



# THE ROLE OF THE CEO IN PHILANTHROPY

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Foundation board members spearhead efforts to advance philanthropy for the supported health care organization. However, their charge is not to shoulder this responsibility alone. Instead, this mission is carried out in partnership with other organizational allies including the health care organization CEO. The CEO not only enunciates the organizational vision to engage and inspire donors but also marshals various forms of internal and cultural support. Foundation board members can strengthen their philanthropy efforts by understanding the growing role of the CEO in order to develop a productive and proactive working relationship.

Progressive CEOs recognize philanthropy as a core strategy and business strength to provide operational and capital dollars for organizational advancement. Having a high-performing philanthropy program has also become another valued sign of financial fitness; ratings agencies list the existence of a successful philanthropy program as an attribute of a sound health care organization. However, realizing philanthropy's true potential relies upon the CEO

not only recognizing the financial benefits but also in taking on a proactive role in areas where he is uniquely

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positioned to convey his vision for the future, to give donors confidence, to provide critical internal support, to drive a culture for philanthropy and to rally the meaningful engagement of key organizational advocates including physicians.

While much attention is focused on the CEO's external roles in advancing philanthropy, the CEO's donor-facing role is the proverbial "tip of the iceberg." The CEO's greatest potential value in advancing philanthropy is found within the walls of the health care organization. The symbolic and tactical importance of the CEO in

# THE PYGMALION BOARD EFFECT

prioritizing philanthropy within the organization cannot be overstated. No other organizational leader has the stature and relationships to single-handedly deploy the organization to advance philanthropy—or not. The CEO uses her verbal support, physical presence and active modeling to signal that philanthropy is important, to elevate it on the agenda, to set expectations, to unleash resources and to build momentum with advocates.

## 7 THINGS

YOUR HOSPITAL CEO CAN ENHANCE PHILANTHROPY AT YOUR ORGANIZATION:

**1** Demand a lot from philanthropy. No longer a structure just for special events like the golf tournament and the annual ball, the foundation has the capacity to be a dependable, substantive business line with a high return-on-investment. The CEO should create the expectation for a high-performing foundation and should measure philanthropy metrics on the organization's dashboard.

**2** Build a philanthropy culture throughout the organization. CEOs should advocate for philanthropy as a strategic, mission-aligned endeavor; connect giving to daily life by showing its relevance to everyone's work; and share stories to illustrate how philanthropy touches and saves lives. Through the efforts of the CEO, his executives and their managers, a commitment to philanthropy can cascade through the organization to not only add purpose to the work but also to ensure everyone is informed and prepared to express the value and opportunity of philanthropy.

**3** Encourage the sharing of grateful patient stories. The CEO is key to creating an organizational culture that encourages ALL members of the hospital team - caregivers, support staff, physicians, volunteers - to actively be aware of those who are grateful and may want to get involved...and to share this information with foundation leaders. The CEO should consider starting every leadership meeting by sharing a grateful patient story, rotate this responsibility among the leadership team, and expect managers to use this practice in staff meetings.

**4** Facilitate physician engagement. Grateful patients are most likely to make a gift of significance to benefit the healthcare organization, and many say physicians are often the focus of their gratitude. Yet, the moment

when a patient or family member expresses gratitude is often dismissed or goes unnoticed. CEOs can assist with facilitating access to physicians by the philanthropy team to enable education about how to accept expressions of gratitude in a way that affirms and enriches the patient experience and to introduce those who would be interested in sharing their stories or getting involved to the foundation team. With lots of priorities for physicians these days, CEO endorsement can be pivotal to meaningful physician participation.

**5** Share strategic information with the VP Philanthropy. Armed with details about hospital strategy and future direction, the philanthropy executive can better share the case for support and drive alignment that maximizes the impact of charitable giving. If the philanthropy executive is going to be positioned as a surrogate for the CEO in some donor relationships, she needs to have the information and credibility to represent the organization well. Many CEOs heal the potential information gap by positioning the foundation executive on the senior leadership team.

**6** Ensure tight alignment between strategic priorities of the healthcare organization and the funding priorities of the fund development organization. Many organizations squander the impact of philanthropy by allowing charitable dollars to benefit low value activities and initiatives. This most often occurs when items that rank highest during a capital or budget planning process are funded, while "marginal" items are left on the chopping block and given to the foundation. However, it is important to harness the power of philanthropy by ensuring it is directed toward high-value initiatives that are tightly aligned with the organization's highest strategic aspirations. Assurance that donor dollars will have a genuine impact is essential to attract major donors who are inclined to direct their most significant giving toward high-impact, high-visibility projects that are central to the hospital's strategic plan and core mission.

**7** Make adequate investments in the development program. Most foundations are financially supported by their health care organization. Sometimes, the CEO needs to ensure others in the organization recognize the fund development enterprise is a revenue center rather than a cost center and to advocate for investment in fund development staff and programming consistent with the level of financial opportunity that exists.

CEO engagement in both practical and symbolic roles is critical to optimize fund development efforts. While many internal roles in advancing philanthropy can be moved forward in a lesser capacity by others, the influence and expectation-setting of the CEO is unmatched in building the internal platform for performance.

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