

Executive Summary

Annual giving is the foundation for all giving. It is rare that a constituent becomes a donor at the major giving level, so more often than not, the annual fund is the entrance point for a donor’s lifelong giving. Every nonprofit organization should invest in building its donor file, and healthcare organizations are no exception because the principal source of new donors for any healthcare organization is its patient database. The development of your donor or house file is an investment that will pay multiple dividends over the lifecycle of your program.

Contents

Sources for Donations.....2
 Why Patients Give.....2
 Ways Patients Give.....2
 The Patient to Donor Conversion Process2
 Cultivation: It’s More Than Just the Ask.....3
 Fundraising Ambassadors.....3
 Solicitation: Making the Ask.....3
 Stewardship.....4
 Evaluate & Analyze5

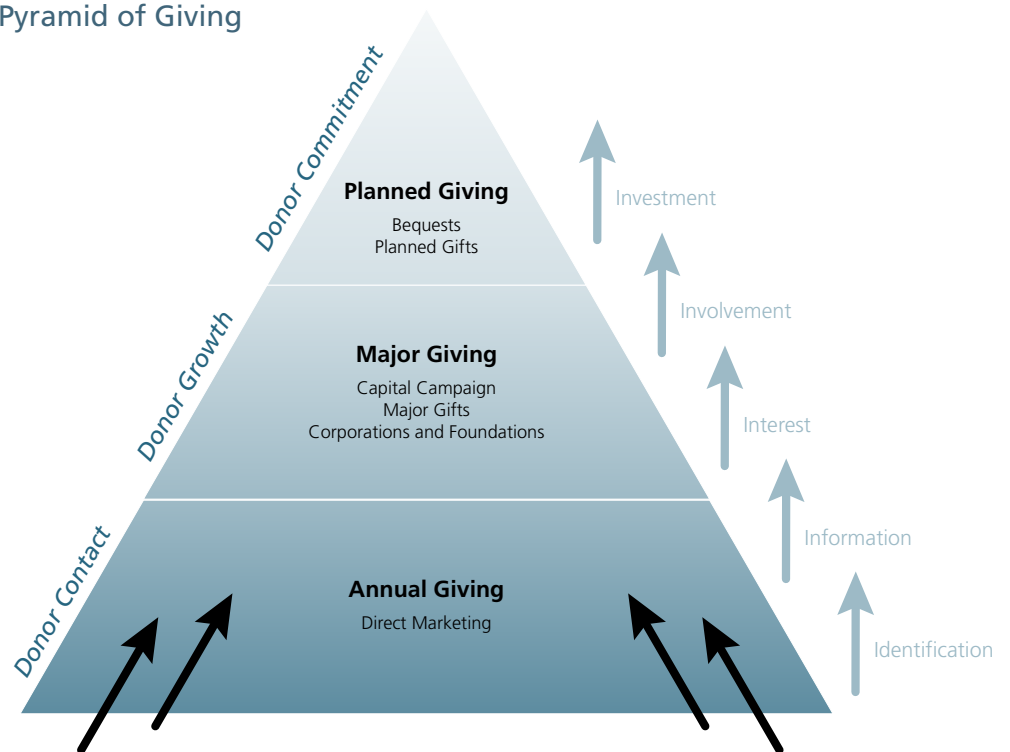
Ask Your Patients for Money? *You Bet!*

Patient to Donor Conversion: An Investment for Healthcare Organizations

Stephen Mally, Principal Consultant, Blackbaud Direct Marketing

Most nonprofit organizations have a built-in audience from which they can draw donations. This audience is made up of constituents who have strong loyalty to the organization, for one reason or another. Higher education institutions have alumni, museums have members, and hospitals have grateful patients as their primary source for prospective donors. Grateful patients are a built-in audience that every healthcare organization ought to tap. So when people ask, “Ask my patients for money?” Your answer should be, “*You Bet!*”

Pyramid of Giving



Sources for Donations

The best source of donors for a healthcare organization is the patient file. Other sources of new donors include:

- ♦ Educational programs
- ♦ Healthcare screenings
- ♦ Special events
- ♦ Outside lists (national health organizations and other related causes)
- ♦ Other donors

Utilizing the patient database as a source for acquiring new donors is less costly than renting another organization's donor list. Plus, the patients on your patient file have a stronger affinity toward your organization than, for example, constituents on a list you might rent from another nonprofit.

Convincing patients to give to your organization often requires that you ask repeatedly until they buy into your mission.

Why Patients Give

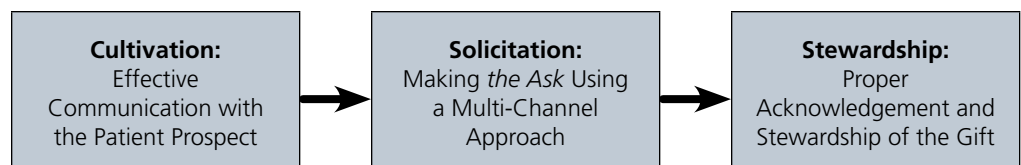
Like most donors, patients often do not give the first time they are asked. Convincing patients to give to your organization often requires that you ask repeatedly until they buy into your mission. Patients give because they are asked not once or twice, but *many* times. Patients give when there is a trigger to give, such as a lifesaving measure, a good customer service experience, or because you have created a particular motivator. They also might give because they feel compassion towards your mission, and they might renew or increase their giving because their previous actions have been reinforced through proper stewardship. Good stewardship is the best way to increase the frequency and lifespan of a patient's giving.

Ways Patients Give

Your organization will need to make it convenient for a patient to become a donor. Convenience is a major motivator for a constituent to make the leap to becoming a donor.

Direct mail is typically the main way healthcare organizations solicit donors. Additionally, telemarketing, electronic communications (email, newsletter or online giving via your organization's website), and personal solicitations are extremely effective ways to make the ask. Many healthcare organizations are building multi-channel solicitations into their strategies, such as combining a direct mail appeal with a followup telephone call, or an email notification followed by a direct mail appeal.

The Patient to Donor Conversion Process



Communication with the patient should always be a year-round process, not just when making the ask. Be sure to communicate with your patients *before* you make an ask, *during* the ask, and *after* the gift has been made.

Cultivation: It's More Than Just the Ask

Communication with your patients is crucial to building and maintaining a patient-to-donor conversion program. Communication with the patient should always be a year-round process, not just when making the ask. Be sure to communicate with your patients *before* you make an ask, *during* the ask, and *after* the gift has been made. Communication is imperative during the cultivation, solicitation, and stewardship phases, and it ought to occur using mixed media, including print, electronic, and audio/video. Sample effective communication vehicles for a healthcare organization include:

- ◆ Patient newsletters
- ◆ Magazines
- ◆ Electronic newsletters
- ◆ Annual reports
- ◆ Carousels in the patient waiting rooms (captive audience)
- ◆ Signage and displays throughout your facility

Fundraising Ambassadors

Each of your healthcare organization's employees is a fundraising ambassador. Oftentimes, healthcare professionals do not see fundraising as part of the job. While all of these ambassadors might not actually make an ask or be part of the effort to capture the first gift or a major gift, each person who comes into contact with a patient prospect plays a crucial role in building the relationship that will lead to the ask. Crucial players in this process include physicians and nurses, who typically spend the most personal time with any patient. And while physicians often have limited time to spend with patients, the nurses tend to spend more time building relationships with them. Other crucial players include the reception desk staff, financial services staff, cafeteria staff, and volunteers. If your organization offers a friendly and welcoming environment with employees who are proactive with their customer service, you will create a winning environment for the patient and clear motivation for the patient to convert to becoming a donor.

Solicitation: Making the Ask

All solicitations begin with a plan. Effective strategizing and planning can lead to a successful solicitation. You should create a strategy to test the number of times you can solicit patients in a given fiscal year, keeping in mind that you want to push the envelope without creating fatigue among your patients. And always ask for the *right* first gift.

Test

When we graduate from school, we think our testing days are behind us. But testing occurs all the time in direct marketing! We test to try new strategies or to validate old ones. In your healthcare organization's patient-to-donor conversion program, you should test various components of your program to find the right fit for converting your patients to donors. Consider testing proper ask amounts. Do your patients respond to a high initial ask amount, a variable ask string, or a low dollar set amount?

Test Copy

Does a patient story work best, or would copy about your *US News & World Report* rankings perform better?

Test Packages

Try both non-premium and premium packaging.

Test Mailing Months

If you reside in a part of the country that empties out in the winter or summer months, you might want to send *test* mailings during that time, but spend a majority of your budget mailing during the other nine months.

Utilization Segmentation

Create a two-dimensional model based on: recency of patient visit and frequency of the patient visit. With donors, we base our segments, for the most part, on recency, frequency and monetary (RFM) strategy. Likewise, your organization will want to segment patients based on recency (date of last patient visit), frequency (how many patient visits they have had in that date range), and segmentation. You could even add a third dimension, such as total number of visits, or, perhaps, the length of time they have received services from your organization.

It is crucial to acknowledge a gift and thank the individual or organization quickly and accurately as soon as it is booked and received.

Stewardship

Proper Acknowledgement and Stewardship of the Gift

It is crucial to acknowledge a gift and thank the individual or organization quickly and accurately as soon as it is booked and received. Thank the donor immediately and no later than 48 hours after the gift arrives. Remember, you are developing a relationship with the new patient donor, and you want to create a positive experience for the new donor.

New Donor Welcome Package

Many healthcare organizations offer a new donor welcome package for the new patient donor. If you decide to implement a new donor welcome package as part of your strategy, be sure to make it *meaningful*. Include things that are useful to the new patient donor, such as a coupon for a free cup of coffee on the next patient visit, a map of your facility, a card with the ten most frequently dialed numbers at your healthcare facility, and other items that have convenience value.

Include a survey in the new donor welcome package to offer opportunities for the newly converted donor to offer you feedback and to express an interest in programming at your organization. This survey will offer you an opportunity to gain knowledge of the donor and to track various pieces of information in your database.

Also include a giving envelope with the acknowledgement and in the new donor welcome package to allow the newly converted donor an opportunity to express greater affinity to your organization. Code these envelopes to track any gifts that result. Remember, this is about making giving convenient, and it is about more than the first gift. As a fundraiser, you need to acquire new donors and get a second gift as quickly as possible to justify the investment you are making in the patient conversion program.

Volunteer Calling Program

Volunteers seek opportunities to contribute in a meaningful way to your healthcare organization. One opportunity you may offer is for them to call new donors to welcome them to your giving family.

Each week, you should provide your pool of phone volunteers a list of newly acquired patient donors. Ask the volunteers to call each of the new donors to welcome them to the giving family and to talk with them about their patient experience, why they decided to give, and to answer any questions they might have as a new donor or as a patient. Use the calls to offer information and to gain information. Document the responses in your database. As the donor's relationship with your healthcare organization solidifies, you will find this type of interaction and the information gained from the call invaluable.

It is important to evaluate and analyze each component at every stage of your program.

Evaluate & Analyze

Finally, it is important to evaluate and analyze each component at every stage of your program. Put tools in place that enable you to watch over your program with frequency. Tweak the program based on your evaluation and analysis weekly, monthly, quarterly, and, of course, annually. And always be sure to discuss your programming with colleagues within the development department, within the healthcare organization, and outside the organization.

Stephen Mally has more than 20 years of experience in the nonprofit sector. Before becoming a principal consultant for Blackbaud's Direct Marketing team, he worked in a variety of healthcare- and disability-related nonprofit organizations, including the Alzheimer's Association, Joslin Diabetes Center, Chicago House, AIDS Action Committee, Lahey Clinic, and the Association for Retarded Citizens, in annual giving, major gifts, corporate and foundation relations, operations, and management roles. Stephen received his Bachelor of Arts degree from the University of Wisconsin, where he majored in communication arts and political science.

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about Blackbaud

Blackbaud is the leading global provider of software and services designed specifically for nonprofit organizations, enabling them to improve operational efficiency, build strong relationships, and raise more money to support their missions. Approximately 19,000 organizations use one or more of Blackbaud products and services for fundraising, constituent relationship management, financial management, direct marketing, school administration, ticketing, business intelligence, website management, prospect research, consulting, and analytics. Since 1981, Blackbaud's sole focus and expertise has been partnering with nonprofits and providing them the solutions they need to make a difference in their local communities and worldwide. Headquartered in the United States, Blackbaud also has operations in Canada, the United Kingdom, and Australia. For more information about Blackbaud solutions, contact a Blackbaud account representative.

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