGHTS

I fundamentally believe that we are doing what is described as "noble work" and I consider myself fortunate to be a development professional. Looking back over the past 20 years, a successful philanthropic program or organization was always measured in terms of dollars raised, number of donors, and excellent stewardships that made it possible to develop and maintain long-term relationships. Traditional programs such as direct response, campaigns, planned giving and special events relied on the tried and true. Staff mix, board and volunteer involvement and the supporting tools (largely paper and print) remained relatively constant.

By 2030, I predict that we will engage a higher number of marketing communication specialists, specifically, those with ability to design and implement electronic communication channels. More cyclical economies where the rules and norms change more frequently will no doubt lead to larger numbers of private and individual foundations. That said, it is inconceivable to imagine the end of charitable organizations as we know them today – or the need for major and planned giving specialists.

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[4] Siri Agrell, "For Muslims, growing numbers, and growing fears," *Globe and Mail*, Jan. 27, 2011 (http://www.theglobeandmail.com/news/national/for-muslims-growing-numbers-and-growing-fears/article1884318/).

Those that choose not to embrace new donor/investor expectations, fail to be adept at marketing their cause and donor impact, and adapt the traditional donor pyramid to look more like a series of linked Japanese pagodas, will struggle to exist or not be in existence.

The practice of philanthropy will change. The promise of philanthropy will endure.