

**GOOD GOVERNANCE CASE STUDY**

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# Hospital Foundation Boards Rely on Skills and Training to Boost Impact

By Elaine Zablocki, *Staff Writer, The Governance Institute*



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# Hospital Foundation Boards Rely on Skills and Training to Boost Impact

## Sources Interviewed

Gary M. Cates, *Chief Philanthropy Officer, ProMedica*

Joe Luzar, Board Chair, *ProMedica Bay Park Hospital Foundation*

Bill McGinly, Ph.D., CAE, *Principal, McGinly and Associates*

Aly Sterling, CFRE, *Founder and President, Aly Sterling Philanthropy*<sup>1</sup>

Jan W. Wood, CFRE, *President, Anne Arundel Medical Center Foundation and Chief Development Officer, Anne Arundel Medical Center*

Robert Rice, *Principal and Managing Director, CCS*<sup>2</sup>



- <sup>1</sup> Aly Sterling Philanthropy is a consulting firm serving the non-profit sector in fundraising, strategic planning, board governance, and corporate giving.
- <sup>2</sup> CCS Fundraising provides strategic development services to leading non-profit organizations in the United States and abroad

## **Statement of Interest**

While hospitals have always sought community support for special projects, nowadays philanthropic donations play a major role in supporting the hospital's cutting edge projects and its vision for the future. Most hospitals have an associated foundation which takes the lead in fundraising.

Foundation boards have responsibilities that are quite different from hospital governing boards, and they tend to attract board members with somewhat different abilities. Of course, it's essential for the hospital governing board and foundation board to maintain excellent communication so they are able to coordinate activities and carry out their appropriate roles.

Just like the governing board, the foundation board functions best when it selects board members based on needed skills, receives appropriate training for its role, and conducts regular self-assessments to maintain and improve its work. In this case study we will look at changing patterns in healthcare fundraising, and will examine some of the methods foundation boards use to increase their effectiveness.

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## **Organizations Profiled:**

### **ProMedica Health System, Toledo, Ohio**

ProMedica is a not-for-profit health organization serving northwest Ohio and southeast Michigan. The 13-hospital health system has more than 17,000 employees, 2,300 physicians with privileges, and more than 900 healthcare providers employed by ProMedica Physicians Group. It offers a health plan called Paramount, which serves 330,000 members, including more than 225,000 Medicaid members. The system offers a full range of diagnostic, medical, and surgical specialties in areas such as emergency medicine and trauma, heart and vascular, oncology, orthopedics, neurology, and women's and children's services.

### **Anne Arundel Medical Center, Annapolis, Maryland**

Anne Arundel Medical Center (AAMC) is a regional health system headquartered in Annapolis, Maryland. Founded in 1902, it includes a 380-bed not-for-profit hospital on a 110-acre campus. AAMC includes the area's only Level III NICU, Maryland's largest joint program, its second largest labor and delivery program, and its third busiest surgical program. It also includes the Geaton & JoAnn DeCesaris Cancer Institute, the Irwin & Judy Zazulia Heart & Vascular Institute, a growing mental health and substance use program, and the state's only Acute Care for the Elderly Unit. AAMC includes more than 1,000 medical staff members, 3,900 employees, and the Anne Arundel Medical Group (AAMG), a multi-specialty group practice with more than 200 providers in 42 offices, serving patients in five counties.

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## The Role of the Foundation Board

A hospital/health system governing board has several major responsibilities: financial oversight, quality oversight, setting the strategic direction for the hospital or health system, and management oversight.

In contrast, the primary role of the foundation board is to help raise funds for the hospital and its mission by supporting the hospital financially, identifying other people with a potential interest in philanthropy, hosting events for prospective donors, and maintaining oversight of staff plans for raising funds. It is the hospital's key link to the community at large. In addition, the foundation has a traditional fiduciary role. "Particularly in a time of mergers and acquisitions, donors want to see that their dollars stay in the local community and are used for the intended purposes," said Bill McGinly, Ph.D., CAE, Principal, McGinly and Associates. "The foundation is set apart for raising funds, and it offers the community some control over local funds." He estimates about 85 percent of hospitals have separate foundations.

A hospital foundation board has several major functions:

- To support the hospital's strategic initiatives and ensure that the hospital maintains clinical excellence and community access through philanthropy.
- To manage financial investments and ensure growth of assets.
- To create an environment of support and recognition for donors.
- To increase community awareness of hospital's services and opportunities for support and engagement.
- To assess and evaluate the foundation's executive director.

According to Aly Sterling, CFRE, Founder and President of Aly Sterling Philanthropy, hospital foundation boards started out being primarily responsible for fiscal and investment management, making sure that assets were managed well and funds were distributed appropriately. Some hospital foundations date back 50 years, to a women's league of volunteers that raised money for special hospital needs. This means the foundation board needs to recruit some members with skills in financial management. The foundation board is responsible for ensuring that current financial assets are invested and managed appropriately, and it is responsible for monitoring the development and implementation of foundation fundraising plans.

"Each year I present my budget and my budget strategy to the board," said Jan W. Wood, CFRE, President, Anne Arundel Medical Center Foundation and Chief Development Officer, Anne Arundel Medical Center. "We discuss how we developed that budget, how it fits into our general strategy, how we plan to raise the money we've been charged to raise. Throughout the year we discuss whether we are staying on budget, do we have a portfolio that's balanced between planned gifts, grants, small contributions, and major gifts. I work closely with the finance committee to ensure that we present our financials and our activity reports to the board in a very clear way."

Over the past 20 years or so, the healthcare business model has shifted substantially, with much greater needs for philanthropic support for major projects. Foundations have shifted into new, more strategic roles, focused on serving as a financial partner with the hospital. This means many foundation board members are invited—and in some organizations expected—to take a personal role in raising funds.

"Some long-time board members weren't completely comfortable with this change in the environment, since they were now being asked to cultivate and solicit donors," said Sterling. "Today, as we work with foundation boards, we often assist them to make sure they're very clear in their recruitment efforts. This is an incredible opportunity, but it definitely takes engaged

board members who are able and eager to open up their own networks, and feel comfortable supporting the strategic fundraising process.”

Recently, ProMedica Bay Park Hospital held a combined meeting of its board of trustees and foundation board to discuss its healthcare mission and strategies to convey that mission to the community. “We asked for board engagement in putting the word out to their comfort level,” said Joe Luzar, Board Chair, ProMedica Bay Park Hospital Foundation. “We’re asking them to help make connections with their contacts, to introduce us so we can promote our mission. Once people hear our story, it becomes obvious that the hospital and health system are doing something really good in the community. We aren’t aiming at a one-time ask; our goal is sustained giving.”

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**“Stewardship is the process of connecting with the donor, showing them the hospital’s assets, introducing physicians and nurses, and showing them how their philanthropy makes a significant impact.”**

— Robert Rice, Principal and Managing Director, CCS

### **Changing Patterns in Philanthropy**

Traditionally, hospital fundraising relies on annual campaigns, special events, and direct mail. Special events are important because they demonstrate and support a strong connection with the community. However, these methods involve a great deal of work, and once you take all the costs into account, they don’t actually bring in substantial funds.

“There are people who respond to special events or an annual campaign and to nothing else,” McGinly said. “These events are wonderful, but they only generate a very small portion of philanthropic funds. They do connect you to people who have an interest in the hospital, and if you reach out to these people consistently over time, some of them will become regular donors.”

Sterling agrees. “There are people who may not be your top donors, but they’re emerging donors. They make small gifts, but they’re making continuous gifts. They are actually lucrative potential donors because they are your probable planned giving and legacy donors in the future.”

Grateful patients are particularly important as a source of major gifts. They’ve experienced the hospital’s services, and they have a personal reason to support it. “When organizations put their emphasis on the grateful patient, they find that slice of the pie increases tremendously and the gifts are larger,” McGinly said.

Major donors also have the potential to support the hospital’s vision in significant and dramatic ways. A single large gift to a capital campaign can generate a cascade of smaller gifts from many other sources, and eventually benefit many patients.

For example, Geaton DeCesaris passed away due to cancer. His wife and daughters were seeking some meaningful way to honor him, and they gave the initial gift to found a major cancer center at Anne Arundel. “They live in this community, but he wasn’t treated here, because at that time our cancer program was small and young,” Wood reflected. “Nowadays, we could care for him here. Their gift served as the launch pad for a full scale cancer campaign that allowed us to attract expert physicians and build the new center, which helps so many people.”

People are usually more likely to donate to a new building or a new program; they don’t especially want to donate funds just to keep the lights on. However, it is possible to raise contributions for operational expenses when an organization explains vividly why the gift is needed, and what it will do. “Explain the gift’s importance in terms of its human impact,” said Robert Rice, Principal of CCS. “For example, we might talk about scholarships earmarked for advanced

nurse training, which would help nurses provide specialized services for diabetic patients, or for cancer patients. This is a form of operational support, but at the same time, it enables donors to visualize the specific impact of their gifts.”

Because of the uncertainty and nuance that is inevitably part of the fundraising process, McGinly emphasizes how important it is to hire experienced staff. “Generally speaking, you’re looking for people who want to do good things, people who are interested in healthcare or helping people,” he said. Over the past few years, the Association for Healthcare Philanthropy has conducted bench marking surveys on hospital fundraising, gathering data on high-performing hospitals. “High-performers are doing all the right things, but two things turn out to be especially important,” McGinly said. “One of them is an emphasis on major giving and the second is an emphasis on hiring experienced staff. Major gift officers who have years of experience in this field are able to put effective processes in place. They know how to cultivate and develop major gift opportunities, and they end up making a significant difference for the organization.”

Gift officers build relationships with potential donors, and it’s essential to maintain these relationships over time. “Stewardship means making sure donors know their support is having an impact,” said Rice. CCS conducts more than 130 feasibility and planning studies every year, and its surveys include questions on how people feel about the economy, and what motivates their philanthropy. “Our last question asks ‘What gets you excited about giving?’ and by far the number one reason is, ‘I give in order to make an impact on others,’” Rice said. “Stewardship is the process of connecting with the donor, showing them the hospital’s assets, introducing physicians and nurses, and showing them how their philanthropy makes a significant impact.”



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## Development Officer Reflects on Relationships with Donors

"We meet potential donors in many ways. A board member might suggest someone who serves on another board with them, or whose children go to their children's school. We do some research, and then reach back to the board member, asking whether they'd be willing to make an introduction for us.

When we meet a potential donor, we often start with a tour of the hospital, an opportunity to see it from the inside. We take our time. As we get to know a donor, we use a special phrase: 'Do I have your permission?' That's because we want the donor to feel at every stage that they're controlling the relationship. For example, when we take a tour together, perhaps they have a special interest in the neonatal care unit. At the end of the tour, I might say, 'In two months we're having an event for donors and prospective donors, and the chief medical director of the NICU will make a presentation about its work. Do I have your permission to invite you to this event?'

Eventually, if they have a strong connection to our work, and express interest in a philanthropic commitment, I might say, 'Do I have your permission to put a proposal together for you on some of the current needs in the NICU?' If their response is more distant, if they just say 'This was interesting, and we'll keep in touch,' then I might ask 'Do I have permission to call you in six months and see if we can get together again?'

Throughout the relationship, we are always sensitive to each potential donor's special interests and needs. When someone does make a gift, the giving officer is responsible for what we call 'stewarding the donor.' That means staying in touch with them, keeping them engaged and proud of their gift, continuing their special connection to the hospital."

—Jan W. Wood, CFRE, President, Anne Arundel Medical Center Foundation, Foundation and Chief Development Officer, Anne Arundel Medical Center



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## Foundation Board Best Practices

### Training and Orientation for Board Members

The initial orientation for new board members typically includes something about the organization, its history, its community, and its mission. It may include a tour of the hospital. AAMC does a joint initial orientation for new governing board members and new foundation board members. The hospital's CEO, CMO, CFO, COO, Chief Strategy Officer, and Chief Development Officer each make a presentation about their area, so new board members get a very thorough orientation.

After new foundation board members have experienced a couple of board meetings, AAMC conducts another session focused specifically on the fiduciary and fundraising roles of a foundation board member. The session also covers national trends in fundraising, national statistics on how much it costs to raise a dollar, and various aspects of fundraising as a discipline.



Over time, foundations often offer board members continued orientation in many settings: perhaps a full day board retreat, a half-day focused on a specific topic, or a board recognition dinner which includes education about current system priorities.

### **Communication and Coordination among Boards**

The hospital board is responsible for strategic planning, and the foundation board needs to be fully aware of its strategic plans as they evolve. In addition, the foundation staff and board often have useful insights to contribute to the planning process. They have a perspective on what is most likely to appeal to donors and also be in line with hospital needs; they may also have special insights into community needs.

“If the foundation has a paid staff person such as executive director, it’s extremely important for that person to have a seat on the hospital management or leadership team,” Sterling said. “That way they are privy to the strategic direction of the hospital and they are part of the conversations around which projects need additional funding.”

Hospitals often have formal structures to support communications between the governing board and the foundation board, such as having the chair of the hospital board serve as a member on the foundation board, and vice versa. Sometimes the CEO of each organization serves on the other board. In addition, hospitals and foundations often evolve informal communication methods that work very effectively—a cup of coffee together every couple of weeks.

ProMedica, as a large system, has a more elaborate structure in place. Its parent board has a Fund Development Committee which is comprised of the chairs of all the foundation boards. Executive directors of all the foundations also typically attend its meetings. This committee typically meets quarterly and serves as a forum to discuss issues of philanthropy education and training for the foundation boards, share best practices in foundation activities, and discuss system-level initiatives within ProMedica.

### **Offer Roles to Potential Board Members**

AAMC has a number of philanthropy councils, which spearhead fundraising efforts to support specific service lines, such as the Heart & Vascular Institute, Pediatrics In-Patient and Emergency Departments, the DeCesaris Cancer Institute, and the Pathways Drug and Alcohol Treatment Center. “Our goal is to support people who want to be engaged in a meaningful way. People often feel a personal connection to a specific disease,” Wood said. “Someone gives at a certain level to belong to a particular council, and takes a mini-leadership role for that service line to help identify other donors and participate in special events. The councils also serve almost as a farm team for our board, since they allow us to see how someone collaborates with others, whether he or she might a good candidate for the board.”

### **Recruit a Diverse Board**

Foundation boards serving a community have a unique opportunity to reflect that community. Most foundation boards attempt to recruit a diverse membership in terms of gender, ethnicity, and other characteristics. “The foundation needs to represent the constituencies that it serves, so diversity is essential,” Rice said. “Recruiting young people is particularly important to ensure sustained development and fundraising success. Many campaigns include a young families division, and someone who does well in that arena might go on to be asked to join the board.”<sup>3</sup>

3 See sidebar, The Structure of a Major Fundraising Campaign.

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## The Structure of a Major Fundraising Campaign

“Capital campaigns are multi-year efforts to raise funds for new buildings, capital improvements, or other important projects that cannot be funded through the normal budget process. Typically a major fundraising effort, such as a capital campaign or an endowment campaign, includes numerous constituent divisions within the umbrella of the full campaign. A campaign for “Smith Providence Hospital” might include:

- Campaign chair or co-chairs
- Foundation board and hospital governing board
- Leadership gifts (major donors providing nine-, eight-, and seven-figure gifts)
- Physicians and nurses
- The Smith Providence family (includes hospital administrators and staff)
- Corporations and foundations
- Young families
- Community and friends

Each campaign division has its own chair or co-chair and committee. Preparing the campaign means developing financial prospect tracking charts for each of these constituencies. Each campaign division has its own tailored messaging, plan and timetable, interim financial benchmarks, and goal.

The campaign progresses in a series of phases, step-by-step. The initial phase includes leadership gifts from major donors as well as pledges from board members and others who have a close relationship with the hospital. Once the campaign has gathered a solid base of support and has exhausted much of its leadership gift potential, it enters a more public phase, with announcements and appeals to the full communities served.”

—Robert Rice, *Principal and Managing Director, CCS Fundraising*

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### Recruit an Appropriate Board

Anne Arundel has developed fairly specific expectations about board membership. Generally speaking, potential board members for AAMC are donors at a \$10,000 level or more and have demonstrated at least two years of involvement and commitment to the hospital. Many of them have served on one of the philanthropy councils, served as the chair of the annual gala, or taken on a similar major role. “We expect we will be one of your top two philanthropic priorities during the time you serve on the board,” Wood said. “In the past, I sometimes had to have conversations with wonderful people who were serving on our board but did not seem fully engaged. In recent years we have clarified our approach to filling board vacancies, and we haven’t had to have any of those conversations.”

Other organizations have more general expectations for board members. They are seeking people who are committed to the hospital’s mission, who are outgoing, gregarious people, and who are part of a substantial network that includes other potential donors. While they do expect all board members to make the hospital one of their philanthropic priorities, that doesn’t necessarily translate into a specific dollar amount.

A hospital governing board member takes on substantial responsibility for absorbing a great deal of information, and is expected to use their best efforts to make the best possible decisions

for the hospital. Their major time commitment is to study materials before the board meetings, attend board and committee meetings, and attend board retreats.

Foundation board members also take on responsibility for absorbing information and attending board meetings, but they take on a much larger time commitment in terms of social interactions. A foundation board member may host a reception at their home, or participate in a lunch meeting or hospital tour with someone they know. “As a foundation board member you’re invited to many fundraising events,” Wood said. “Certain events are very important (and I make this clear to our board) while other events are optional. But when someone doesn’t buy a ticket to the annual gala, doesn’t come to the cocktail party to announce a \$3 million gift to the birth center, well, that tells me they may not be as engaged as we want them to be.”

### **Monitor Fundraising Plans**

Modern fundraising requires sophisticated plans related to annual campaigns, special events, and other initiatives. It requires detailed planning, and often several different plans in various time frames. The foundation board is responsible for ensuring that plans are developed in a timely, thoughtful way, that they are actually carried out, and that they are adapted as circumstances require. Often this responsibility falls to the development committee, a standing committee focused on developing fundraising strategies and monitoring their effectiveness.

Sometimes in addition to the development committee, a foundation board also has a separate stewardship committee, which focuses on the stewardship plan—how the hospital relates to its donors. After a major capital campaign, the board may create an ad hoc committee for stewardship to ensure that donors are engaged and supported before and after they fulfill their pledges.

The months just after a successful capital campaign pose special challenges. “At that point, there’s definitely an exodus of staff,” Sterling said. “Successful capital campaigns require hard work, so other organizations watch successful campaigns and recruit staff from them. It’s a natural cycle.” This means the foundation board needs to be sure there is a plan in place for continuity in spite of staff turnover. “In our firm we call this a sustainability plan,” Sterling added. “It builds upon and continues the momentum that developed throughout the campaign. We know that if that momentum is left to its own devices, it will drop.”

McGinly adds that while consultants leave after a major campaign, most staffing stays. “Following a campaign is a great time to bolster or enhance one’s major giving program with all these new donors. Particularly those who came forward with significant gifts for the campaign. These people have demonstrated great interest/commitment to the organization, and are likely ‘ready’ to build an ongoing relationship.”

### **Self-Assessment**

Foundation boards, like hospital governing boards, need to take some time for self-assessment to review how well the board is functioning as a whole. In addition, board self-assessment might include a review process for individual board members, to review their experiences and set personal goals for the coming years.

### **Limit Terms**

Many organizations put a limit on the number of terms a board member can serve. ProMedica’s policy for all its boards limits each member to two three-year terms. In some cases, a board member who has left one board may be invited to serve on a different board within the system. “Term limits are essential,” Rice said. “They enable high-impact board members to come on the board with a predefined commitment to a reasonable timeframe, and they allow for healthy

turnover within the board. They permit recruitment of new board members according to shifting foundation priorities, and they allow you to keep bringing in young blood which is the sustaining element of expanded philanthropy.”

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**“We’re interested in things beyond just healthcare. A well-balanced, vital, vibrant community is in everyone’s best interest. Our mission is to improve health and well-being; we take that seriously.”**

— Gary M. Cates, Chief Philanthropy Officer, ProMedica

### **ProMedica Fundraising Shifts into Top Gear**

ProMedica is a 13-hospital system, and its structures vary slightly due to historical patterns. 12 hospitals have their own foundation boards, while one has a philanthropy committee of the governing board. Many business units have their own foundation boards. “Between the operating boards and the foundation boards, we have over 500 community board members,” said Gary M. Cates, the system’s Chief Philanthropy Officer. “We’re very committed to this model, and we find that preserving the local voice in both the hospital operations and in seeking financial support makes great sense. Keep in mind that every one of our board members serves as an ambassador to the community.”

New members on both the operating boards and the foundation boards share a common orientation session that covers ProMedica’s history, how it operates, and roles and responsibilities of board members. At a recent half-day retreat, board members spent a good deal of time developing a philanthropic elevator speech. “We spent time talking about industry trends, how you respond to community questions, ProMedica’s plans for renovation and expansion, and how these plans tie into important community needs,” Cates said. “An educated board member is a great resource.”

At the same time, ProMedica’s fundraising is going through a period of impressive change. In the past, it has focused on specific events, such as a dinner or a wine tasting. “Last year we had 18 major events and our operations raised about \$8 million a year, so historically we’ve done a fantastic job,” Cates said. “At the same time, when we think about our current \$30 million campaign to build a new patient tower on the Toledo campus, we realized you can’t raise that sort of support through events and annual giving.”

Cates describes ProMedica’s fundraising as a work in progress. Five years ago, the system’s foundations generally operated in independent silos, with individual campaigns. Over the past year, the ProMedica philanthropy group has expanded from 15 to 43 people, most of them working together in a centralized office. There is now a system-wide events team to deal with the logistics of special events. The executive director of the foundation at an individual hospital can focus on working with a volunteer committee to raise sponsorships for the event and selling tickets, while the events team deals efficiently with ordering food and printing materials.

Similarly, ProMedica centralizes gift processing. A specialized team enters data into software, sends thank-you letters, and monitors payments on pledges. It’s important to maintain donor records and monitor the actual use of funds to ensure that it matches donor intent. ProMedica now has a stewardship officer who oversees this function for all foundations, while previously it was done at 13 different locations.

ProMedica added several major gift officers who benefit the entire system by working on various campaigns and floating among the business units. “Today we have seven major gift officers, which is a big increase for us,” Cates said. “Some organizations have many more, but

for us that's a good step forward." At the same time, the system is consciously cutting back on the number of events. In 2014 it held three major events in the Toledo area: a dinner for Toledo Hospital, a "Chef's Night Out" for Children's Hospital, and a wine-tasting at the CEO's home. In 2015, the three events will be consolidated into a single event.

ProMedica is starting to analyze its patient database and reach out to potential grateful patients. "We want to see a threefold increase in philanthropic funding on a sustained basis. How do we get there?" Cates asked. "We realized that we had never taken a systematic look at our patient base. Under HIPAA, we're allowed to analyze patient demographic information and department of service, but we hadn't done that. That is like a university saying it has never reached out to its alumni base for support."

ProMedica began working with Harris Connect, LLC, a company that consults with non-profit organizations to help them identify and communicate with current and potential donors and members. ProMedica took a three-year backward look at its patient base, and screened over 350,000 files for affinity to the hospital and potential capacity as donors. "Interestingly enough, we ended up with a list of about 200 former patients who, based on their past philanthropic activity in the community at large, have the ability to make very large gifts," Cates said. "We were already familiar with about 25 percent of those names, but we had no idea who the remainder were." Based on this information, ProMedica is now systematically reaching out each month with an appeal to patients, asking whether they are interested in becoming part of the hospital's philanthropic support team.

ProMedica also partners with other not-for-profit agencies, and considers this part of its community-based mission. When Bay Park Hospital held its annual fundraising dinner recently, all the proceeds went to support anti-obesity and anti-bullying programs in local schools. When the system held a major fundraising event recently, the proceeds went to support the Toledo Arts Commission, the Toledo Symphony, and a scholarship program.

Why does ProMedica choose to do this? "We are a major force in our 27 counties, and we believe that means we have responsibilities," Cates said. "We're interested in things beyond just healthcare. A well-balanced, vital, vibrant community is in everyone's best interest. Our mission is to improve health and well-being; we take that seriously. Through the ProMedica Ebeid Institute for Population Health, we are actively involved in the social determinants of health, and issues such as hunger and housing. Nobody else is coming to fix these problems, so we will be a force towards needed changes."

### **Fundraising As an Art, Not a Science**

When you talk with an experienced fund-raiser, it's a bit like talking with someone who goes deep-sea fishing, climbs mountains, or anyone who takes on a challenging, unpredictable, difficult project. "Fundraising is an art," said McGinly. "It's not like science where the physician always finds the kidney in the same place. You have to use smarts; you have to use your experience. We know that most donors come from the hospital family in the broadest sense: they are board members, employees, physicians, grateful patients, all those people who have been touched by the hospital and the services they received. But you always need a graduated approach, a subtle approach. You always adapt yourself intelligently to the particular circumstances."

As an example, McGinly tells a personal story about a good friend, an orthopedic surgeon who was disgruntled because fees had declined so much in recent years. He had no interest at all in donating to the hospital. "Then I took him to a seminar on planned giving and charitable trusts, and he learned how you can give money to the hospital that yields an income stream for the rest of your life, without incurring capital gains taxes," McGinly said. "Now he's a big advocate for planned giving, and brings it up when he talks with other physicians."

“When somebody says ‘no’ to you, it isn’t really a ‘no,’” McGinly added. “It’s just an example of the wrong ask. You always need to figure out what specific proposal will appeal to this person, what it would take to move them from ‘no’ to ‘yes’. We’re all human, so everything is a matter of perception and timing.”

Our healthcare system has entered a new era, and the traditional revenue model no longer meets our society’s needs. We want the newest technology and the most advanced procedures, but we want them yesterday and for less. “This funding gap creates an incredible opportunity for private fundraising, for grateful patients and innovative philanthropists to fulfill their own charitable dreams,” Sterling said. “At the same time, our hospitals won’t attract these high-caliber donors without evidence of strong foundation board leadership and strategic internal partnerships with hospital administration and operating boards. Our potential donors are sophisticated and selective. If we intend to compete with the cultural and higher-education fundraising goliaths, we must stop making excuses. We must empower and engage our quarterbacks—the foundation board.”