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A Healthy Approach to Fundraising Through Development Teams

by Charlotte Rhodes, A.C.F.R.E., C.A.H.P.

The fiscal challenges and harsh realities inherent in today's health care revolution are having a profound effect on philanthropic giving to hospitals. Donors have been disrupted by hospital mergers and acquisitions. Many hospitals are undercapitalized, and donors fear these institutions may not be around in a few years.¹ Traditional philanthropic corporate giving is shrinking. At the same time, changes in trust law and taxes are affecting how people give their dollars. Strategies are crucial to cope with this new environment.

To help counter shrinking budgets and program cuts, fundraising should be seen as an institutional priority—as a cost-effective, efficient system-wide entity.² Development departments in hospitals and cancer programs must assume leading roles in seeking support through individual, corporate, and foundation contributions, as well as grants, deferred giving, and memorial donations. All cancer programs should view charitable funding as a necessary comple-

ment to operational revenues.

Foremost, the institution must share a vision and values that are consistent with those of the donor. Hospitals and cancer programs must convince potential donors that they care for them, support volunteerism and public service, have a local community focus, and have a willingness to change. By matching your needs to theirs, you can help establish a mutually beneficial relationship and build a strong case for support.

Development is an ongoing process designed to bring an institution the resources needed to advance its mission. Development does not end with a specific fundraising or educational activity; each project must serve as a building block to the next. Program planners must be open to change and be willing to learn and improve, thereby enhancing their contributions.

SET YOUR GOALS

Before a development program can be truly effective, board and volunteer leadership must be evaluated and a strong case statement as to the merits of fundraising must be made. Then goals can be set. In brief, the

goals of a development office in a cancer program should be to:

- educate patients, the public, and health care professionals about the institution's services and programs
- improve communications with and services for primary and referring physicians
- offer comprehensive opportunities for giving to maximize donations and donors on an annual and long-term basis.

The chief development officer is responsible for building the institution's fundraising structure and managing the fundraising processes. He or she should not be relegated to chief fundraiser. Instead, the board of directors and volunteer leadership should be the fundraisers. The chief development officer works in concert with the chief executive officer—and with the support and help of volunteers and staff—to fashion the organization's fundraising goals and create a positive environment for fundraising. The CEO, who provides leadership and is available to make calls on major prospects, must respect the chief development officer as a primary senior management player.

The chief development officer must possess a wide variety of leadership qualities. Key to success is a leader who:

1. has an entrepreneurial spirit, high energy, and perseverance
2. can manage internal rivalries and act as a resource to the different departments
3. can combine fund development

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and marketing

4. is knowledgeable of the cancer niche

5. is able to quickly identify and solve problems

6. is flexible and has good judgment

7. has a wide range of interests that permits interaction with a varied donor population

8. has an external orientation; in other words he or she must be "in circulation," spending more time out of the office than in. Personal contacts are the background of development.

As multitalented as a chief development officer must be, no one person has all the ideas or answers. Ultimate success comes from the combined efforts and skills of professionals from a variety of departments within the institution.

INFUSE YOUR INSTITUTION WITH A TEAM-BASED APPROACH

In 1994 the Development Department of the Don and Sybil Harrington Cancer Center in Amarillo, Tex., initiated a team-based approach to organizational management. The goal was to increase staff efficiency and productivity, cope with the possibility of reduced funding and staff, and improve donor satisfaction. It also gave development staff the opportunity to gain trust from the clinical staff as team players, rather than being viewed with suspicion as outsiders. Planners realized that donors were affected by outreach, education, and marketing. Thus, it would be reasonable to bring those players together in a more global approach to institutional development and fundraising.

The Development Department set up program planning teams, consisting of groups of staff members from four institutional departments: marketing and community relations, cancer control/area outreach, internal relations and education, and development (Figure 1). Teams share in creating and carrying out programs, such as the corporate mammography or cancer control screening clinic programs, designed to meet development office goals and objectives while also furthering the institution's goals. Each program planning team draws on the interdependence of all team members, values their ideas and contributions, and thrives on cooperation. Each team member helps build the success of a program

area, and each shares in celebrating its success.

A case in point is our corporate mammography team. Rather than just asking a corporation for a donation, we chose a broader approach combining fund development with marketing, education, and outreach. The team made an initial contact with a local corporation, introducing our program and making an offer from our education team to provide breast cancer education for women in the corporation. Later, we were able to sign a contractual relationship to provide screening on site. Subsequently, the corporation agreed to participate in a fundraising event, the "Race for the Cure." We developed an ongoing relationship that led to other partnerships and continuous fund development. Today the team is working to market our corporate mammography to other corporations. Such team-based marketing and education strategies are helping to reduce internal costs and avoid duplication of effort, while at the same time expanding our donor base.

The chief development officer appoints development staff members to specific program planning teams

based on their job assignment and job description. Many staff members may be on more than one team. Others may be invited to participate in a specific team meeting if members believe such participation would benefit the group.

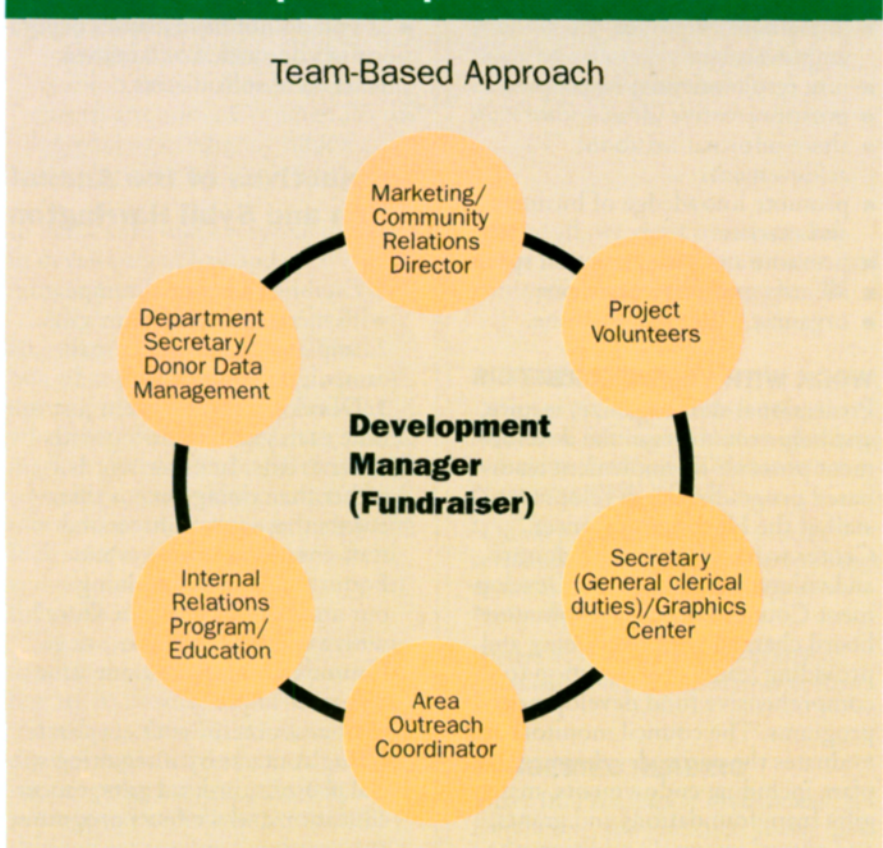
Team leaders are staff members whose job assignment includes primary responsibility for the program area addressed by the program planning team. The team leader calls, convenes, and conducts meetings, sees that the agenda is set, clarifies assignments for team members, and makes sure that minutes are prepared. Team leaders may choose to delegate some tasks, but they do not delegate the responsibility. In addition, the team leader ensures communication among team members, within and between meetings.

Under the guidance of a team leader, each program planning team at the Harrington Cancer Center bears the following responsibilities.

1. Decides goals and objectives for the program area within the context of the overall development agenda

2. Develops strategies and plans aimed at meeting the goals and actively participates in their accomplishments

Figure 1. Organizational Management of the Development Department



3. Brainstorms ideas and gives advice to the team leader that will enhance the success of the program
4. Builds a calendar for program activities and coordinates it with other development projects
5. Works to resolve conflicts and eliminate potential conflicts with other development program areas and institution priorities
6. Monitors ongoing progress and makes program adjustments as may be needed.

Because the success of the program planning teams rests in inclusiveness and collaboration, each staff member's responsibility to the team includes full and active participation in all team meetings as well as carrying out individual tasks that arise out of the team discussions and plans. Fundraising thrives on achieving consent among key groups. Each member's team performance and involvement is a part of the individual annual review.

The team-based approach has helped our institution to:

- identify customers and their needs
- set clear standards for staff and volunteer leadership
- abandon programs that do not work
- initiate change
- determine where to make an impact
- benchmark to similar institutions
- implement employee empowerment
- hire result-oriented employees
- nurture creative ideas
- share information about achievements
- promote knowledge of business and markets
- promote an entrepreneurial spirit
- identify and solve problems
- organize to get the job done.

WORK WITH VOLUNTEERS

Professional staff organize, inspire, and help volunteers in the development process. To implement team-based programs, the development staff at the Harrington Cancer Center work directly with donors and volunteers through the Development Council, which is a volunteer board charged with overseeing and providing leadership direction to the comprehensive fund development programs. The council monitors and evaluates the entire development plan, including endowments, major gifts from foundations and grants, and annual giving. In addition, the

council plans the annual recognition event for endowment trustees, physicians, and donors, and helps develop and implement special events.

The Development Council also monitors the Circle of Friends and the Harrington Cancer Connection. The Circle of Friends is a membership support group dedicated to providing support to cancer patients and their families, and providing financial assistance to the programs and services of the Harrington Cancer Center. The organization has more than 2,000 family memberships. The Harrington Cancer Connection is a community-based cancer organization with eight area cancer control coalitions actively working to promote a community cancer action plan in the Texas Panhandle. Our success with these groups is reliant on careful listening to what they say.

GO AFTER THOSE CORPORATIONS

Although corporate giving may be down, spend the majority of your time with corporations. Millions of uncommitted dollars are out there. Here are five tips that we have found useful.

- Target well-managed corporations that have long-time members and supporters and that are expected to have strong viability.
- If you do not have major corporations in your area, contact their smaller local subsidiaries.

- Market your program. Explain to corporations that giving to your institution is good for their business because it is good for the community, improves the quality of life for their employees, and can foster employee leadership.

- Use your board members as point people to get to the hearts of CEOs.
- Start a monthly corporate luncheon series. Invite CEOs and other executive officers of major corporations in the service area. Target programs that fit their interests, and stress what you can do for them.

Increasingly, a corporation's giving is becoming aligned with its strategic business goals. That's why it is important to find out about a corporation's values and mission before you approach the potential donor. For instance, you might choose to target a large supermarket chain, whose goal is, obviously, to increase sales. How can your institution help them achieve this goal? In cooperation with the chain, you might develop a card to give to all patients, donors, and employees. Each time they buy groceries at this chain, their card is scanned. At the end of each quarter, the store would give your institution a percentage of total sales. This is a win/win proposition. The supermarket chain gains new customers, and your institution increases its corporate giving.

Do not overlook "in-kind gifts." All health care institutions can benefit from donated computers and the

Objectives of the Annual Development Plan at the Don and Sybil Harrington Cancer Center

1. Establish an annual campaign with memorial and honor gifts.
2. Implement one direct mail campaign each year.
3. Develop a special event just one time each year and co-op with other events. In other words, rather than doing two or three events that sap volunteer and staff energy, combine events. For example, by combining our annual "Race for the Cure" with a special event gala, we go for underwriting only one time a year.
4. Be resourceful with corporate giving contacts by integrating special projects, in-kind gifts, cancer education and wellness programs,

- employee benefit plan solicitation, and monthly corporate lunches.
- 5. Initiate capital and endowment campaigns only when justified and when market research indicates a "go" signal. We are moving from capital campaigns to program and service projects, from institutional needs to community needs.
- 6. Always follow up with donor and volunteer recognition. When they are appreciated and see the value of their gift, they will give again.
- 7. Concentrate on major donors, with an annual targeted prospect list limited to 10-20 donors.
- 8. Establish opportunities for matching and challenge gifts.

expertise of corporate personnel to program these computers. Some corporations may be more willing to give of their employee time and expertise than to donate hard dollars. In-kind donations present wonderful opportunities to offset budget costs.

MOTIVATE YOUR DONORS

In 1982 Tom Peters and Robert Waterman authored a study of outstanding companies in their book, *In Search of Excellence*.³ The authors noted that a personal, value-driven approach results in greater accomplishment and growth.

To motivate donors you must know their values, what is important to them, and how you can fulfill their dreams. Donors are more motivated to give when they share an institution's values and vision. In addition, people must believe their gift will make a difference.

Donors give for a variety of reasons. Their motivation may be, for example, an internal belief in the cause, a desire for immortality, or a sense of responsibility. One donor may want to help others, while one may want the prestige that comes with making a large donation. Another may work toward having a chair or wing named after him or her, while another may request anonymity. It is important that you understand the varied motivations of your donors and follow their wishes. A successful development program must address the broad spectrum of individual needs.

Building relationships with donors takes time. To build trust, communicate consistently and project an image of organizational stability. As we become more aggressive in pursuing long-term planned gifts, it is crucial that marketing be done face-to-face through high visibility and networking. Personal marketing is the foundation of planned giving; that is why collaboration and team interaction are so effective. Cultivate all donors, not just the "big" ones. Build a prospect list from patients, volunteers, and previous donors. Once you identify these people, nurture them and build long-term relationships.

The key to a successful development program is accurate donor records, which require professional accounting and technical support. One of our program planning teams monitors donor data management

Give and Take: Who Are the Donors?

All too often fundraisers forget the value of market research and targeted approaches. Knowing who potential donors may be and where to find them is key to any successful fundraising program.

Research shows that the average donor is a middle-aged, married, college-educated woman with a median age of 43 and a median household income of \$39,000. This is an important audience to target.

The most generous donors are those who have named not-for-profits as beneficiaries in their wills. On the average, these people donate \$558/year, which is \$385/year more than the national median. People in their thirties, forties, and fifties give nearly twice as much as people younger and older. Target these audiences since they have the ability to give outright cash gifts and possibly deferred gifts later on.

More than 80 percent of donors to nonprofits also give to other places. That's why it is so important to read the annual reports of every organization with whom you are in competition. Study donor lists and contact these people and corporations.

Donors who drop off their check in person should receive special attention. Coming into the hospital or calling for information

about giving are key signals that these individuals are very interested and may have other gifts to give. Nurture these people. Also, listen to donors who bother to complain. If you are responsive to them, they will likely continue their support.

Where does donor money come from? About 5 percent comes from corporations, 6 percent from foundations, and 80 percent from individuals and bequests. Individuals, not foundation giving, is where the real dollars come from.

In 1994, individual contributions totaled \$129 billion. Although most people give through federated giving and the United Way, the 7 percent of all donors who gave to hospitals deserve your attention.

As Philip Converse of Converse Associates has stated, "Since most of the wealth is concentrated in the hands of 1 percent of the population, when the unprecedented \$10 trillion transfers to the baby boom generation, we can expect the rich to get richer and charitable organizations to continue competing for a piece of the fundraising pie." A well-planned, team-based program of donor education ensures market penetration.

to make sure that everyone involved in development has updated information.

An institution must set itself apart from its competitors. Find out what your competitors are not doing and do it yourself; find out what they do and do it better. Then, market your facility's differential advantage. Successful marketing is more than publicity and fundraising. It develops public support and citizen involvement needed to support the goals of the organization.

In summary, as professionals in fund development, our responsibilities are to present opportunities to individuals, corporations, and foundations for involvement. After laying the program groundwork, we must get to know our prospects through information and research.

Above all, we must motivate and make friends to develop interest and commitment in our program. ■

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