

Building a grateful patient donor pipeline through strategic events

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Abstract Founded in 1863, Hospital for Special Surgery (HSS) is a specialty hospital dedicated to musculoskeletal health. HSS is nationally ranked highest in orthopaedics and second highest in rheumatology by *U.S. News & World Report* (2016–2017), and has been ranked highest in these specialties for the past 25 years. HSS has a US\$1bn budget and is in the final year of a historic US\$300m *Your Life: Our Mission* fundraising campaign focused on building support for capital expansion, research and endowment needs that align with the Hospital's strategic plan. Central to the success of the campaign has been an effort to engage grateful patients, secure new donors and inspire greater levels of support. This paper provides an overview of our approach to building the pipeline of major donors through

strategic events and practical tools for the successful replication of this method, including ways to engage physicians and high-level volunteers in the fundraising process.

KEYWORDS: philanthropy, donors, events, major gifts, physician engagement, board, volunteers

DEFINITION OF TERMS

Provided here is a list of terms that are frequently used in fundraising and are mentioned in this paper.

Prospect — A prospect is someone who is likely to make a gift to support an organisation.

Major Gift/Donor — Each organisation has its own range of what is considered a major gift and thus who is considered a major donor. This is often affected by the maturity of the fundraising operation and the size of the hospital's budget. For some institutions, major gifts may be defined as contributions of US\$5,000 or greater, and for others US\$100,000 or greater. As a rule of thumb, a major gift should be 10 times what a donor would ordinarily contribute in a given year.

Campaign — A campaign is a focused effort to raise major support for specific purposes over a defined period of time, with a specific dollar goal. Campaigns are carefully organised and structured, involving high-level volunteers, leadership of the hospital and fundraising staff, with intense fundraising efforts for agreed upon priorities of the institution. During this time, volunteer leadership and donors are asked to stretch beyond what they might ordinarily contribute to help accomplish the campaign goals.

Front-line Fundraiser — Front-line fundraisers are staff members who are responsible for having direct contact with donors and prospects to solicit or orchestrate the solicitation of philanthropic support.

Grateful Patient — Grateful patients are those who have had a direct experience

with the hospital and are appreciative of the care and services that they received. These individuals are more likely to lend philanthropic support because of their personal understanding of the importance of the institution's work.

Physician Partner — Physician partners are doctors who actively assist with fundraising efforts. This can range from helping to identify individuals who would have an interest in supporting the work of the hospital to directly reaching out to request their consideration of support.

Prospect Portfolio — A prospect portfolio is a pool of individuals who are likely to support an institution and are assigned to front-line fundraisers who are responsible for identifying steps to actively move them towards making a donation.

Host Committee — A host committee is a group of people who lend their names to an event (listed on the invitation), and, ideally, suggest invitees, participate in outreach and provide insights or guidance (such as appropriate venue, programme, etc.) to ensure the success of the event.

Prospect Research — Many hospitals and other non-profits have staff members with special expertise in identifying prospects (potential donors) and assessing their likelihood of lending philanthropic support. Prospect research is essential to ensuring that fundraising efforts are focused on those who will have both the interest and the means to lend major support.

Pipeline — A pipeline organises prospects by their stage in the development cycle — identification, cultivation, solicitation and stewardship. It measures their progress from potential to active donor.

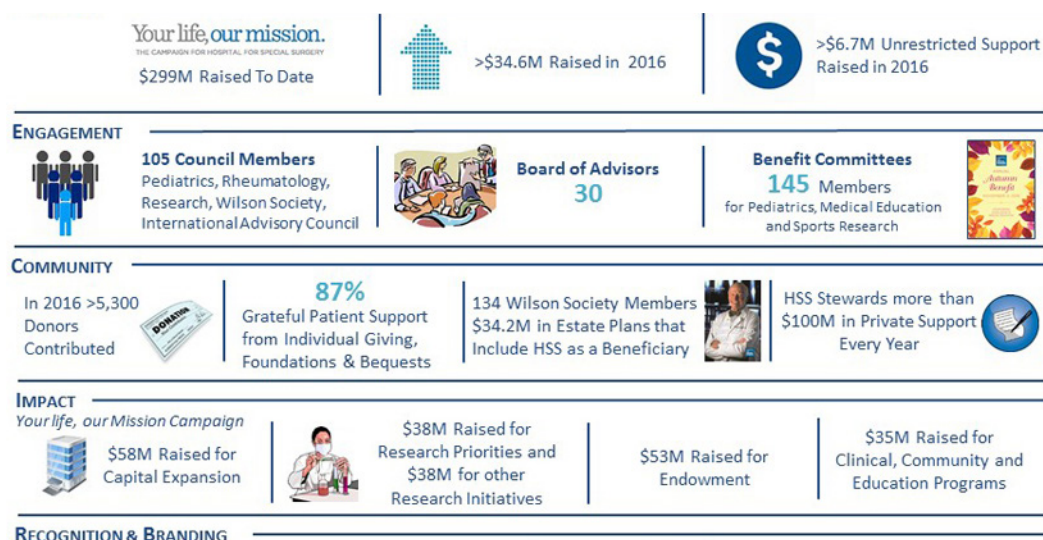


Figure 1: HSS Culture of Philanthropy

IMPORTANCE OF GRATEFUL PATIENT SUPPORT

Grateful patients are an essential source of philanthropic support for most hospitals and medical centres in the United States. At HSS, they are the largest segment of our philanthropic support, with individuals and family foundations typically contributing more than 80 per cent of the dollars raised each year (see Figure 1). In addition, a 2015 survey conducted by the American Association of Medical Colleges (AAMC) of 129 Medical Schools and Teaching Hospitals from across the United States showed that 81 per cent of the support received from individuals was likely from patients and/or their family members. This reliance on support from grateful patients is likely to remain a constant in medical fundraising. Therefore, identifying ways to improve our engagement of this group is essential to building support for the institutions we serve.

COMPETITIVE MARKET

The AAMC reported that 57 per cent of the institutions included in the

forementioned survey were involved in a major campaign, with median campaign goals of US\$325m. Additionally, increasing numbers of universities, art institutions and other major non-profits have announced US\$1bn-plus campaigns in recent years. As a result, the same donors are being tapped by worthy and prestigious institutions to lend major support for their work. In March 2017 alone, over 75 events were listed on *New York Social Diary*, a site where many New York City non-profits list their major events. For donors, this means that they receive a deluge of invitations to various events each month, and gaining their attention for an event is all the more challenging.

TRADITIONAL APPROACH TO EVENTS — BENEFITS AND CHALLENGES

Events have long been a mainstay of fundraising efforts for hospitals and other non-profits as a means of raising immediate support or cultivating potential donors. According to a report by the *NonProfit*

Research Collaborative, a coalition of the Association of Fundraising Professionals, Association of Philanthropic Counsel, Certified Fund Raising Executive International, Giving USA and the National Association of Charitable Gift Planners, 81 per cent of the 1,200 U.S. and Canadian non-profits participating in their 2015 survey use special events as one of their major solicitation or communications mediums.

Traditionally, these events are categorised in two ways:

1. **Fundraising events**, such as benefits or galas that have the primary goal of raising unrestricted support through ticket sales or sponsorships. For these types of events, efforts are focused on raising the most support possible around the event.
2. **Cultivation events**, where potential donors and those likely to increase their contributions if properly cultivated are invited to attend, but not expected to make an immediate gift. The goal of these events is to bring prospective new donors closer to making a gift and to increase the engagement of existing supporters. There is a major effort to fill the room with people who *could be* donors.

In both of these categories, the event is typically treated as a 'gateway' or a starting point on the path towards a potential major gift — a commitment significantly higher (10 times) than what a donor would ordinarily contribute on an annual basis. The development of a strategy to convert either a ticket buyer or an event attendee into a major donor begins following the event. Major challenges presented by the traditional model are as follows:

- **Getting the right people in the room**
By 'right' we mean the key prospects who are most likely to provide major support because of their:

1. *giving capacity* — financial means to make a gift that meets your organisation's definition of a major gift.
2. *track record of philanthropy* — history of making major donations to other non-profits.
3. *alignment with your organisation's mission* — demonstrated interest in what you would like for them to support through either past philanthropy or their own words and actions.

- **Keeping the attention of prospects and donors once the event is over**

In this traditional model, there is a race to follow up with attendees immediately after the event to cultivate or solicit them for higher levels of support. The excitement created by the event, however, can quickly go cold as guests tend to move on to the next item on their calendar.

- **Translating interest into action**

Events can be a powerful tool to educate and interest people in your organisation.

Without a 'call to action', however, that immediately lets attendees know how they can support the work of your institution, it can be difficult to translate the goodwill generated by the event into real donations.

'Events should never be just social. Even if the primary purpose of the event is to steward a donor or to cultivate new ones, there has to be a pitch for support. People feel let down if you don't deliver a good speech even if it is a small one. They want to know why they are there.' — Susan Shattuck, Co-Founder of Special Events Unlimited

NEW APPROACH: TREATING EVENTS AS AN 'ARCHWAY'

As we reached the midway point of the *Your Life: Our Mission* campaign at HSS and had already solicited support from many of our past donors, we had a need to identify and

engage new prospects capable of making major gifts to the campaign. It caused us to take a closer look at the way we used our events and to implement an approach to better outcomes that would address the challenges previously mentioned. As a result, we began to view events as an ‘archway’ or important move (rather than a starting point) towards a major gift. The archway approach is prospect-centred, and requires that an organisation begin by identifying its best prospects and use the event as a curated, strategic opportunity, designed specifically to engage those with the greatest potential to make substantial contributions. The bulk of the effort is focused on the lead-in to the event rather than the follow-up. The underlying goal (which drives every decision) is converting prospects into major donors, not filling the room with people who *could be* prospects.

FOUNDATIONAL COMPONENTS AND ESSENTIAL RESOURCES FOR THIS METHOD

Donor Analysis/Research: Grateful patient fundraising has become a standard practice and great source of support in medical fundraising. Hospitals in the United States have Health Insurance Portability and Accountability Act (HIPAA)-compliant methods for identifying the best prospects for major gifts. At HSS, our prospect research team plays an essential role — using HIPAA-compliant approaches to identify potential donors and partnering with front-line fundraisers to develop tailored plans for engagement. Our researchers are among the first to be consulted when we are considering plans for an event and provide important information that helps in approaching the right people strategically. Just as important, this information is used to determine whether there are a sufficient number of prospects with a particular interest to warrant an event and whether this is the most effective or economical tactic.

This practice of beginning with our priority prospects and donors has helped us to avoid unnecessary events or vanity projects that do not advance our strategic goals.

Board and Volunteer Networks: Board members and volunteers are often knowledgeable about peers in their networks and can provide helpful insights about how and when it is appropriate to approach them for support. They are frequently aware of other commitments, time constraints, interests and communication preferences. As high-level volunteers, they can also be the recipient of candid feedback (positive and negative) about the hospital. There is often an element of reciprocity when soliciting peers, and this can impact whether a volunteer is inclined to request support from someone they know.

Physician Partnerships: Events provide a natural opportunity for development staff to partner with physicians, especially those who are new to fundraising. These gatherings are social in nature and typically present information that casts the hospital (and the doctor) in a positive light, without the pressure of a 1:1 meeting. Doctors can share valuable insights and contribute to the success of events by:

- identifying grateful patients;
- lending their name to an event as a member of a host committee;
- participating in personal outreach before, during or after an event;
- strategising on who should be invited to an event, based on their personal interests and where they are in the solicitation process;
- anchoring a gala table with their guests.

Interest-Based Prospect Engagement: Grateful patients are more than just their medical experience. They are individuals with interests, passions and commitments that influence where they want to spend their time or lend their philanthropic support. At HSS, our prospect research

team helps us to look more closely at these other factors and to think about how we can engage donors based on what they care about beyond their association with the hospital. We currently have 24 special interest groups, including art collectors, equestrians, change-makers and cutting-edge science enthusiasts. (Example provided in Case Study#2 later.)

Host Committee/Volunteer Participation: Host committees should be constructed with the same care and strategy used for the creation of any fundraising committee. They are built from the top down, beginning with people most knowledgeable about the type of event you want to have and most influential with the people you want to engage. When considering who should be on a host committee, you should ask the following questions:

- Who can be the biggest draw for the people we want to attract?
- Who understands the cultural nuances of the group we are trying to engage and can provide advice on the content/approach that will resonate with this audience?

At HSS, we noticed that many of our most generous supporters were also major art collectors. We decided to plan an event to engage the art collector group, and recruited a grateful patient who is a trustee at a major New York museum to serve on the host committee. This committee member was able to share valuable insights about individual art collections, the period of art they were interested in and therefore who should be invited alongside whom for this specific event. We could not have obtained this information as quickly, accurately or nuanced from any research of our own. In addition, this person's name attracted other important figures in the art world to serve on the host committee, multiplying the draw for attendance.

BEST PRACTICES

Comprehensive Research: As previously mentioned, strong research is the essential first step towards developing an effective strategy for an event. This needs to be built into the event planning timeline as it will affect decisions about the host committee, invitees, programme, etc.

- Custom research is used to develop in-depth profiles on key prospects that will help determine who should invite a person, who he or she should meet, and what points of interest should dictate information that should be presented in interactions with them.
- Pay attention to the interests of major prospects. What are they passionate about, and do you have other prospects with the same interests?
- Keep a running list of high-capacity prospects that have been unresponsive to previous outreach. Connections (like an event honouree) or interests might present an opportunity to reapproach in the future.

Insights from Front-line Fundraisers: Front-line fundraising staff can provide valuable insights about the top prospects they are working to engage, their interests and connections. Events should be used as a tool to help them achieve their fundraising goals, with the main driver being who they are trying to reach or solicit for a gift in the next six months, and who the important players are that can help.

Treat the Invitation List as a Prospect Portfolio: The invitation list for an event should be managed and cultivated in the same fashion as a prospect portfolio.

- Front-line fundraisers are responsible for their own mini portfolio within this list. They play an active role in recruiting guests, constructing tables and coaching physicians.

- The strategy and steps for cultivating invitees should be discussed with frequency and take place before the event. The goal is to take advantage of the energy, excitement and anticipation of the event to inspire greater levels of support. This is preferred to following the event when interests may have waned.
- Front-line fundraisers should follow up with invitees to confirm their attendance. This can be used as a strategic move with a prospect rather than an administrative task. It is an opportunity to deepen the relationship, learn about their interests, update them on developments at the hospital, and potentially set a time for a meeting to discuss their support. The number and quality of the interactions leading up to the event can prepare a prospect for a more substantive conversation at the event and more serious discussion about giving.

Outreach Methods: The most effective outreach for events is both personal and strategic.

- It should come as no surprise that people are more inclined to attend an event when they are invited by someone they know and it is clear that their inclusion on the invitation list was thoughtful and personal. Conversely, it is very easy to say no to an event or a solicitation if you have the impression that you are one of hundreds on a mass mail list.
- The CEO/Dean, Trustees, physicians, committee members and/or important stakeholders should all have assignments for outreach to invitees.

Location Choice: Similar to the selection of host committee members, venue choice will influence who attends. When considering a venue for an event, the following factors need to be considered:

- Will the venue help to attract your target audience?
- Is it convenient for your guests?
- Is it appropriate for the audience, programme and topic being presented?

CASE STUDY #1 — COMMITTEE OR COUNCIL MEETINGS

Volunteer committee and council meetings can themselves be treated as events and used as opportunities to engage promising prospects and further conversations about support. At HSS, we have leadership councils that help to raise awareness and philanthropic support for paediatrics, research and rheumatology. We sometimes invite guests to attend meetings to hear presentations from faculty members and learn more about the Hospital. This is treated as a strategic move towards a major gift.

New prospects (attending as guests) are able to witness the endorsement and commitment of high-level volunteers and donors. The topics presented and agenda for the meeting are designed specifically to highlight the strengths of the institution and major funding needs. At a recent meeting of one council, we presented opportunities to 'adopt' a scientist by enabling interested donors to direct their support to the research of a young scientist or accomplished investigator. This allowed us to secure immediate expendable funds for research and provided donors with a more personal connection to work they supported. We have also planned individual meetings with donors immediately following a council meeting to use the momentum and excitement generated to secure major support.

CASE STUDY #2 — CULTIVATION EVENTS DESIGNED FOR 'INTEREST GROUPS'

In the process of identifying new potential donors for the Hospital, we came to realise

that there were a significant number of grateful patients with a strong interest in fashion. We had volunteers on our leadership councils with expertise and familiarity with this industry and decided to work closely with them to plan events that would attract and engage this important group. The first event was held in the headquarters of a luxury perfume company known for bespoke fragrances. Every aspect of the evening, including the host committee, invitation list and invitation design, was developed with the careful guidance of our expert volunteers. It was a marked departure from the traditional style and format of our events, and gave us access to a new audience with a high likelihood of providing significant support for a major research priority of the Hospital. The event was an important stepping stone in building support for this research, culminating with a fundraising benefit that achieved double its financial goal.

CASE STUDY #3 — BENEFITS AND GALAS AS ARCHWAYS

As with many other institutions, our decision about whom we want to honour at a gala is made carefully and frames the process of fundraising that takes place in advance of, during and after the event. In addition to raising immediate and unrestricted support for the Hospital, we use the gala as a vehicle for engaging prospects and donors in discussions about larger funding opportunities. The following techniques are the means by which we multiply the impact of this event:

- Front-line fundraisers call top prospective donors to solicit their support of the gala, but also to update them on the Hospital, learn more about their interests and explore the possibility of approaching them for a major gift. If appropriate, they will solicit a gala gift and major gift at the same time.

- Seating for the gala is done strategically to present important volunteers and leaders with the opportunity to engage top prospects, particularly those who have recently been or are soon to be solicited for major support. We have used the momentum leading up to the gala and good feelings generated by the event to help close a gift and also to quickly advance the discussion with a new prospect for major support.
- Leadership Councils/Committees can use the gala as an effective tool for engaging potential members and advancing conversations about new commitments. At HSS, members of our leadership councils have bought gala tables and then partnered with front-line fundraisers to invite prospects for the Council to attend as their guests. In this way, guests are able to socialise with current members and learn first-hand why they should consider lending their support.

WHEN AN EVENT IS NOT THE ANSWER

Susan Shattuck, Co-Founder of Special Events Unlimited, an events firm in New York City that has raised millions for a variety of non-profit institutions, shared that an event is not always the answer. An organisation needs to be ‘donor ready’, with the staff and programmes in place to take advantage of the goodwill generated by the event. As she puts it, ‘They (the organisation) need to be ready for the success and work that comes along with an event. They need to be prepared to reap the benefits and immediately act on the success and support they have gained.’

CONCLUSION

When a patient comes to your hospital for care, the experience can be memorable and life-changing. An event, executed

properly, creates a sense of shared intimacy and community among individuals who understand, appreciate and have first-hand knowledge of your institution. Using an event as an ‘archway’ for individuals prepared to make a gift will inspire greater levels of support for your hospital for the ultimate benefit of the patients you serve.

Important takeaways

- Events should be designed with fundraising goals in mind and a clear plan of action for engaging prospects and major donors.
- Strategic planning and research leading up to the event is essential.
- Translating interest into action is the purview of professional fundraising staff and should be part of the strategy before an event takes place.
- Grateful patients constitute the largest segment of philanthropic support in hospitals.
- Front-line fundraisers are the most effective staff for inviting guests and following up on RSVPs.
- Events can be used effectively as an ‘archway’ or touchpoint to initiate, renew or increase giving, or secure a meeting.
- Research can uncover new prospects who might be overlooked and illuminate details about inactive prospects that would make a targeted event appealing.