Building Alliances to Enhance Philanthropy

Pearl F. Veenema

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Background

Hamilton Health Sciences (HHS) consists of a family of seven hospitals and a cancer centre serving a population of 2.3 million individuals in southwestern Ontario. It is the regional hospital for speciality cardiac, neurological, stroke, trauma, rehabilitation, seniors, and pediatric health care services. HHS is also an academic teaching hospital affiliated with McMaster University. With more than 10,000 employees, it is Canada's second largest academic teaching hospital.

Hamilton Health Sciences Foundation (HHSF) has a new organizational structure designed to focus volunteers, staff, and fundraising around attractive donor-centred programs and traditional site loyalties. There are four Fundraising Councils: St. Peter's (seniors), McMaster Children's, the Juravinski Cancer Centre, and Cardiac, Vascular and Stroke. Each council has a senior hospital administrative lead and clinician-scientist, board members, volunteers, and development staff. The councils are accountable to the HHSF Board of Directors, and each has three HHSF Board Members participating in the fundraising. One of those HHSF Board Members leads that council as chair.

Introduction

Foundations and advancement programs have varying governance structures, geographic and demographic profiles, and stages of maturity. As a development professional with a career spent exclusively in the health care sector, my insights and ideas are framed by my experience in small, medium-sized, and larger hospital/systems. In an institution focussed on a single programmatic function, integration was relatively easy. Where there are a wide variety of programs, hospitals/sites, cultures, and amalgamations of development programs over the years, there is a fundamental need to be sensitive and rational with integration. It is in this context that I find myself seeking to be a broker of ideas, to support organizational adaptability, and to build alliances.

A *system* is defined as a group of interacting, interrelated, or interdependent elements forming a complex whole.[1] I have shared in this essay my thoughts and questions about what fosters relationships, trust, communications, and competition in the ever-changing landscape of an integrated advancement operation.
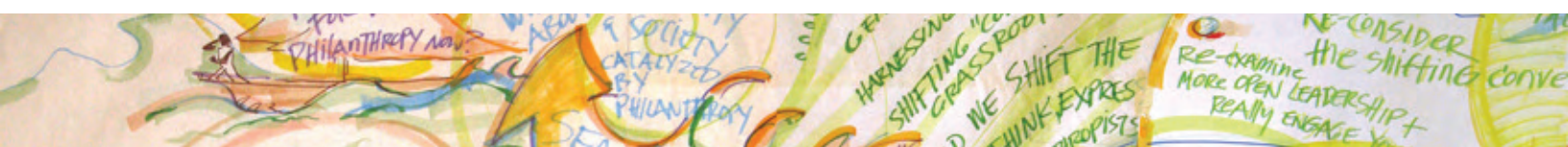
I define an *integrated advancement operation* as one that is mission-based and recognized by key stakeholders as an operation that inspires engagement and investment.

While a complete constituency list can be powerful, the effective engagement of the following stakeholders provides the energy and momentum for others to become involved.

- Externally – donors and donor prospects
- Internally – hospital board, management, employees, and physicians, public relations department, and foundation board members/volunteers/staff

From an advancement systems perspective, the interrelation between the board/volunteers and staff is of paramount importance. An environment of mutual respect and shared responsibility sounds easy.

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Defining roles, developing fundraising goals, implementing programs, training and supporting staff/volunteers, and evaluating success based on agreed-upon criteria are everyday parts of the dialogue.

Why is the realization of these fundamental principles and processes a challenge?

- Is it because of the voluntary nature given the overloaded schedules we all have?
- Is it because advancement organizations are not using technology that minimizes the time needed to meet face to face?
- Is it because of inappropriate criteria holding both volunteers and staff to accountability?
- Is it because the actual tasks and activities are not interesting, success-oriented, or inspiring?

Equally important is the relationship with physicians and their active engagement in the philanthropic process. Every health care development educational conference has a presentation on physician engagement, but the criteria for universal success remains elusive. Those with success celebrate a physician leader and champion, highlight a tribute program dedicated to physicians, and use competitive tactics such as physician donor walls and dedicated endowment programs. When asked about the secret to everlasting success, a sage leader in our field wisely suggested that we should focus on those who enjoy fundraising and see the benefits to participation — then some percentage of the rest will follow.

Internal Collaboration

Looking at processes as an enabler to success, the principal ones relate to appropriate software to monitor and manage relationship building, prospect management (given the variety of councils for our organizations), designated staffing for councils (particularly in major gifts), optimal finance and administrative support, and a cadre of centralized services to support the councils. The centralized services for our organization are annual giving programs, special events, corporate and third-party events, communications, research, and elements of stewardship for donor recognition and granting.

Within the foundation, in its ideal state, this interdependency fosters collaboration, innovation, and creativity. In its less than ideal state, interdependency can lead to fragmentation and confusion with respect to role and accountability. Management has the principal duty to facilitate the above.

In our situation, I favour this decentralized structure since it brings volunteers and staff to local programs and sites that have centralized support services.

Managing Competition within the Foundation

In the age of metrics, measuring, and performance monitoring, it is critical to have an effective, easy-to-use prospect management process. It is equally important to have staff and volunteers mindful and respectful of donor interests and needs. Everyone must have a good sense of each individual council's fundraising priorities and how they are matched to organizational mission and vision while advocating for their particular fundraising and programmatic goals.

Professionalism, trust, teamwork, and a sense of give-and-take help everyone to mitigate against barriers to success. This potential does not only exist among the major gifts teams. It is a complete understanding of the donor's journey from annual to leadership to major/planned giving programs that foster good relationships among colleagues. Honouring the journey is one aspect. Knowing when and how to transition between the traditional fundraising programs is also an important attribute. When done respectfully to all involved, the questions about who leads, who follows, and who has the first rights to donors becomes positively self-evident.

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Some organizations have established performance goals to facilitate interdependence and collaboration. The question on my mind is whether this is necessary if there is a culture of collaboration and true adherence to a foundation's values.

Integrating Hospital and Foundation Boards

Historically, the hospital board has had representation on the foundation board, and vice versa. The same is the case for the chief executive officers. This has facilitated information flow, complementary strategic planning processes, and philanthropy. As governance in organizations transitions to fewer members, the joint representation mix is changing while the need to be fully cognizant of each other's strategic direction remains fundamentally important. This change can result in a stronger partnership between the CEOs.

In the HHS system, I am a member of the hospital's Executive Council and meet twice a month with the hospital's CEO. Being part of the hospital's leadership keeps philanthropy front and centre. The opportunity to regularly meet with the CEO provides the perfect scenario to discuss fundraising priorities, impact of gifts, and engagement of hospital leaders, as well as to form strategies for implementation.

The number of charitable entities is increasing; therefore, there is a growing demand for experienced volunteers. In my view, a joint board recruitment policy would strengthen the relationship and integration with volunteers. Prospective board members and volunteers are assessing their fit in our organizations. They ask: How do I know that I am adding value? What are gift expectations? What are my specific roles and responsibilities? How will I be supported? How will I be educated about the health care institution's mission, purpose, and funding mechanisms? How will I be evaluated?
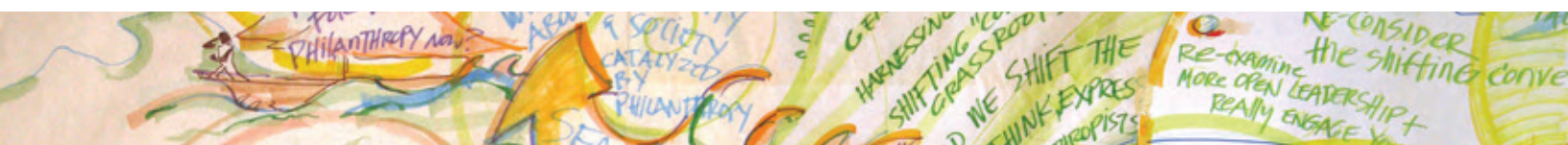
With a joint governance recruitment process, the leadership of both organizations can strategically plan, recruit, and engage the best individuals and ambassadors to champion the missions and visions of the hospital and the foundation.

Iterative Strategic Plan Enabling Effective Action

Strategic plans are both directional and operational. They are "live" in annual operating, fundraising, and financial plans. They are challenged to be flexible so they are able to respond to competition, new methods of fundraising, changing demographics and economics, globalisation, and the ever-growing need for revenue diversification.   As philanthropy is embraced as an enabler of the institutional vision, boards should be asking what should we stop, start, or continue doing each year.   These questions keep the plan dynamic and worthy of the effort that is required to create it.

This is the time for organizational adaptability, flexibility, and cooperation.

The current global recession is challenging all of us to rewrite those thoughtful strategic and annual operating plans. This is the time for organizational adaptability, flexibility, and cooperation. The hospital system is also realizing the pressure of balancing budgets while foundations are realizing reduced investment incomes, higher costs per dollar raised, and a real struggle to right-size the organization without gutting programs that will impact the future. While past recession learning speaks to staying visible, increasing stewardship, and not retrenching, this recession is expected to last much longer and will require new thinking for survival. Some believe that challenging the predictable will bring the force of creativity—innovation, new methods of operation, and partnership—towards greater gains. I believe that the integrated development program with centralized supporting services, such as communications and prospect management, among others, provides the most opportunity for efficiency and efficacy.

Fostering a Culture of Philanthropy

A positive environment for philanthropy is one where there is a well understood and well recognized culture of philanthropy within the hospital system and the foundation. How do we recognize a vibrant culture of philanthropy in our organizations?

- Is it a culture in which there is ready evidence of key stakeholder participation and investment in the foundation's programs? Is such evidence measured by dollars raised?

- Is it a culture in which ambassadors bring new opportunities to benefit the foundation's mission?

- Is it a culture in which everyone can readily give examples of the impact of philanthropy?

- Is it a culture in which there is a formal, consistent program that is evaluated for its efficacy and is mandatory for all to participate in?

Is it all about communications manifested through a well-coordinated plan between the hospital's public relations and the foundation's communications plan?

Heather Pullen, the Manager of Public Relations for Hamilton Health Sciences, is enrolled in the Master of Communications Management Program at the DeGroote School of Business. She designed and conducted a survey including colleagues in both development and public relations professions. In some cases, the same individual had the responsibility for both. I have had experience with both models—where the lead provided direction for both corporate and fundraising communications, and, alternatively, where separate corporate and fundraising communication programs met their unique and shared goals by working collaboratively.

This is the specific topic posed by Ms. Pullen in the survey:

Inherent rivalries between public relations (PR) practitioners and fundraising professionals within the same nonprofit organization cause significant relationship problems that can undermine the efforts of both groups to achieve the goals of their organization.

The responses framed the issue as follows:

Public relations feel its role is to lead communications related to the organization's brand and goals. Fundraisers, on the other hand, believe that their PR counterparts do not understand fundraising, including the communications needs of fundraisers.

My experience has been that our public relations colleagues are increasingly consumed by crisis management given the widespread interests in health service delivery and access to care. They are not well-funded for the proactive work they would like to engage in and may not have the required brand development expertise or resources. While I believe they do understand the communications needs of fundraisers, it is my experience that their limited time and resources practically precludes fundraisers and their programs from being included on their list of priorities.

The survey showed the following results related to criteria for success:

- Well-defined roles and responsibilities
- Need to find win-win solutions (how to advance each other's goals together)
- Need for great communications between two groups

What impedes the above? The results highlighted:

- Lack of understanding about goals
- Conflicting priorities (identified by respondents as the most frequent source of problems between both groups)
- Lack of role/function definition
- Lack of respect and conflicting personalities

While a joint team charter, planning, shared calendars, increased cross-pollination, contiguous offices, and formal/informal gatherings will go a long way to improve communication and collaboration, I believe the root causes of disharmony are conflicting task and audience priorities. Hospital communications are more organization-centric; foundation communications are more donor-centric.

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The donor community appreciates having timely and updated information about their hospitals, and they are more interested in the impact of their gifts. This expectation occurs at all levels of donor contributi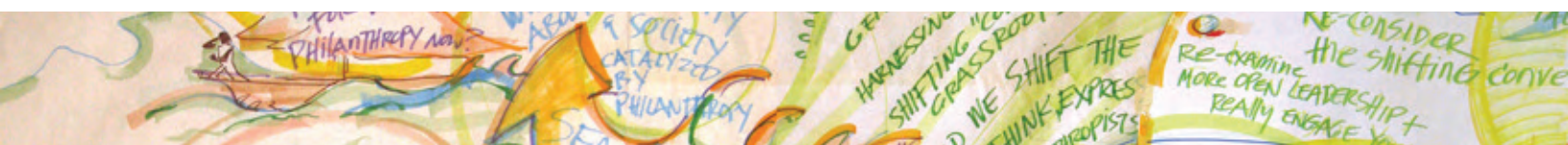ons. Did the foundation and hospital buy the equipment? Did they fund research personnel and projects? Did the scope of services grow as a result of the gift investment? Are communications designed to position the organization as the health care charity of choice for philanthropic investment? Are communication vehicles matched to the targeted audiences? Are we using multi-channel formats: print, electronic, video streaming, and podcasts?

Another challenge relates to the usual calendar of activities that the foundation plan includes. Programs may be ongoing, seasonal, and layered in their needs for stories, media, advertising, and promotions. Traditionally, we have had shared publications, such as newsletters, annual reports, and brochures. These have been designed with dual audiences—internal and external. Both audiences are increasingly sensitive to the associated costs and are looking for more tailor-made, just-in-time, efficient communications that potentially make the usual tools ineffective.

Branding

In a large organization, it is virtually impossible to avoid brand creep. Everyone has his or her own definition of branding. Foundations need to forge new partnerships through cause marketing and move into the social marketing arena. While our foundation will be implementing a series of campaign themes and marketing to differentiate the councils, programs, and sites, we have taken every measure to keep the corporate brand whole.

Given the above analysis, it seems that the joint planning, mutual respect expressed through a team charter, and a spirit of flexibility and tolerance are the means by which we can navigate these challenges times and situations.

Developing and Designing the Ultimate Donor Experience

The magic of philanthropy is arriving at the place where a donor's dreams and hopes align with an organization's mission and vision. At all times as development officers, we must be consumed and humbled by that relationship that attracts donor interests and investment in our organization and communities. While the internal integration of people, systems, and processes can be documented, charted, and planned in perfect symbiosis, it is the expression of donor loyalty that is the true test of success and friendly competition.

For me, results and perfection are achieved when donors identify that their philanthropic dreams have been realized—when they witness the impact of their gifts and they convey that we are in their top three philanthropic interests and number one interest in health care.

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Conclusion

As a student of philanthropy and leadership practices, I strive to bring the wisdom and experiences of recognized leaders into my day-to-day work. Thinking about how component parts of the advancement process can work in concert with each other is what I frequently examine and test my assumptions and beliefs against. With no perfect recipe for success, I am reminded by Nordstrom's rule to all employees: Use the best possible judgement!

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[1]Dictionary.com, *The American Heritage Dictionary of the English Language*, Fourth Edition, http://dictionary1.classic.reference.com/browse/system (accessed May 13, 2009).

About this extract

In Spring 2009, Gary Hubbell Consulting convened a think tank of North American nonprofit organization and development leaders. Four topics were selected for discussion, each of which became the focus of an insightful essay by each of the hand-picked attendees. The four topics are: New Perspectives on Leadership, Reimagining the Future of Philanthropy, Development in a Systems Context, and Demonstrating and Communicating Philanthropy's Impact. The resulting e-book, *In Search of New Meaning: Philanthropy, Community and Society,* is available for free download at www.OnTheCuspPublishing.com. This essay is an extract from that publication.

Also Available from On The Cusp Publishing

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