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## Governing a new generation of philanthropy:

Key leadership tools for success

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# Governing a new generation of philanthropy: Key leadership tools for success



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*Philanthropy has taken center stage again after the rapid growth of hospitals in the 1990s. It is an essential resource, not only because today's hospitals need the money more than ever, but also because great philanthropy helps forge rewarding relationships with the community.*

*In meetings with more than 1,000 hospital board members and leaders at The Governance Institute's 2007 conferences, it became clear that maximizing philanthropy in the future will require boards to enhance three initiatives: a bolder service mission, more effective stakeholder engagement tools and enhanced planned giving programs.*

*Health care philanthropy boards and the boards of their related organizations would be wise to devote time for robust conversations about their strategies for feeding the voracious capital appetites of contemporary health care systems and for examining their ability to govern a new generation of philanthropy.*

## Bridge building for billions

We all hear about the new era for the largest intergenerational transfer of wealth in the history of mankind, but how will boards governing philanthropy between now and 2020 capture their fair share of these billions? An examination of successful capital campaigns and planned giving initiatives suggests that “bridge building” is a prerequisite for success. These bridges should:

1. Cross the chasm between a donor’s passion and the foundation’s prayers.
2. Span donor generational differences.
3. Connect annual campaigns and special events to major gifts and planned gifting programs.

## Barriers to bridge building

Governing a successful philanthropy imperative using “bridge building” requires that high-performing boards overcome five classic barriers:

1. Fuzzy case statements that neither ignite passion nor invite intellectual curiosity.
2. Weak wisdom about donor priorities and passions.
3. Underinvestment by hospital system leadership in modern philanthropy strategic visioning, planning and prospecting.
4. Lack of digitally enhanced “tools of engagement” to nurture the expectation of donors and allow donors to follow and feel the results of their funding “investments.”
5. Unsophisticated gifting instruments for planned giving.

## Tools of engagement: A governance imperative

Leadership for successful philanthropy must break through these barriers or find ways to remove or work around them. Two tools are proving of value to leaders who want to achieve breakthrough philanthropy

performance in their race toward a high-performance health care system: *Aikido problem solving and joint strategic visioning charrettes.*

### Tool 1: Aikido problem solving

Would you like to be 100 percent successful in all of your campaigns? Your leadership team can greatly enhance the probability for this level of achievement by identifying and removing obstacles early in the process. Many leading organizations do this in a brief and efficient manner by applying a technique known as Aikido problem solving. This strategic tool is based on Aikido, a martial art that relies on circular redirection of the opposition to achieve a more protected or advantageous state. As practiced in a broader sense, Aikido focuses on working in harmony to resolve conflicts. Applied as a business problem-solving tool, Aikido allows health care philanthropy organizations to quickly and effectively engage strategic planning participants—board members, staff, advisors and even donors—with strong follow-up and follow-through.

The six steps of the Aikido strategy process are:

1. **Quick brainstorm** by the group to compile a list of obstacles to achieving the job at hand (obstacles to friend- and fundraising).
2. **Group prioritization** of the top three to five obstacles based on judgments about their relative importance and the likelihood of the obstacle’s occurrence (use simple voting to save time).
3. **Assignment** of each of the top obstacles to a small group, which then quickly defines the top three to five practical ways to remove, reduce or work around the obstacle.
4. **Small-group report of findings** to the entire team and compilation by the full group of a list of all actions that could be taken to attack the top obstacles.

Additional ideas stimulated by this group discussion are noted.

5. **Group prioritization** of the list of possible actions and selection of the top three to five actions, regardless of related obstacles. This list, which becomes the core of the overall action plan to accomplish the original job or goal, will constitute approximately 85 percent of a great plan; further discussion and work can generate additional ideas for the remaining 15 percent needed for full success.

6. **Documentation** of the action plan with a timetable and accountabilities. Get it done and celebrate your success in small steps along the journey of implementation.

The Aikido process also can help you engage the occasional recalcitrant participant. The tool is a deceptively simple technique for redirecting the negative energy of these individuals into positive action. By removing barriers to project or campaign success, leaders can increase their prospects for positive change and accelerated momentum building.

### Tool 2: Joint strategic visioning charrettes

Powerful philanthropy performance requires close collaboration between the community leaders governing philanthropy and those serving on the board of the related health care organization. One of the most effective ways to achieve this collaboration is through provocative and well-planned strategic visioning retreats. The most powerful approach to these joint strategy sessions is a “charrette.”

A charrette is a strategy process originally used by architects working together on complex projects. Many professions have adopted this powerful tool, particularly when multiple community stakeholders are involved in a project. As defined by the National Charrette Institute, a

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## Boards need fresh strategies to maximize philanthropy. Maximizing philanthropy yields better stakeholder relations; and better stakeholder relations yield more funds.

charrette is “a collaborative planning process that harnesses the talents and energies of all interested parties to create and support a feasible plan that represents transformative community change.”<sup>1</sup>

In the health care philanthropy profession, the charrette joint visioning process typically contains the following attributes:

1. **A multiple-day event** that is professionally planned and facilitated as a joint session of the development and health care organization boards and the senior clinical and administrative leaders.
2. **A focus on developing a**

**shared vision** of how the health care organization should look and behave in the future, and the capital needs most suitable for philanthropic support.

3. **Visioning and strategy conversations** during the charrette should balance the clarity of the vision and the capital case statement messages that spark the passions of multiple stakeholder groups, including patients, the community, employees, physicians, boards, donors and bondholders.
4. **Time for exploring** how bold fundraising strategies and systems will be secured to achieve the

capital dimensions of the resultant campaign(s).

5. **Conversations and relationships** nurtured among board members to help foster mutual respect, ownership and a joint willingness to make a shared journey to achieve the health care organization’s vision.

A charrette is an iterative process that encourages board and staff to think about the strategic challenges and opportunities for their health care organization 10 to 15 years into the future. This visioning is most often held in conjunction with the presentation of alternative scenarios

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# Planned giving: A keystone to future philanthropy success

Hundreds of conversations with leaders of high-performing health care philanthropy boards, as part of The Governance Institute's research efforts, have made it clear that a strong planned giving program is essential for success today and to maximize philanthropy in the future. The promise of planned gifts, however, will not be fully achieved unless the board leadership embraces the following five essential initiatives.

1. **“Hardwire” planned giving strategies** to the vision forged from the work of your boards' joint strategy sessions—link passions to priorities, plans and personal tax planning.
2. **Secure experienced and creative professional advisors** from the tax, accounting and insurance fields. Establish a volunteer planned giving advisory council of three to five experts as well as one or two retained consultants to actually establish and help manage complex gifting instruments.
3. **Transition the paper strategic visions and the paper instruments for planned giving to digital Web sites**, online gifting, and digital donor communications that continuously nurture a positive relationship with, and the interest of, planned giving donors. Their first commitment of a planned gift need not be their last or only expression of philanthropic support.
4. **Establish a dedicated planned giving section on your Web site** that offers bold and engaging expressions of your program with these features:
  - Emotional stories about the people served and the people serving those people—nurses, physicians, allied health professionals.
  - Video clips of your best board spokespersons delivering powerful messages.
  - Examples of what programs, services, technologies and facilities are being supported by planned giving funds and friends.
  - Interactive opportunities to donate ideas, time, talents and treasury.
5. **Provide periodic and carefully scripted online news** to give planned givers a personalized look at how their support is yielding good return on investment and leveraging tangible results.


about the health care market and the health care organization and how the organization should look and behave in an idealized future. The participants then ask challenging open-ended questions such as: How would we describe the ideal patient experience in the hospital of the future? What are the

implications for our health care facilities, technologies, processes, systems, staffing and culture? Given these system and organizational design parameters, what are the implications for capital funds? What should the development board and staff do today to begin planning and preparing for the future?

A superintendent of schools who participated in a weekend community health care charrette event shared with me recently, “This process opened our eyes to the need to build an entirely new school-based clinic program for elementary kids. It is a three-way winner between the school district, the hospital and the foundation. The charrette process supported us to keep moving through the options and implications until we got it right.”

## Maximizing philanthropy

Boards need fresh strategies to maximize philanthropy. Maximizing philanthropy yields better stakeholder relations; and better stakeholder relations yield more funds. More funds yield a greater range and quality of services. Great hospital services yield more friends—friends in the community, among employers, among physicians, politicians and payers.

Achieving maximum philanthropy results requires great resources that are human, political, technological and economic. And finally, successfully governing a new generation of philanthropy requires that boards become comfortable with and effectual at developing contemporary strategies that build bridges and minimize barriers. 

## Reference

1. National Charrette Institute Web site, [www.charretteinstitute.org/charrette.html](http://www.charretteinstitute.org/charrette.html).

*Editor's note: For more resources on the Aikido and charrette tools, please visit the AHP Journal supplemental information section of the AHP Web site at: [www.ahp.org/ahpjournal](http://www.ahp.org/ahpjournal).*