ANNUAL MEETING & EXPOSITION **09**

ASAE & THE CENTER FOR
ASSOCIATION LEADERSHIP

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Executive Summaries

Key Takeaways
From 24 Selected Educational Sessions

**Produced for ASAE & The Center
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Annual Meeting & Exposition

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General Session: Building Your Organization for the Future

▪ Speaker: **Gary Hamel**, Founder, Management Innovation Lab; Author, *The Future of Management*

Overview

Too often organizations don't change until there is a crisis. But to survive and thrive in today's climate of unprecedented and accelerating change, associations must change how they manage. Key challenges that must be overcome include resistance to change, lack of adequate ideas and strategic options, political challenges in allocating resources to pursue new ideas, and low employee engagement. A new way of managing is needed that inspires employees to bring their passion and creativity to work and encourages them to generate new ideas. The future's winning organizations will evolve new systems of management faster than competitors.

Context

Mr. Hamel explained why associations must change how they manage: to keep pace with a rapidly changing environment.

Key Takeaways

▪ **Organizations must be able to change as fast as the world is changing.**

We are living in extraordinary times. The world is changing at an exponential pace for which there are no precedents. Long-held assumptions about customers, business models, competition, regulation, and technology no longer apply.

> *"The pace of change has gone hypercritical. There are lots of stresses. We have to figure out how to deal with them; how to thrive in this environment."*
> — Gary Hamel

Most organizations are not equipped to deal with this pace of change and as a result aren't faring well. In the private sector, volatility of revenues and earnings has increased, the probability that a company will experience a deep financial crisis has grown, and CEO tenure has declined.

> *"The world is becoming more turbulent faster than most organizations are becoming more adaptable."*
> — Gary Hamel

▪ **In most organizations, transformational change requires a crisis.**

Organizations go through two types of changes: incremental and transformational. Incremental changes might entail offering a new product or service, or entering a new segment. Such changes don't involve changing an organization's core assumptions.

Transformational changes usually occur only following a crisis. In most instances, organizations run into problems when power is concentrated in a small number of leaders whose assumptions and mental models become outdated. These outdated mental models result in a crisis, which forces deep strategic change—and usually requires a change in leadership. Examples include IBM and General Motors. Crisis-driven change, while common, is far from ideal. It is late, expensive, and wrenching.

> *"Almost always, deep change is crisis driven."*
> — Gary Hamel

In the next few years, most associations will be challenged to change. The key is to avoid crisis-driven change by making change proactive, opportunistic, and continuous. This requires changing how organizations change by making organizations more adaptable. Organizations that figure out how to adapt and change will survive and thrive.

▪ **Organizations that want to change how they change must overcome critical challenges.**

These challenges are cognitive, strategic, political, and ideological.

Cognitive

The challenge is to overcome denial. For organizations that are locked into existing mental models, when a new idea is presented, it is dismissed and then rationalized. An organization then tries to mitigate an idea before confronting it. An example is how music companies reacted to online music. They first dismissed the idea, then rationalized it, believing it held no appeal for consumers. They then tried to mitigate it through lawsuits. It took considerable time before they accepted and confronted this concept.

Dealing with this cognitive challenge requires:

— *Treating beliefs as hypotheses.* Don't accept beliefs as gospel. Beliefs—on what customers want or on how an industry operates—should be viewed as hypotheses that need to be continuously tested.

— *Listening to dissidents.* Often dissidents aren't listened to and are kicked out of organizations. Dissidents must be allowed and even encouraged to speak up and challenge the status quo.

— *Challenging industry dogma.* Breaking out of established mental models requires challenging accepted orthodoxies on "how things are always done." Previously, video game makers had a belief that people played video games sitting down. Nintendo challenged this, which led to the development of Wii.

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Strategic

Even if an organization can overcome the cognitive challenges and accept that change is necessary, change requires having adequate strategic options. Most organizations don't create enough strategic alternatives to break away from the gravitational pull of the past.

Developing strategic alternatives is a numbers game. An organization needs 1,000 ideas to produce 100 worth considering; 100 ideas worth considering are needed to identify 10 experiments worth launching; and 10 experiments are needed to identify one potential breakthrough. Too often when organizations are developing their strategy they rush to converge around a few ideas without having first diverged and generated thousands of ideas. Strategy development needs to be a more transparent and participatory process.

> *"As an association leader, you don't know where your next great idea is going to come from . . . that's why you need thousands of ideas to find the great one."*
> — Gary Hamel

Political

When an organization comes up with great ideas, it must be willing to allocate resources to support these ideas, which is difficult politically. Organizations tend to over-invest in "what is" and underinvest in "what could be." This is because existing programs have powerful constituencies with budgets and resources, and new ideas don't.

A way to overcome this challenge is to create a process where any employee can petition for time (perhaps 20% of their time) and money (just a few thousand dollars) to conduct an experiment about a new idea.

> *"Organizations need to get better at moving small amounts of resources behind lots of new opportunities."*
> — Gary Hamel

Ideological

Organizations were not built to be adaptive. The management models that have been used for the past 100 years were built for a manufacturing economy.

These models solve problems of execution, scale, and productivity. They were designed to manage large numbers of people to deliver consistent results through discipline and rules, and by treating people like robots.

The most important problems faced today by associations and other organizations are not execution, precision, scale, or productivity. The most important problem is building a highly adaptable organization that can adapt in a rapidly changing world. An adaptable organization must be innovative; an innovative organization must engage the people who work there. The world is no longer a manufacturing economy or a knowledge economy. Today's world is a creative economy.

In a creative economy, what employers need from employees has changed. Previously, employers wanted obedience ("do what you are told"), diligence ("work hard"), and intellect. Today, those attributes are commodities. Success in a creative economy requires employees who have initiative, creativity, and passion. However, research shows that fewer than 20% of employees are highly engaged. They don't feel their contributions matter.

The role of leaders should not be to get people to serve the organization. Leaders must create an environment that inspires people to bring the best of themselves to work. Initiative and creativity are gifts; people can decide whether to give these gifts to their employers or not.

> *"The role of leaders is to create an environment, a goal, a mission, a setting where people are inspired to bring the best of themselves."*
> — Gary Hamel

There are alternatives to management as usual. Examples were shared of companies that have eliminated titles and expense policies, devising innovative ways to engage workers while maintaining organizational discipline. Proceeding with such models requires distinguishing between "what" an organization wants to accomplish and "how" it is achieved.

General Session: Engaging Community and Celebration of the Profession

▪ Speaker: **Charlene Li**, Co-author, *Groundswell: Winning in a World Transformed by Social Technologies*

Overview

Too often, associations' member engagement attempts fall flat, lacking the human element that deep relationships require. The social media groundswell provides an ideal opportunity for associations to play a more meaningful role in members' lives, cultivating engagement and all of its benefits.

The groundswell is often viewed as a threat versus an opportunity, with organizations fearing loss of control. But this threat exists whether social media are embraced or not, as the groundswell has shifted power from organizations to individuals. Failure to recognize the power of the groundswell poses the threat.

Associations that understand the groundswell's power can harness it to their advantage. A social media strategy is required, driven by practical approaches that result in stronger member/association relationships.

Context

Ms. Li, co-author of *Groundswell: Winning in a World Transformed by Social Technologies*, explained the engagement opportunity for associations presented by social media.

Key Takeaways

▪ **Associations' member engagement efforts often fall flat, missing the critical human element.**

Organizations that want to cultivate engagement must build communities who care about their product, service, or mission. Associations have ready-made communities of like-minded members, trustees, and volunteers.

But there is a problem in the way that many associations try to engage their communities. Messages are pushed out and "shouted"— sometimes repeatedly. These messages are often so crafted and controlled that recipients can't detect a human behind them.

> "With a barrage of messages, viewers don't see faces. This is not people talking to each other."
> — Charlene Li

Moreover, shouting prevents listening. Associations too often communicate what they think members ought to know instead of what members really want to know.

▪ **The social media groundswell offers associations an opportunity for stronger member engagement.**

"Groundswell" refers to a fast-growing trend catalyzed by social technologies: People are getting more of what they need from each other versus from organizations. The groundswell has created a fundamental power shift. Organizations have less control over how they are perceived, while individuals are now far more able to alter public perceptions.

> "This is a fundamental power shift that's happening. There's no going back to the old days; those days are gone."
> — Charlene Li

Many organizations view the groundswell as a threat, but the true threat lies in underestimating its power. What associations need to recognize:

— *The people you hope to influence are influencing each other.* Lack of control can be terrifying, but organizations may not realize that they already lack control. Nothing can change this; the power shift is irreversible. Failure to recognize the implications of the groundswell is the real threat, as United Airlines learned (see page 6, "Other Important Points").

— *The groundswell represents a huge engagement opportunity for associations.* Associations need strategies for using social media to reach and engage members in deeper, more meaningful relationships—creating their own groundswells.

— *The relationships are more important than the technologies.* Technologies are constantly changing, and matter only to the extent that they can advance relationship goals. Focus on the people connections that are enabled, not the enabling technologies.

▪ **With the proper strategy and goals, associations can create a groundswell of member engagement.**

Member/association relationships can be transactional, occasional, impersonal, and short term. Or, they can be passionate, constant, intimate, and loyal. These deeper relationships bring more value to both members and the association. By leveraging social media, associations can create groundswells of passionate, engaged, involved members. This requires a strategy with the following elements:

— *Learn.* Listen to what members are saying online. Pay attention to their attitudes, priorities, and questions; find out the central issues that concern them. Tools, such as Google Blog Search, enable monitoring of online comments about an association or a topic. But it's not

enough just to listen. Encourage everyone in your organization to use these tools and leverage what they learn. Become a learning organization.

> *"Turn your organization into a learning organization so that everybody benefits from being more closely connected."*
> — Charlene Li

— *Dialog.* A dialog is a considerate conversation. When joining a group at a cocktail party, before speaking, you listen and assess where you can add value. Social media is no different. Share what people want to know, not what you want to share. Assess which content on your website members naturally share, and facilitate that sharing. As involvement in social media increases, people ascend an "Engagement Pyramid" (moving from Watchers, to Sharers, Commenters, Producers, and Curators).

— *Help.* Support members by facilitating the formation of online communities where they support each other. The American Library Association's 62,000 members have formed 1,300 groups at its ALA Connect website.

— *Innovate.* Continual innovation starts with a great many ideas, the more diverse the better. One of the best ways to get a large number of innovation suggestions is to tap an involved community for ideas. For example, the My Starbucks Idea site allows people to contribute and vote on ideas, which Starbucks assesses, posting status reports. Besides new ideas, Starbucks benefits from customer insights and engagement.

▪ **Five best-practice tips can help associations start leveraging the power of social media.**

There are plenty of reasons not to get started, but none that outweigh the cost of delaying. If it is a matter of not having the time, money, or people, then start small. If the fear is that people will abuse their freedoms, set guidelines. If stakeholders aren't on board, convince them. If it's loss of control you fear, don't—you've lost it already. Five best practices to help you get started:

1. *Make social media real.* Show the resistors in the organization the current dialog that is already going on among members or start a community in-house to get them used to the idea.

2. *Start small, start now.* The groundswell won't wait, so at least begin listening and learning to 1) find your audience; 2) identify goals for engaging them; and 3) identify a revolutionary change agent whose passion can help catalyze the engagement of others.

3. *Measure the right things.* ROI can't assess the value of social media initiatives like a Facebook page. Measure the worth of social media based on how it furthers existing goals. Is Facebook helping reach potential

members more effectively? Your goals determine the right metrics to use. Consider the same metrics that are used for other purposes, such as "net promoter score" or "lifetime value."

4. *Fail fast, fail smart.* Expect failures and prepare for them. Identify worst-case scenarios, develop mitigation and contingency plans, and prepare everyone for inevitable mistakes. Wal-Mart didn't let its initial social media failure deter it; eventually it hit on a winner—a buyer's blog.

5. *Give up the need to be in control.* Relationships are unpredictable. To foster passionate, intimate, and loyal member relationships, some control must be relinquished. But associations should maintain control over how open relationships will be determined by 1) the organization's goals; 2) the competitive context; and 3) the audience's needs. Create a "Sandbox Covenant," a document that defines the rules but also creates a safe space within those parameters.

> *"Every organization has a sandbox that feels comfortable. . . . It's important to push out guidelines that define the walls. . . . But for whatever goes on inside those walls, the rule needs to be: Go for it!"*
> — Charlene Li

Important Reminders

▪ **Focus on relationships, not technologies.** Know the available technologies and how they work, but don't be consumed by them. They are just a means to deepen the member relationship.

▪ **Learn from the conversations members are having.** Glean what they want and how you can help them get it.

▪ **Foster the right amount of openness.** Your engagement strategy needs to define whom you will empower in what ways. Set the guidelines and control the parameters.

Other Important Points

▪ **Fighting back.** Dave Carroll is a musician. While on a United Airlines flight Mr. Carroll watched United's baggage handlers toss and break his prized guitar. United refused to compensate Mr. Carroll because he didn't report the damage within 24 hours. After a year of trying to get compensation, Mr. Carroll created and posted on YouTube a music video about his experience. In five weeks, more than 5 million viewers had watched "United Breaks Guitars." United says this video has affected the company's financial results. United overestimated its control and underestimated the power of the groundswell.

General Session: Politics and Culture of the Changing Global Landscape

▪ Speaker: **Fareed Zakaria**, Editor and Columnist, *Newsweek*; Author, *The Post-American World*

Overview

Political, economic, and technological transformations have coalesced to bring about unprecedented global peace and prosperity. The U.S. has benefitted, but other countries around the globe have benefitted even more, resulting in "the rise of the rest." In this new global era, the U.S. will continue to play a leading role, but the U.S.'s centrality and power will be diminished.

As U.S. business leaders and association executives contemplate the future, they need to understand how the world is changing. Gaining a deeper understanding of the world beyond U.S. borders and adapting to the changes taking place is the primary challenge faced.

Context

Journalist, author, and global analyst Fareed Zakaria discussed the forces shaping our world and why America must gain a better understanding of them.

Key Takeaways

▪ **In recent decades, transformational shifts have ushered in unprecedented global prosperity.**

Since the late 1970s, nations around the world have been adapting to political, economic, and technological transformational shifts. This has led to unprecedented global prosperity (the "rise of the rest"), and has ushered in a new world order.

— *Political: Unprecedented peace and political stability are part of the new world order.* We currently live in what may be the most peaceful time in history. Despite sensationalistic media reports, over the past 30 years the number of deaths from war and terrorism has plummeted. During the Cold War, coups and skirmishes funded by the U.S. and Soviet Union broke out across the globe. But since the fall of the Soviet Union, military engagements and political upheaval are less common. Nations that had subscribed to the Soviet socio-economic model (state control, central planning, etc.) began adopting the U.S.'s more open ways (free markets, free trade).

> *"We are living in a remarkably peaceful world, despite what we see on television."*
> — Fareed Zakaria

— *Economic: Uncommon economic stability is part of the new reality.* Political stability has led to a prolonged period of economic stability. In general, inflation and hyperinflation have been kept under control. (In 1979, 35 countries experienced hyperinflation; today just one country is dealing with it.)

With inflation under control, interest rates have stayed low, which allows individuals, companies, and governments around the world to plan and invest. The result: most nations today have self-sustaining growth. In 1979, 31 countries grew their GDP at a 3% rate. By 2007 that had quadrupled to 124 countries.

> *"The story that will have significance when Al Qaeda is a footnote . . . is that many dozens of small countries found a way to survive, and succeed, and thrive in this new world order."*
> — Fareed Zakaria

— *Technological: The "global grid" is here.* The Internet, PCs, and particularly cell phones have connected two billion people from across the planet. People are connected instantaneously and at low cost. As recently as 1990, Saudi Arabia's king withheld information from his people for nine days that Kuwait had been invaded by Iraq. Today that information would be known and communicated within nine minutes.

Ironically, these shifts were largely caused by America and represent a triumph of America's capitalistic model, yet the U.S. has little understanding of this world it helped create.

> *"The number of countries participating in the global economy is transforming the world."*
> — Fareed Zakaria

▪ **The issues produced by these new global alignments are not well understood—as the financial crisis attests.**

The U.S. has been watching the "rise of the rest" without comprehension of the issues and problems it would produce. The financial crisis is a prime example.

Conventional wisdom holds that the financial crisis was caused by failings like greedy bankers and corporate executives. It is framed as a morality tale.

A wider view reveals a different perspective: The crisis was a consequence not of failings, but of enormous success, albeit poorly understood. The crisis could have been foreseen and prevented had American leaders better understood how unprecedented prosperity in nations around the world could affect the U.S. economy.

> *"The crisis is portrayed as a consequence of our failings, [yet] in many ways it is a consequence of our enormous success— but success we never understood and didn't know how to manage."*
> — Fareed Zakaria

More specifically, global prosperity from capitalism created surpluses for governments and investors around the world. These surpluses resulted in increased demand for U.S. Treasury securities, which were considered the safest investments for surplus cash. This demand kept interest rates low. Low interest rates made it easy and inexpensive for Americans to pursue their favorite activity: consuming.

> *"A consequence of the surge in resources on one side of the world was an orgy of consumption on another side of the world."*
> — Fareed Zakaria

Had U.S. leaders better understood the forces at work, they could have applied brakes: The Fed could have raised interest rates (as China did); government-sponsored housing enterprises could have curtailed mortgage activity; credit card companies could have extended less credit. But U.S. policy reflected the opposite measures: The Greenspan-led Fed kept interest rates low; the activities of banks, Fannie Mae, and Freddie Mac continued unchecked; and Congress made matters worse through policies that encouraged homeownership for all.

America's lack of understanding of the world had dire consequences. When the crisis is over, there still will be global imbalances and complications not yet understood.

- **U.S. leaders need a richer understanding of the new world to position their organizations to thrive in it.**

Previously, other countries wanted to be like the U.S., but this is changing. As countries are becoming more prosperous, and as the U.S. struggles, countries are becoming more confident. This has wide-ranging ramifications for commerce, politics, and trade negotiations.

Americans must get used to navigating in a world not dominated by the U.S. It will be a world with greater diffusion of knowledge and power. Everyone wants a seat at the table and feels entitled to it. Sources of strength, resilience, and confidence will be found in surprising places. Clearly, China and India will play critical roles, based on the size of their populations and their rapidly growing economies. But Brazil, Russia, and other Asian and South American countries will also figure prominently.

> *"How we deal with a world like this is a central question when you face the challenge of running your organization."*
> — Fareed Zakaria

U.S. government, business, and association leaders will be challenged to deepen their understanding of the new world to thrive within it. What needs to happen:

— *U.S. organizations need to get out of their comfort zones to make themselves relevant in this new world.* That might mean more foreign partnerships.

— *Corporate America needs to become more knowledgeable about other cultures.* There's much yet to learn—as evidenced by the fact that 30% of the S&P 500's profits is derived from abroad, but non-Americans' presence on boards and management teams is nowhere near that.

> *"The task of really understanding other countries remains ahead of us. This is the principal challenge we face as a country."*
> — Fareed Zakaria

— *Leaders in government need to learn to impose short-term pain for long-term gain.* Long-sighted but initially painful measures are required for all of today's major challenges: energy and trade policies, healthcare reform, immigration legislation, Social Security, etc. Easy solutions won't work.

These are America's primary challenges, but there is no reason to suspect that America is not up to them. The U.S. economy has numerous advantages. It is uncommonly dynamic, resilient, creative, and infused with the talent and energy from immigrants. (The U.S. takes in more legal immigrants each year than the rest of the world combined, which keeps the society young and hungrily ambitious.)

Open to new ideas and people, America has an extraordinary flexibility and ability to adapt. Hopefully, when historians look back they won't see an irony—that America globalized the world but forgot to globalize itself.

Other Important Points

- **Obama's challenges.** The world today is very different from when Obama decided to run for president. At that time, the key issue was extricating the U.S. from Iraq. Since then, the country has experienced an economic collapse, a collapse of the financial system and the automotive sector, and housing issues. It is a different world with different priorities.

- **Cricket anyone?** India has revolutionized cricket with a Bollywood-style made-for-TV match that has upstaged the 45-year-old British World Cup. In 25 years, people will probably think cricket is indigenous to India.

Thought Leader: Building and Maintaining Loyal Relationships

▪ Speaker: **Jim Kane**, Consultant, Brookeside Group; Author, *The Loyalty Switch* and *Virtually Loyal*

Overview

All organizations strive to create loyal relationships with their constituents. Most constituents actually want to be loyal and want to have an extraordinary experience. However, loyalty is based on strong, trusting relationships. Other relationships such as those that are antagonistic, transactional, or predisposed do not inspire loyalty and result in the loss of members or customers.

Just because members are "satisfied" does not mean they are loyal. Satisfied members will still leave if/when a better option comes along. But loyal members won't leave for any reason; the relationship is too valuable to them. Loyalty can be created by demonstrating competence and integrity, by recognizing each individual member, and by being savvy and proactive in addressing their wants and needs. Having good chemistry, sharing a sense of purpose, and creating a feeling of belonging all go a long way in inspiring loyalty.

Context

Jim Kane discussed the importance of loyalty and several ways to create loyal relationships.

Key Takeaways

▪ **Loyalty is instinctual in humans.**

Just like fear and the survival instinct, loyalty is instinctual in people. Humans innately want to connect, trust, and build relationships. We, as humans, are programmed to accept that we cannot survive alone in this world. We crave community and look to other human beings to find the clues that let us know whether or not we can trust.

When you think of your members, board, and constituents, understand that they actually want to depend on your association. Associations are purely about building communities. Associations exist to pool resources, work together, share ideas, and help each other. That is how we survive.

Human beings rely on each other. Your members want to rely on you; if they don't, you are not providing enough value for them to be loyal.

▪ **Relationships can be categorized based on the degree of loyalty (or lack of it).**

All relationships can be categorized based on how much loyalty exists. The categories are

— *Loyal.* A loyal relationship ("I love you") is based on emotional bonds that can't be broken. Even if a person in a loyal relationship receives a better offer, he will not leave the relationship. The relationship makes his life so much better, he can't imagine leaving it. But true loyalty must be earned through trust; it isn't for sale and can't be bought through offerings like loyalty/rewards programs.

— *Predisposed.* Predisposed relationships ("I like you, but . . .") involve feelings of satisfaction.

> *"When someone is in a predisposed relationship, they are basically content and satisfied."*
> — Jim Kane

A person in a predisposed relationship is content and will stay in the relationship until something better comes along. But if/when something better does come along, he or she will leave. Insurance is a good example. It is often too time consuming to obtain quotes from several insurance companies, so people just remain with the one they have. A person might be generally content, but this doesn't mean he or she is loyal. This is why "satisfaction" is not a good indicator of loyalty.

— *Transactional.* Transactional relationships ("I don't owe you anything. You don't owe me anything.") are those in which there is an equal exchange with no further obligations. A good example is the gas station experience. An individual fills up his tank, pays for the gas, and goes on his way. The transaction and relationship are complete.

> *"In a transactional relationship, neither side feels indebted to the other."*
> — Jim Kane

— *Antagonistic.* Antagonistic relationships ("I hate you") are defined by feelings of hate and loathing. The feelings are so strong that an individual feels compelled to share her negative experiences with everyone with whom she interacts.

▪ **Satisfaction is not a good measure of loyalty.**

A loyal relationship is very different from a relationship in which one is satisfied.

> *"Satisfaction is about the past; loyalty is about the future."*
> — Jim Kane

Just because members continue to renew year after year, this does not mean they are loyal. If you want people to be loyal, you must speak to their brain and convince them it is in their best interest to trust you. You must protect

their best interest and become a trusted advisor. This is how you convert satisfied members into loyal members. Loyal members will tell everyone how much they love you; they are extensions of your marketing department.

- **Utilizing the eight attributes of loyalty can help associations inspire loyalty in their members.**

  There are eight key attributes of loyalty. By understanding these attributes and leveraging them, associations can build more loyal members. These attributes are

  — *Competency.* Prospective members must be convinced of your association's competency. But they expect it and won't give you any credit for it. Don't build your marketing materials around competency, since it is expected; it isn't differentiating and compelling.

  — *Integrity.* This is another attribute that is expected. Your members expect you to be honest and fair, return phone calls, and tell the truth. Don't try to get credit for being fair, honest, and ethical. Transparency is important as well. Allow members to provide feedback on your website. While you might be concerned about what they have to say, you will gain invaluable knowledge regarding the issues people have and will find out if people will defend you.

  — *Recognition.* Recognizing someone can help engender loyalty. Don't treat everyone the same. Before members will be loyal, they need to know that you know who they are. While it might be time consuming and expensive, allowing members to customize your website to suit their needs is important.

  — *Savvy.* Each of your members has individual needs. You must understand each member and his or her needs. While your members may have joined because they believe in your cause, they are in the relationship for themselves. If you don't do anything for them personally, they will have no loyalty.

> *"Savvy is understanding what your relationships need, want, and worry about."*
> — Jim Kane

— *Proactive.* Being proactive is doing something with the knowledge you gained by being savvy. Once your members ask for something and you do it, the relationship is transactional. You did what they asked, and they won't give you credit. Anticipate what they need before they ask. Understand who your relationships are and what they might be interested in, and then find a solution for them without their having to ask. That will create loyalty.

— *Chemistry.* People must feel they have good chemistry with your organization in order to feel loyal to it. They have to enjoy working with the association. Creating unforgettable experiences can come in the form of one-on-one interactions, personalized websites, memorable events, and unique marketing materials or packaging.

— *Belonging.* A feeling of belonging can inspire loyalty. Members must feel they belong and are wanted—all the time, not just when it is time to renew their membership.

> *"They want to know that you value them, their ideas, and their involvement, not just their money, or resources, or time."*
> — Jim Kane

— *Purpose.* Commonality of purpose is important. People don't have time to be involved with all of the causes they care about, so they want to associate with organizations that are committed to them. Share the credit of your work with your members. Ensure that they understand that the good work you do is a direct result of their support.

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Thought Leader: Saving the World at Work

▪ Speaker: **Tim Sanders**, Author, *Saving The World at Work*

Overview

While companies have cut back on sustainability initiatives during the recession, corporate social responsibility has not stopped mattering to customers and employees. If anything, the lessons of the financial crisis and the coming talent wars will increase the importance of a company's social "story" in purchasing and employment decisions.

The spirit of CSR is not dead, but notions of it must evolve from obligation to opportunity. Associations can serve their members by helping them shift their attitudes toward CSR and recognize ways in which they can profit from synergistic social opportunities—both financially and spiritually.

Context

Tim Sanders shared observations on how associations can help members embrace corporate social responsibility opportunities.

Key Takeaways

▪ **Despite the recession, CSR still matters—and will even more so in the future.**

Corporate social responsibility (CSR) is generally regarded as an obligation, a mandate to be "less bad." But it's also usually viewed as an expense and is therefore reassessed during economic downturns. As a result, many organizations are putting the brakes on sustainability, CSR, and green initiatives. Some observers have pronounced CSR dead, a casualty of the recession.

That's as incorrect and short-sighted as similar pronouncements about the quality movement during the 1981 recession. By 1984, the success of Japanese competitors (Toyota, Sony) that had not relinquished pursuit of quality had cost the U.S. economy 700,000 American jobs.

"Sustainability" is the new "quality." Companies that take their eye off the CSR ball will be overtaken by competitors that don't. Two phenomena are elevating the importance of CSR in the eyes of a company's stakeholders:

— *The financial crisis.* The crisis has escalated the sentiment that gave birth to CSR: that corporations can't be trusted to police themselves, and that governments can't be depended on to police them either.

— *A new paradigm—interdependence.* The generation that has grown up with the Internet has a deep understanding that everything in life is interconnected. With such a mindset, it becomes apparent that organizations and industries affect the present and future economies of local communities in myriad ways.

While the spirit of CSR is not dead, CSR as commonly thought of should be laid to rest.

▪ **The *obligation* aspect of CSR should be replaced by one of *opportunity*.**

Marketplace differentiation is often considered the ticket to competitive success. But increasingly it will be the organization with the best CSR story that wins. Customers will increasingly purchase, partners will increasingly do business with, and employees will increasingly select not a product, service, or organization—but a story. Creating a compelling social story is the CSR opportunity.

For the following four reasons, associations would benefit members by helping them spot social opportunities:

— *Consumer sentiment: Doing the right thing will be the enduring luxury of the future.* Consumers whose purchase decisions reflect lifestyles of health and sustainability are called "LOHAS customers." Today these health and sustainability-focused individuals represent less than 10% of the U.S. population but account for 35%-40% of its wealth. Their ranks are expected to rise. Research suggests that a shopping-as-therapy mentality won't soon return, that organic food will be the new luxury, and that purchase decisions will increasingly reflect people's principles. The market leaders of any industry will also be the CSR leaders.

> *"The days of saying 'I'm going to get myself a Bentley' are over. It will be years . . . before people return to that retail shopping therapy way of thinking. But they won't ever abandon purpose."*
> — Tim Sanders

— *Employee sentiment: The winners of the war for talent will be those with the best CSR stories.* McKinsey introduced the term "war for talent" a decade ago. In a recent update of its groundbreaking workforce demographics study, McKinsey found that although the recession has delayed the talent wars by 18 months, they are still coming. The economy can't contract enough to compensate for the U.S. workforce contraction expected by 2015-2017. Companies will need to woo younger-generation workers not just with financial compensation but with a social compensation plan.

> *"The next generation of talent . . . will want purpose plus a paycheck. They'll want to believe they are making a difference while they make a dollar."*
> — Tim Sanders

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— *The government: Cap and trade energy legislation looks likely.* If it passes, companies don't want to be in a position to be buying carbon credits from competitors, but would rather be selling their own. "It's a death spiral to be writing checks to your competitors." There's market advantage in being greener than competitors—as GE and Wal-Mart realize.

— *Socially responsible investing: SRI funds are growing rapidly and wield increasing influence.* They invest in stocks for longer than usual (2-3 years) and pick stocks based on the firm's "story." With less portfolio churn, ownership by SRI funds means less share price volatility.

▪ **Seizing social opportunities can improve employee retention, the operating environment, and costs.**

Associations can help members replace the idea of social obligation with the idea of social opportunity—changing the "have to" attitude to a "get to" attitude—by pointing out three areas of opportunity:

— *Taking care of employees.* Employee training has fallen 30%-35% in the recession, but when people stop learning, they lose confidence. Companies should revive training programs and promote work/life balance. Companies with policies discouraging weekend and evening work enjoy very low turnover (such as SAS, with less than 1%). Managers are told it is unethical—a theft of personal time—to expect work at those hours.

> *"If you want to introduce a breakthrough policy that doesn't cost money, create a policy where time off is time off."*
> — Tim Sanders

— *Practicing "local synergy," by finding win/win community development opportunities.* Companies need to look at the intersection of their core competencies and their community's greatest needs; often win/win opportunities lie in that space. For example, UPS faced a shortage of high school graduates in its Louisville hub due to high dropout and teen pregnancy rates. By promising jobs to students who stayed in school, the company soon had a surplus of qualified candidates.

— *Emphasizing green principles.* Companies that promote saving money by going green can strike employees as "greenskates," a slightly more principled version of a cheapskate. Workers are more motivated to reduce waste and reuse supplies when green is promoted as an ethical issue (not a financial one) and when waste is equated with stealing from future generations.

▪ **Associations can help members lay the mental groundwork for a social opportunity mindset.**

Mr. Sanders gave association executives challenges to lay the mental groundwork for helping their members embrace their social opportunities:

— *Teach members there is enough to go around.* In times of recession "small pie disease" goes around. This is thinking that the pie is shrinking, so one must get and keep as much as possible. But scarcity is a perception that can be readily altered by practicing a mentality of abundance. Giving away the resources one lacks most will re-engineer one's paradigm; the sense of scarcity disappears. People pressed for time who take on a mentee learn that they still accomplish what they need to. People without wealth who give what little they have will be enriched by feelings of abundance.

> *"Giving away the resource you most lack will re-engineer your paradigm. . . . You'll learn there is enough to go around. It's the number-one silver bullet."*
> — Tim Sanders

— *Encourage members to manage what goes into their heads as they do what goes into their bodies.* Psychologists say that recessions boost the incidence of depression, as prolonged economic and job insecurity sap confidence, causing people to stop educating themselves. At such times, people should stop reading the endless stream of bad news and educate themselves on trends of the future. Education can restore feelings of confidence, resilience, and abundance.

— *Feed members hope-generating messages.* Associations do members no favors by emphasizing bad economic or industry news. Scrutinize your association communications to assess whether they contribute to the gloom.

— *Show members that one person can make a difference.* Stories can do this—such as those Mr. Sanders told about a woman who went to unusual lengths to get a carpet company CEO a book about environmental threats, hoping he would "get it" and reduce his company's environmental impact. He did even more, revolutionizing how carpet was made in America. A conference organizer at Timberland took industry executives on a bus tour of the Ninth Ward in New Orleans after Katrina. The people they met most needed sturdy shoes to navigate among the debris—off came the Timberlands of three busloads of people.

> *"If not you, then who?"*
> — Tim Sanders

Other Important Points

▪ **Think before you print.** Document printing is the #2 driver of global warming, second only to energy use and accounting for 40% of trees cut down in the U.S.

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Thought Leader: The Do's and Don'ts of Social Media

▪ Speaker: **Amber MacArthur**, Web Consultant, Strategist, and Journalist

Overview

Social media represents a tremendous opportunity for associations to connect and communicate with members. But the social media landscape is changing rapidly. It is necessary for association executives to understand the wealth of tools and options that exist, create a plan, and begin experimenting. Learn about Facebook and podcasts; create a blog; try video; and begin using Twitter. Links to several sites are provided, with tips and suggestions to get started.

Context

Social media expert Amber MacArthur provided an overview of the social media landscape and offered advice on how association executives can learn about and use social media. She showed multiple online examples, videos, and websites.

Key Takeaways

▪ **The Web has evolved from Web 1.0 to Web 2.0, and is progressing toward Web 3.0.**

The first iteration of the Internet, circa 1993, was Web 1.0. Users accessed the Internet through dial-up connections and used Netscape as their browser. The primary activity was to access and read a home page.

The Web has since evolved to Web 2.0. It takes place via broadband and is about sharing and collaborating, communities, and communicating. It includes blogs and podcasts.

Web 3.0 is beginning to emerge. It will be about making content more accessible through mobile devices and more relevant through the Semantic Web. The Semantic Web will make it possible for the Web to understand the requests from people and machines for Web content.

▪ **Associations should experiment with social media, keeping a few rules in mind.**

These rules are "the ABCs of reaching out New School style." They are:

— **A**uthenticy. When using social media, be open and accessible, and admit if you make a mistake. An example of an authentic voice is when the president of Domino's Pizza created and posted an online apology after two employees created and posted an inappropriate video.

— **B**ravery. While many people are scared about social media, this fear is unfounded. Associations should try new things, invent, and innovate.

— **C**onsistency. To be successful with social media, it needs to be used on a regular, consistent basis.

▪ **A variety of new tools exist, each with its own features and benefits.**

Ms. MacArthur categorized these tools, described them, shared examples, and told association executives how to get started using them.

Blogs

There are 113 million active blogs. A blog is a great way for an association to have an online voice. To create a following, link to other relevant blogs and encourage other bloggers to link to and mention your blog. An easy way to get started for just $8/month is through a tool at www.squarespace.com.

> "A blog is a wonderful way for your association to have a voice online.'"
> — Amber MacArthur

In addition to posting your own blog, it is important to listen to and monitor others' blogs. You want to know what bloggers are saying about your organization. A great site to monitor blogs is www.techorati.com.

Podcasts

These are short audio or video clips that are created and posted to a website. Creating podcasts is easy and inexpensive. Podcasts appeal to younger generations. Examples of podcasts are www.onthemedia.org and Amber's podcast, www.commandn.tv, which has an audience of 50,000.

Podcast best practices include these:

— *Start with audio.* It is easier.
— *Involve your entire team* in the process.
— *Interview people* in your own community.
— *Share* your podcast everywhere possible.

A good site to help you get started is www.libsy.com. It provides a place to host podcasts for just $30/month.

Social Networking

This is much more than just email. Today about 10% of all the time people spend online is engaged in social media. It is a way for people to connect and share.

The most popular social networking site is Facebook. (A poll of the audience showed that most attendees are on Facebook.) As of August, Facebook had 250 million users, up from 120 million in April. To register your association on Facebook: http//www.facebook.com/advertising/?pages Other sites to check out: LinkedIn (www.linkedin.com). This is a great place for professionals to network; however, it can be impersonal. Facebook is more personal and better for associations. An alternative to Facebook is Ning

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(www.ning.com); it is like Facebook, but more professional.

Some social networking best practices for associations:

— *Grow from the inside out.* Start by engaging staff, volunteers, teams, and other members. Once the insiders are involved, spread social networking to outsiders.

— *Seed the community.* Add content, photos, videos, and other interesting content. Seeding the site will help spark interest and generate a conversation.

— *Promote your presence.* Promote your association's presence on Facebook and other social media sites. Put links on your email signature and other outbound communications.

Mobile

Mobile communications are huge and will become even bigger. While there are 850 million personal computers in the world, and 85 million iPods, there are 3.3 billion cell phones. These cell phones now provide Web access. (An audience member shared the following: 90% of Americans have a cell phone within arm's reach 24 hours a day.)

As people use their cell phones for more and more, the use of Twitter has exploded (www.twitter.com). Twitter is about communicating in short bursts of 140 characters to answer the question, "What are you doing now?" Users of Twitter build an audience and send messages "tweets" to this audience. In February 2008 there were about 500,000 users on Twitter; in February 2009 there were 7 million users. Most Twitter users are adults. In fact, 42% are 35-49, and 62% use Twitter at work. For this reason, the best time for an association to tweet is between 9 and 5 on a workday. Twitter can be part of an organization's communication plan and can be a recruiting tool.

Some best practices for mobile include these:

— *Use all of your phone's tools.* Cell phones have lots of tools; use them all to create and share content.

— *Use mobile Twitter applications.* The best application for BlackBerries is UberTwitter (www.ubertwitter.com); for iPhone, Twitterrific (at http://twitter.com/downloads).

— *Use hashtags.* Hashtags are a community-driven convention for adding context and metadata to tweets. For example, ASAE & The Center created #asae09 as the hashtag for content related to the 2009 Annual Meeting. This hashtag provides a common term to use in both posting and searching content.

— *Use hootsuite* (www.hootsuite.com). This tool monitors Twitter traffic. It shows how many people viewed a tweet and where they are from. It also provides the

capability to send a tweet at a later time or to send a tweet to multiple accounts.

Video

Video is an incredibly powerful communications tool, and it has become incredibly easy to create and post video to the Web. (This was demonstrated in the session as a video was created.) Some tips for video:

— *Keep it short.* The best videos are 3 minutes or less.

— *Use simple technology.* A Flip video camera, which is about as big as a cell phone, is incredibly easy to use, produces decent quality video, and is only $200. This camera plugs into a computer's USB port, making it easy to transfer video to a computer and post online.

— *Brand your video.* Use a graphic to convey your organization's brand.

— *Choose a host site for your video.* The most common place to post video is YouTube (www.youtube.com). However, the YouTube community can be harsh and can post unflattering comments, though it is possible to turn off the comments feature. Also, some organizations block access to YouTube. Alternative sites for posting video include blip.tv (www.blip.tv/), Vimeo (www.vimeo.com), and Viddler (www.viddler.com).

Other

Several other tips were offered. They include:

— *Educate yourself.* You can become knowledgeable about social media by spending five minutes a day on sites like: www.readwriteweb.com, www.techcrunch.com, and www.mashable.com, which is the best place for the do's and don'ts of social media.

— *See if your name is taken.* Go to www.Namechk.com to see if your association's name is available at the top 130 websites. You can then use this site to register your own name or your association's name.

> *"If you do just one thing, go to www.namechk.com."*
> — Amber MacArthur

— *See Friendfeed* (www.friendfeed.com). This is a site, recently acquired by Facebook, that provides a central place to manage all social media accounts.

Other Important Points

- **Canadian Facebook.** Canadians, particularly those in Toronto, are big Facebook users. In Toronto, 1 of every 3 people is on Facebook, compared to 1 of 10 in the U.S.

- **Video resume.** An example was shared of an individual who responded to a tweet about a job by submitting a video resume explaining why he was a good fit for this job.

14 **Annual Meeting & Exposition**

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Thought Leader: What Are Those Membership Dues for Anyway? Associations as a Platform for Member Value

▪ Speaker: **Clay Shirky**, Author, *Here Comes Everybody: The Power of Organizing Without Organizations*

Overview

For many membership organizations, the old offer to members was clear: In exchange for dues, the association would provide a newsletter, advocacy and lobbying, and an annual meeting. Those basic functions, however, are now being transformed by an altered media landscape. The Internet, mobile phones, and associated applications have changed the way people find each other, communicate, and get things done. Group coordination has gotten much easier and the old "dues for service" relationship is no longer as compelling. Associations must create a platform where members can interact with each other and generate value together.

Context

Mr. Shirky discussed how changes in the media landscape have altered member expectations. He described strategies associations can use to reinvent relationships with members.

Key Takeaways

▪ **Media channels are now coordinating action rather than simply disseminating information.**

The media landscape has changed dramatically in recent years. In the past, media channels disseminated information. Any coordinated activity was assumed to be the result of an organization. However, these assumptions have been turned upside down.

This evolution is illustrated by HSBC's experience. In the spring of 2007, HSBC offered U.K. college students penalty-free checking. That summer, however, HSBC changed its policy to a fee-based account. In response, students gathered on Facebook. They traded tips on how to close HSBC accounts, staged virtual protests, and planned a live protest. But due to these actions, before this protest could occur HSBC reversed its decision.

In this case, HSBC thought it had an advantage. They assumed it would be hard for students to figure out how to close their accounts and that the barriers to action were high. In addition, HSBC was a managed and coordinated institution. They believed students were geographically dispersed and unlikely to organize. Unexpected was the powerful role Facebook played.

Facebook is a media channel that has become a site of coordination. Media are evolving from a source of information to an initiator of action. Every URL is a latent community. It is possible to organize the people who are looking at a website at the same time. Media's ability to organize people, not just inform, is "convening value."

> *"The five-word summary of what's happened in the media landscape is 'group action just got easier.'"*
> — Clay Shirky

▪ **The Internet is the first medium to support conversations among groups in a mediated environment.**

Looking back, milestones in expressive capability have included moveable type and the printing press; two-way communications enabled by the telegraph and telephone; the ability to capture media on physical objects; and harnessing the airwaves with radio and TV. Historically, the media that have been good at facilitating conversations have not been good at creating groups, and vice versa.

Before the advent of the Internet, an individual could disseminate the same information to a lot of people or discuss one topic with one person. However, it was not easy to do both simultaneously. The Internet is the first medium that supports conversations among groups in a mediated environment.

In addition, the Internet is becoming a means of transmitting all previous types of media. It is possible to watch television or movies online, as well as listen to the radio and read electronic books.

▪ **The Internet is giving members more power and more options, putting pressure on associations.**

Today, multiple consumers can easily talk with each other online with no professional moderation. The cost of participating in public conversations is low, so both amateurs and experts are engaged. In addition, the Internet allows anyone to become a global publisher. The old institutional model doesn't work anymore.

The new media landscape includes new motivations. It's about not just technology, but sociology. *Why* people are engaged in public conversations and are publishing content is just as important as *how* they are doing it.

Associations are confronted with this shift. The membership concept used to be "give us dues, and we'll give you a newsletter." Association members today want a model where they can talk to each other. The sobering facts are that the Internet provides members with the power to do this, without assistance from associations.

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▪ **Organizations have lost control in this new world and must decide how to respond.**

This new world, where individuals can easily share their opinions with others, publish their views to the world, and easily organize to take action, is terrifying for many organizations. For-profit and nonprofit organizations alike fear a loss of control. However, control of information has already been lost. A simple Web search will reveal that public conversations are occurring all the time about businesses and associations.

Given this new reality, organizations must decide how they are going to respond. Two possible strategies:

— *Also, not instead.* The case of the BBC and the Dr. Who Wikipedia page is a good illustration of this strategy. Although the BBC broadcasts *Dr. Who*, a group of enthusiasts created a robust Wikipedia page about this science fiction series. The BBC had three options: ignore, support, or participate.

It wasn't possible for the BBC to own this Wikipedia content or prevent its creation. As a result, the BBC, which owns a great deal of multimedia related to *Dr. Who*, is now making that content available through a complementary website that enables users to produce and share new content related to the series. This demonstrates "also, not instead."

— *Convene, rather than control.* The logic of "convene, rather than control" is that an environment is created that makes it easier for people to connect through the organization, rather than independently and outside of the organization. Two examples of this strategy are Wikipedia and Linux.

This approach respects organic growth and is motivated by factors other than monetary gain. Wikipedia evolves without advanced planning in ways the community wants. The Linux operating system was developed by a small group of developers who were interested in open source software. Social systems become large and good by starting small and good, and then growing. These large collaborative efforts are usually characterized by many participants, but a small number of people who care much more than the average participant. Another aspect of the convene strategy is that organizations must accept all the amateur motivations that accompany participation.

> *"You can't start large and bad, and then make a system better. Starting small is a better way to get to big, functional systems."*
> — Clay Shirky

▪ **Associations can take advantage of the altered media landscape.**

Given the enormous changes that have occurred in the media landscape, associations must rethink how they engage members. The first step is to show the board and CEO that the organization no longer controls the conversation. That discussion may galvanize management into action. Ways that associations can take advantage of today's media include:

— *Initiate a few experiments.* Institute a few, modestly sized experiments that utilize new media concepts. Have a few initiatives running. A couple may fail, but others will succeed. Running several experiments is a better way to transform institutions than trying to make one great leap forward.

— *Use convening logic to invite users in.* Convening logic can be used to invite users to participate in a way that respects both their motivations and those of the association. One approach is to ask participants to rate content in the online community. This harnesses members' activity and enables people to judge the quality of the content.

— *Offer a platform that provides value for members.* Associations must strive to offer a platform with a bundle of features that members like. The site should provide ways for members to add value to the offerings, such as ratings or bookmarks. When valuable features are bundled in a single platform, people are willing to pay for access.

Other Important Points

▪ **The cult of the amateur.** Author Andrew Keen suggested that the new media landscape has generated the "cult of the amateur." In today's world, expertise has not lost its absolute value, but has lost its relative value. Amateurs and experts participate in conversations, side by side. The key is figuring out where to filter amateur involvement and how to extract value from it. A model of filtering content first and then publishing used to work. Today, however, filtering must occur after the fact with tools like search engines and Twitter. With the proper filtering, the contributions of the amateurs and experts together have greater value than those of the experts alone.

Associations Now's Excellent Crowdsourcing Adventure

▪ Speakers: **Lisa Junker, CAE, IOM**, Editor-in-Chief, *Associations Now*, ASAE & The Center for Association Leadership
Joe Rominiecki, Managing Editor, Newsletters, ASAE & The Center for Association Leadership
Samantha Whitehorne, Managing Editor, ASAE & The Center for Association Leadership

Overview

Crowdsourcing involves leveraging technology to engage many people in a task, such as developing open source software. Crowdsourcing is relevant for associations in that it is a way of engaging members. It can be used to get members to determine the content for a conference or for an issue of an association's publication (as ASAE & The Center did by using crowdsourcing to determine the articles for its May 2009 issue of *Associations Now*.)

In its initial crowdsourcing experience, ASAE & The Center learned many important lessons. Among them: Make the process simple, clear, and transparent; market crowdsourcing to engage as many participants as possible; and utilize technologies to streamline the process, selecting the appropriate technologies only after understanding the tasks to be performed.

Through crowdsourcing, many members can be engaged in and contribute to association projects, and associations can have a better sense of how members feel about a particular subject. By learning from the experience of others (like ASAE & The Center) crowdsourcing need not be difficult or intimidating.

Context

These presenters, all involved in publishing ASAE & The Center's *Associations Now*, described what crowdsourcing is, and shared lessons learned in crowdsourcing an issue of Associations Now. Crowdsourcing was then demonstrated through a real-life exercise.

Key Takeaways

Crowdsourcing is accomplishing a task by getting many people involved.

Jeff Howe of *Wired* magazine didn't invent the concept of crowdsourcing, but he coined the term. He defined it as "the act of taking a job traditionally performed by a designated agent (usually an employee) and outsourcing it to an undefined, generally large group of people in the form of an open call." Crowdsourcing is about getting many people involved in an activity, and it is based on the belief that "all of us are smarter than some of us."

An example is the creation of software code. Traditionally code has been created by companies, with code creation being someone's job. But open source software development is a form of crowdsourcing. Instead of an employee developing code, this task is performed by anyone interested in doing so.

Many companies in a wide range of industries are incorporating crowdsourcing into their business models.

Crowdsourcing is relevant for associations.

The idea of involving people through crowdsourcing does not just apply just to companies; the concept is relevant for nonprofits and associations as well. The reasons it is relevant include:

— *It is about engagement*. Fundamentally, crowdsourcing is about engaging people in a group activity. Because engagement is so critical to associations, the idea of crowdsourcing should be on associations' radar.

> *"When you get down to it, what crowdsourcing is is about people being engaged."*
> — Lisa Junker

— *It is about "small tasks."* Crowdsourcing enables people to contribute by engaging in small, discrete tasks. This is appealing for time-starved association volunteers.

— *It uses social media tools*. At the moment, social media is all the rage. For crowdsourcing to be most effective, these tools play a prominent role.

Associations have utilized crowdsourcing to plan the educational content at a conference, to determine the topics for webinars—and as ASAE & The Center's experience shows, to determine the content of a publication.

For associations considering crowdsourcing, one of the keys is to make it easy.

When ASAE & The Center decided to create an issue of *Associations Now* through crowdsourcing, they knew the process had to be simple, clear, and easy, and that to get members to participate, it couldn't be time consuming.

They developed a three-part process with clear, simple, easy-to-understand phases. These phases were

— *Brainstorm*. Individuals were encouraged to submit ideas for articles in *Associations Now*.

— *Vote*. All of the ideas that were submitted were posted and members were encouraged to rate them.

— *Recommend resources*. For the highest-rated ideas, members were asked to suggest angles and resources that could be accessed to help write the article.

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In general, this process proved simple and easy. It was easy for members to understand, participate, and contribute.

- **For crowdsourcing to be effective, organization members need to know about it.**

Once the crowdsourcing process was in place, ASAE & The Center's challenge was to get members to participate. ASAE & The Center distributed information to as many members and staff as possible, with a particular focus on section councils and staff who work with members. An email was sent out and other awareness/marketing efforts took place.

The results were that 50 volunteers submitted 80 ideas; 70 individuals voted; and 15-20 people recommended resources. These numbers exceeded ASAE & The Center's expectations.

- **Technology plays a key role in making crowdsourcing possible.**

It requires technology to get ideas from and enable voting by large numbers of people. ASAE & The Center's advice is to start by focusing on the tasks that need to get done, and then pick the most appropriate technology platform.

> *"Focus on what you need crowdsourcing to do, and then pick the technology."*
> — Joe Rominiecki

For brainstorming, the key task was to submit text, which can be done by using a threaded discussion board. For voting, the task was to rate items, which can use online survey tools (like SurveyMonkey). For recommending resources, the task was to enable members to offer comments, which can also use a threaded discussion board.

ASAE & The Center chose to use its existing SharePoint platform for the threaded discussion board and used a simple voting tool. Since completing this undertaking, ASAE & The Center has learned about a tool called Slinkset.com, which essentially enables users to set up their own Digg site. If ASAE & The Center undertakes crowdsourcing again, this tool will be considered.

- **In its initial crowdsourcing experience, ASAE & The Center learned many important lessons.**

In addition to making the crowdsourcing process easy and letting the tasks drive the technology, ASAE & The Center learned other lessons including these:

— *Accept that you have to give up some control.* Giving up control was scary for ASAE & The Center, but when engaging in crowdsourcing, it is necessary. ASAE & The Center was worried that no ideas would be submitted, or the ideas that were submitted would be bad. (Both fears were unfounded.) ASAE & The Center felt it was

essential to commit to participants that the ideas they submitted and voted on would become articles. Without such a commitment, individuals may be reluctant to participate.

— *You have to spread the word.* To engage people in crowdsourcing you have to advertise the process. This can take place via traditional means, through word of mouth, and by social media. Make sure as many people as possible know about this activity and reach all segments of your audience. Make participation exciting. And, have ongoing communications to keep crowdsourcing effort top of mind. After the process is over, provide thanks and recognition to participants.

— *It is important to be transparent.* All of the rules and parameters of the crowdsourcing process should be made public at the beginning of the process, and they shouldn't be changed. The types of decisions that have to be made and communicated include whether the crowdsourcing is only open to members or is open to the public; and what happens to unused ideas.

— *Get feedback on your crowdsourcing.* After undertaking crowdsourcing, solicit feedback from participants on the process. The learning generated will inform and improve future efforts. At ASAE & The Center, follow-up research took place to learn from this initial experience. The findings from this research will be summarized in a white paper.

Other Important Points

- **Making it real.** To demonstrate how crowdsourcing works, session attendees participated in a crowdsourcing exercise. Attendees jotted down on Post-It notes thoughts about cool and innovative ideas for associations. These ideas were posted for all to see and were then voted on. For the ideas getting the most votes, brainstorming took place about the resources that existed or should be developed to support those ideas. The best ideas were featured in the *Daily Now* publication the next morning.

- **Doing it again.** ASAE & The Center will definitely consider undertaking crowdsourcing again, including possibly using it to help shape *Associations Now's* editorial calendar. Because so many lessons were learned in the initial undertaking of crowdsourcing, the speakers felt it would be exciting to apply these lessons in a second go-around. A possible application would be in another issue of *Associations Now* which had a specific theme. Also, if undertaken again, a goal would be to have even more participants.

- **Outsourcing the work.** One attendee asked how to keep staff from being overwhelmed if hundreds or thousands of members participated. The answer was that crowdsourcing outsources the majority of work to the participants, and tools and technologies minimize the burden on staff.

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Avoiding the 10 Major Sources of Legal Risk for Associations

▪ Speaker: **Jerald Jacobs**, Partner, Pillsbury Winthrop Shaw Pittman LLP; General Counsel, ASAE & The Center

Overview

Associations are exposed to unique legal risks that are not always obvious. For example, membership, certification programs, and intellectual property are areas that can result in unexpected legal issues.

By understanding where legal risks exist, it is possible for associations to prioritize high-concern areas and implement compliance efforts. Risk can be managed in a variety of ways including internal education, association policies and procedures, liability insurance, and through the assistance of legal counsel.

Context

Mr. Jacobs described 10 major sources of legal risk for associations and discussed how associations can manage these risks. These sources are numbered throughout this summary.

Key Takeaways

▪ **Although associations have more exposure than individuals, personal liability is possible.**

In most liability situations, an association will be sued, rather than individual staff or volunteers. People can make mistakes without personal liability (Source #1: Entity/personal risk). In addition, affiliation with an association does not expose members to liability. The corporate form protects members from the debts and obligations of the association, and it is also unlikely that senior staff or volunteers would be held liable for association debts and obligations.

It is safe for associations to seek the advice of experts and to use that information when making decisions. If the decision harms an individual or organization, reliance on expert advice is a successful defense.

Generally speaking, it is difficult to find circumstances where staff or volunteers can be found liable. There are areas, however, where personal liability is possible.

— *Gross negligence or fraud*. Board members should meet regularly and should demand accurate financial information or they might be found grossly negligent in not fulfilling their fiduciary duty.

— *Conspiracy*. When conspiracies occur, such as price fixing or antitrust, personal liability is likely for anyone involved.

— *Beyond authority*. When staff or volunteers act beyond their authority, they can be sued. For instance, if an association has clear bylaws, an individual can be held liable for exceeding the instructions in them.

▪ **Associations can't choose their members, but legitimate reasons exist for excluding people.**

There are legitimate reasons for denying membership to an individual or organization (Source #2: Membership access). People cannot claim suspicious exclusion if they don't pay their dues, don't meet clear eligibility requirements, or don't want to be a member. Excluding individuals who have violated an association code of ethics is also permissible. However, the ethics code must be objective and due process must be provided.

Associations are strongly encouraged to review their bylaws and examine how membership is defined. Vaguely defined membership criteria are problematic. Associations must be clear about who can and can't belong; the criteria need to be defensible. It is acceptable to set minimum membership requirements. Some professional societies require that members have a certain number of years of experience. A best practice is to publish the membership criteria. It is easier to defend a challenged membership decision if it is based on criteria an applicant saw.

Suspicious exclusions may be based on unreasonable or inconsistently applied criteria. This could occur if an organization waives membership criteria for certain applicants but not others. There are no federal or state laws regarding discrimination and association memberships. Yet if membership decisions are based on discriminatory criteria, an association runs the risk of a due process suit, as well as negative publicity.

In the area of member services, associations are required to provide services to non-members if denying the service would competitively harm those seeking the service. They may charge non-members more for the service, however that charge should not be set so high as to compel membership. For example, certifications and accreditations may be vital to conduct business in a certain field. Associations must be careful about tying certification to membership.

> *"Associations are not country clubs. They do not get to choose their members."*
> — Jerald Jacobs

▪ **Antitrust-related activities expose associations to considerable legal risk.**

The Sherman Antitrust Act deems that any activity that restrains interstate trade is illegal. The law prohibits agreements among companies that raise, lower, or stabilize prices or fees (Source #3: Price/fee setting). *Agreement* is

broadly defined—even the mere discussion of prices can be legally dangerous.

A challenge for associations is that they fulfill the first premise of the Sherman Act in bringing parties together. Because associations provide a forum that makes antitrust violations easier, they must be concerned about antitrust risk. Associations cannot prevent members from making agreements, but they should tread carefully when holding meetings about pricing.

There are exemptions for lobbying in the antitrust rules. Under the Noerr-Pennington exemption, private entities are immune from liability under antitrust laws for attempts to influence the passage or enforcement of laws, even if those laws would have anti-competitive effects. As a result, most government affairs activities are protected.

> "Almost anything that an association does in the government affairs area is protected from antitrust challenge."
> — Jerald Jacobs

The other side of the antitrust coin is boycotting (Source #4: Boycotting). The same considerations apply as with price fixing. Any attempts by association members to cut people or organizations out of business activities run big risks. The exception is if an association boycotts competition in the course of petitioning the government. In this instance, the First Amendment trumps the Sherman Act.

▪ **When associations engage in self-regulation, precautions must be taken.**

It is common for associations to participate in self-regulation (Source #5: Self-regulation). Examples include product standards, codes of ethics, product and professional certifications, and accreditation.

Associations must confirm that self-regulation programs have reasonable criteria. Such criteria can be established by using experts, building consensus, and applying fair procedures. Applying fair procedures includes: 1) offering the opportunity to comment; and 2) ensuring that decisions are made before an objective body that has no economic interest.

Legal risk threatens self-regulation if antitrust agreements result, or discrimination or defamation occurs. Defamation is a common way that self-regulation programs are challenged.

▪ **Associations can be exposed to tort liability claims.**

Claims related to tort liability are a growing concern for nonprofits. Tort liability focuses on claims that suggest an association caused injury, damage, or defamation.

— *Damages and injury* (Source #6). Associations should evaluate if they have assumed a duty of responsibility through their programs. This duty can arise when an organization establishes itself as an authority. Due diligence should be applied to programs that may result in a duty of responsibility. These can include standards and certifications, safety publications, member alerts, and educational offerings. Tort liability is hard to prove. A successful case must show that an association assumed a duty and mismanaged it, resulting in damage or injury.

— *Defamation* (Source #7). Defamation is a statement about an individual, firm, or product that is inaccurate and damaging. Since associations frequently make statements, defamation is a concern. Implementing a standard of review for website and newsletter content is recommended. This is especially important if an association's communications include negative information. The government is granted an exemption from defamation claims.

It is hard to buy insurance against tort liability. General liability insurance might cover it, but association liability policies usually exclude personal injury and property damage.

▪ **Registering trademarks and copyrights helps associations defend against intellectual property (IP) infringement.**

Associations can protect their IP (Source #8: IP infringement) through trademark and copyright protection.

— *Trademarks*. These are a name, tag, or label that people have associated with a product or service through use. Trademarks can be registered with the Patent and Trademark Office. This gives registrants the right to use the trademark symbol.

Registered trademarks have a "scarecrow effect" in that they may prevent infringement. Trademarks also allow firms to write stronger cease and desist letters. Registering a trademark, however, can be expensive; international trademark protection is particularly expensive and confusing. In each country where an organization wants to register a trademark, local counsel must be hired.

— *Copyrights*. These are rights that are automatically acquired through creation. It is useful and inexpensive for associations to register their publications with the Library of Congress Copyright Office. Like registered trademarks, copyrights can discourage infringement. When volunteers write materials, associations should request copyright assignment. It is best to ask for "all rights" copyright assessment. Materials created by association staff are covered by the work for hire doctrine. This states that when an employee creates something on the job, the employer owns all rights to it.

When associations use other authors' materials, they must consider the fair use doctrine. Fair use suggests that using small amounts of copyrighted material does not reduce the value of the source content. Association communications staff must have knowledge of copyright guidelines. Websites are a special concern, since copying and pasting material verbatim is particularly easy with electronic communication.

- **Sarbanes-Oxley and IRS Form 990 regulate the governance of associations.**

Although Sarbanes-Oxley has little relevance for nonprofits, two features affect the governance of all organizations (Source #9: Governance). These include: 1) prohibition of document destruction in the case of a federal investigation; and 2) retaliation against whistleblowers who go to the federal government.

IRS Form 990 is called the "Return of Organization Exempt from Income Tax." It includes a series of yes/no questions related to five governance policies and procedures: destruction of documents; a whistleblower policy; conflicts of interests; executive compensation; and joint ventures.

- **Associations can manage legal risk through a variety of actions.**

Although associations face multiple legal risks, there are ways these risks can be managed (Source #10: Managing risk). Staff and volunteers should be educated about particularly dangerous legal areas. In addition, both the senior staff and senior volunteers should show a commitment to legal behavior.

It is important for associations to have a documented legal compliance policy. And, indemnification should be codified in the bylaws or in a board resolution. In this way, if an individual is sued without cause for association work, the organization will pay all legal fees and penalties.

Liability insurance is also worthwhile. It is inexpensive, and ASAE Business Services sponsors two types. In the event that legal counsel is necessary, associations should seek attorneys with knowledge of nonprofit issues.

Other Important Points

- **Association magazines and tradeshows.** Magazines and tradeshows are marketplaces that associations own. Not everyone has the right to exhibit at a tradeshow or advertise in a magazine. Booth rental leases and advertising applications should state that the association has the right to refuse applicants on any grounds, including competition.

Confessions of a New CEO: Lessons Learned in My First Year

▪ Speakers: **Michael Fraser**, CEO, Association of Maternal and Child Health Programs
Kevin Keller, CEO, Certified Financial Planners Board of Standards, Inc.

Overview

The role of CEO is vastly different from any other role in an association. Leaders define expectations whereas managers execute them. Strategic thinking is unlike operational planning. Attending to the needs of multiple stakeholders and juggling conflicting demands on time are part of the balancing act. Success will be judged on the tangible results achieved within the first year.

Two critical hurdles for a new association CEO are aligning operations with the strategic vision and winning board members' trust. Ten tips can help new association CEOs better manage these unique challenges.

Context

Michael Fraser and Kevin Keller shared learning experiences and best practices gleaned from their first years as CEOs, presented in the form of "10 tips."

Key Takeaways

▪ **Upon becoming a CEO, set priorities and manage stakeholders' expectations.**

Tip 1: Manage Your Career
When setting your sights on becoming an association CEO, take time to pave the way. Seek out leadership development and strategic planning opportunities that will showcase your potential and prepare you for the challenges you will face. Specifically:

— Recognize that association CEO positions are often filled by recruiters; become known to the recruiting community.

— As a senior staffer, seek opportunities to make strategic contributions.

— Communicate your career goals to your boss if that can lead to more strategic and leadership opportunities.

Tip 2: Prepare for Your First Day
The first day is critical, as first impressions are not easily altered. To prepare:

— Assemble outside resources to serve as support teams, both personal and professional—e.g., corporate communication counsel, HR experts, recruiters, personal trainer, and leadership coach.

— To hit the ground running, learn as much as possible about the organization.

— Ask your family for permission to "check out" for a few months.

— Become physically fit.

— Prepare questions to ask the management team.

Tip 3: Set Priorities and Manage Expectations
When a CEO doesn't last long, it is often because of a mismatch between the board's expectations and how the CEO saw his or her role. Avoid this by clarifying the performance criteria early on. Specifically:

— Draft goals for the first 100 days.

— Give broad examples of first-year priorities; set performance criteria to these priorities.

— Prepare your "elevator speech" explaining what you're all about.

— Resist the temptation to prove how bright you are; do nothing when you first arrive—just learn.

— Ask many questions, but provide no answers.

— Speak only with respect about your predecessor.

— Engage corporate communication counsel and distribute key message points to board and staff.

— Accept your temporary state of incompetence.

▪ **Aligning strategic planning with operations and cultivating board trust are critical in the first year.**

Tip 4: Develop a First-Year and Long-Term Strategy
Because new CEOs need to show results in the first year, they must be transparent about what those results are.

> *"Have clear results at the end of your first year; that's what people are looking for."*
> — Michael Fraser

To those ends, the following actions are critical:

— Develop rapport with all key stakeholders—meet with or call each individually.

— Establish trust and an effective working relationship with the board.

— Have a board-approved first-year strategic plan/map. Usually, a strategic plan exists when a CEO takes over; the CEO needs to make sure it's one he or she can live with. (If there is no plan, understand why and then quickly install one.)

— Create a three-year plan with board input and approval.

— Align your operational plans with the strategic plan.

> *"Aligning the organization's staff resources and financial resources with the board's strategic objectives is perhaps the most important aspect of success."*
> — Kevin Keller

— If restructuring is necessary, don't undertake it lightly; reorganizations eat up a lot of staff time and resources. Think about how to align strategy with operations and discuss this thoroughly with your board.

Tip 5: Work with the Board
Few things are more important to an association CEO's first-year success than a good relationship with the board. CEOs must cultivate directors' trust. That is accomplished by getting to know board members individually, communicating with them often, and keeping them informed of staff activities. Routine measures go a long way toward creating transparent, trusting relationships. For example:

— Ask the right questions to comprehend board strategy.

— Understand board politics.

— Visit board members individually, and listen closely.

— Engage in routine conversations with board members, telegraphing that there will be no surprises.

— Keep directors informed of staff activities with a weekly or bi-weekly email.

— Invite directors to leadership events.

> *"One of the first things I did with my board was a biweekly email, 'CEO Share,' discussing what staff has done the past two weeks [and] what's coming up. They love it. It facilitates the formation of transparency and trust."*
> — Michael Fraser

- **CEOs need to be aware of how leading differs from managing.**

Tip 6: Lead Versus Manage
A leader defines a vision, and a manager executes one; a leader determines "what," and a manager focuses on "how." The shift from an operational to a strategic mentality can be a jarring change, requiring new activities, habits, and behaviors. Some points to remember:

— Leadership is defining expectations; management is executing the expectations.

— Leaders can be mentors—developing staff's abilities—but not friends. (For the honest feedback a CEO needs to hear, get an external coach.)

— Leaders need to build a diverse team, determine the roles of each member, build their trust—then let go.

- **Building the desired culture involves communicating goals, having the right team, and modeling values.**

Tip 7: Communicate and Build Consensus
Over-communicating is necessary, especially when it concerns changes affecting employees' lives. Some advice:

— Establish clear communications and build consensus.

— Over-communicate through routine CEO share sessions.

— Use multiple communication tools: columns in newsletters, board updates, staff meetings, intranet, blogs...

Tip 8: Get the Right People on the Bus
Shaping an association's culture so the organization achieves its goals depends on having the right team. This is a team that agrees with the plan and is able to execute it. Because a CEO doesn't execute himself or herself, he or she can't accomplish a thing without a great team. Best practices:

— Think hard about the team you've inherited versus the team you need. Don't hesitate to change staff promptly, but do so respectfully and communicate the reasons.

— Cultivate trust by the way you handle staff issues. Work to foster allegiance to the organization.

— Prepare for criticism of bringing in your "own" people. But people will come around if those brought in are clearly better for the job.

— Develop critical-thinking questions for every staff person.

Tip 9: Define, Articulate, and Model New Culture, Core Values
Mr. Keller has instituted changes that incorporate his association's values into its performance review and incentive compensation systems.

> *"We have sought to give voice to expectations of how we want our organization to work. . . . We articulate what the expected behaviors look like for each core value—bringing standardization to what's acceptable."*
> — Kevin Keller

- **CEOs must tend to themselves or they can't properly tend to their organizations.**

Tip 10: Manage Your Time
Greater demands on one's time necessitate a shift in activities when one becomes CEO. Mr. Fraser no longer had time for reading, except on planes, and little time for writing. Delegating became important. Some key points:

— Leading is a marathon, not a sprint.

— Burnout can happen.

— Balancing multiple demands is an unrelenting necessity.

— You spend less time "doing" and more time "showing."

Other Important Points

- **From cube to corner office.** Internal candidates who become CEO often face unique issues, such as managing relationships with individuals who were previously coworkers.

Proven Technology Solutions for Small & Medium-Size Associations

▪ Speakers: **Linda S. Chreno, CAE, IOM**, Director of Marketing and Communications, American College of Phlebology
Rob Miller, Executive Vice President, Avectra
Lynda Patterson, CAE, Partner, Association Acumen

Overview

Technology can provide numerous benefits for small and medium-sized associations. Through the use of technology, associations can operate more effectively and efficiently, save money, increase revenue, serve members better, and better fulfill their mission.

Important lessons can be learned in how technology is selected, how it is implemented, and how it is used. These panelists shared many practical suggestions and tips to help small and medium-sized associations maximize the effectiveness of their technology.

Context

These panelists discussed the many benefits that technology can provide for small and medium-sized associations (which they defined as associations with fewer than 30 staff members). They described how to select technology and how to use it most effectively, and offered numerous technology tips.

Key Takeaways

▪ **Technology provides a tool to help small and medium-sized associations fulfill their mission.**

While technology provides many great benefits, Mr. Miller emphasized that technology does not provide a magic bullet that will solve all of an association's challenges; it is "just a tool." Ms. Patterson agreed and advised leaders from small and medium-sized associations not to be distracted by technology.

> *"Stay focused on your mission and goals—don't get sidetracked on the 'flavor of the day.'"*
> — Lynda Patterson

▪ **Technology can have significant benefits for small and medium-sized associations.**

The benefits include

— *Lower costs and increased staff efficiency*. Efficiency can be increased and costs decreased by simplifying systems. Examples include consolidating multiple databases into one, and combining email and phones into a Voice over Internet Protocol system. Staff efficiency can be enhanced through systems that allow easy document sharing (like Share-Point) and Wikis, which are a way to manage organizational knowledge. Wikis have been

used by Ms. Patterson's organization to exchange ideas on planning a meeting.

— *Increasing revenues.* Technologies can be leveraged to help associations increase their online revenues. Another way that technology can help drive revenue is by offering webinars that are sponsored by vendors.

— *Managing members more effectively.* Technology offers several ways to engage and manage members more effectively. This includes software to create member communities, social media groups, online resource libraries, and more.

— *Enhancing an association's ability to compete.* Through the wise use of technology, small organizations can compete effectively with larger ones. A key part of using technology to compete is creating an appealing website. A good website communicates an association's brand, enhances perceived value, becomes an information destination, engages, and drives revenues.

▪ **In choosing technology to use, associations must select technology that is right for their situation.**

Mr. Miller offered advice for small and medium-sized associations to consider in selecting technology.

— *Use technology that does not need to be customized*. Small and medium-sized organizations don't have large (or any) IT staff and don't have the resources or budget to customize software. Therefore, instead of buying and then customizing software, it is important for small and medium-sized associations to find and purchase software that meets their needs and doesn't have to be customized.

> *"Find software that works for you 'as is.' If it doesn't meet your needs, don't buy it."*
> — Rob Miller

— *Focus on Web-based tools*. Instead of purchasing software and installing it on an association's computers, Web-based tools are a preferable option. These tools don't require any special hardware, don't require purchasing software, don't require IT resources, and are available anywhere. Today there are a huge number of technologies available through Web-based services.

A growing trend in this area is "software as a service" (SaaS), also referred to as "cloud computing." Instead of purchasing software, an organization pays for it each month based on the services it uses. Providers of SaaS products serve a community of users. These users get

economies of scale, as large numbers of users keep overall costs down.

> *"SaaS enables small organizations to do what large organizations do without having IT staff."*
> — Rob Miller

Web tools include content management systems and tools that have single sign-on and the ability to personalize content.

— *Make sure technology is interoperable.* New technologies must connect with and work seamlessly with existing technologies.

— *Ensure that technology is secure.* When selecting technology, security is critical. Data must be protected and associations must comply with PCI, which mandates certain requirements in ensuring that credit card processing is secure.

▪ **Value is derived in how technology is implemented and put to use.**

Once organizations have selected the technology they want to use, value is derived in how these tools are implemented. Important considerations include

— *Project management.* Leading a technology project requires strong project management. An ideal project manager is someone who is a strong advocate for all functional areas. IT does not have to be the project manager, and the project manager doesn't even have to be a user of the technology; the project manager can be someone from the business who is respected and who will drive change.

— *Process improvement and change management.* Getting the most value from technology requires having clear, documented standard operating procedures (SOPs) in place. At times, implementing new technologies can necessitate that organizations undertake process improvements to get the greatest value from the technology. Dealing with new technology and new processes is an exercise in change management.

— *Training.* For associations to get the most out of their technology, they must have training so that users fully understand it. In tight economic times training often gets cut. But for technology to work most effectively, organizations must invest in training. Also, training should not just be a one-time event following the implementation of new technology; it should be done on an ongoing basis.

▪ **There are a wealth of resources available to help small and medium-sized associations use their technology effectively.**

To keep association executives from having to reinvent the wheel, and so that they can benefit from her experience, Linda Chreno shared multiple tips and resources to help

leaders of small and medium-sized associations operate more effectively. These tips included the following:

— *Get content for newsletters.* There are a few services that will conduct tailored online searches of a huge number of publications. They identify content that can be used for association newsletters. These services include: www.meltwaternews.com, www.smartbrief.com, and www.infoinc.com. Also, content from sources such as ASAE & The Center or from a speaker, a blog, or a partner can often be borrowed and republished. Just ask the author or owner for permission.

— *Leverage Adobe Acrobat.* This is a great tool with a wide range of capabilities. For example, through the "portfolio" feature, multiple documents can be combined to create just one document.

— *Use technology to schedule meetings.* A free service, www.meetingwizard.com is a great tool for coordinating the schedules of multiple people to schedule a meeting. People can vote on the best dates/times and they then receive confirmations, reminders, and more.

— *Know what software and files you have.* A tool called Belarc (www.belarc.com) can determine all of the software on a computer. This tool can also determine if the user has a license for the software or not. Karenware (at www.karenware.com) provides a tool that can print a list of all of the files on a computer or an external hard drive.

— *Have data back–up and disaster recovery.* It is essential that your association's data be backed up and stored offsite so it can be accessed in the event of an emergency or disaster. Both Mozy (www.mozy.com) and Carbonite (www.carbonite.com) perform this service and both are extremely inexpensive.

— *Make sure your website is working.* Websites often grow over time but aren't routinely checked. A free service called Snafu (http://home.snafu.de/tilman/xenulink.html) goes through a website, checks all links, and identifies if any links are broken.

— *Have the capability to transmit large files.* It is important to have the ability to easily send large files, such as a big PowerPoint presentation or an audio or video file. Many files are too big to be attached to emails. A free FTP site for large files is http://filezilla-project.org; a good large file transfer service is www.yousendit.com.

— *Improve your presentation capabilities.* Creating ideal graphics can often be challenging in PowerPoint. A software package from www.smartdraw.com makes it easy to create impressive and attractive graphics.

— *Purchase software at reduced prices.* To get low prices on software, check www.techsoup.org. This site has very attractive pricing for 501(c)(3) organizations.

— *Get training and advice*. A few sites provide good online training and advice on how to use software most effectively. These sites include www.suiteminute.com (which provides tips and tricks on using software), www.lynda.com, which provides simple online training for a wide range of software, and www.qualitytalk.com, where Ron Rosenberg, who has spoken at previous ASAE & The Center events, provides regular tips.

Lynda Patterson also offered a tip; she suggested checking out Shoutlet at www.shoutlet.com. This service allows a user to send out a message once and have it disseminated through all social media platforms, including Twitter, Facebook, LinkedIn, and more.

Other Important Points

- **Tech consultants.** For an organization with no technology resources, it may be beneficial to enlist a consultant for 1 or 2 days to assess your situation and offer recommendations on the most appropriate technologies.

- **Do it yourself.** While some paid services exist that will conduct tailored searches of numerous news publications, it is possible to set up Google alerts to perform a similar service.

- **ASAE & The Center resources.** Getting suggestions from members of ASAE & The Center can be extremely valuable. Use the Small Associations listserver.

- **Other resources.** In addition to the many tips offered, Linda Chreno also provided a list of nonprofit resources. This list is furnished below:

  — The Nonprofit Times (www.nptimes.com)
  — Alliance for Nonprofit Management (www.allianceonline.org)
  — Independent Sector (www.independentsector.org)
  — Internet Nonprofit Center (www.nonprofits.org)
  — National Association of State Charity Officials (www.nasconet.org)
  — Nonprofit Nuts & Bolts Online (www.nutsbolts.com)
  — Philanthropy News Network Online (www.pnnonline.org)
  — The Chronicle of Philanthropy (www.philanthropy.com)
  — The Nonprofit Genie (www.genie.org)
  — The Nonprofit Risk Management Center (www.nonprofitrisk.org)

To purchase recordings from the 2009 Annual Meeting go to www.softconference.com/asaecenter.

Archived recordings of individual sessions from past meetings can also be purchased from www.asaecenter.org/bookstore.

Good to Great Principles in Action: Lessons Learned 8 Years into the Journey

▪ Speaker: **Rick Olson**, President/CEO, KRM Information Services, Inc.

Overview

Jim Collins's book *Good to Great* established a set of principles that good companies have used to become great. KRM uses the principles from *Good to Great* to manage the company. In some areas, such as confronting brutal facts, KRM has had much success, which is largely attributable to creating healthier communication. In other areas, such as creating a culture of discipline, KRM hasn't fared as well.

The lessons learned along the way can prove instructive to associations that aspire to be great, and that are considering using the *Good to Great* methodology.

Context

Rick Olson described KRM Information Services' journey using the principles from *Good to Great* to guide and manage KRM. These principles come from *Good to Great: Why Some Companies Make the Leap . . . and Others Don't*, written by Jim Collins and published in 2001.

KRM is a 50-person company in Eau Claire, Wisconsin, that provides services to organizations, particularly associations, to conduct pay-to-attend distance learning events.

Key Takeaways

▪ **KRM's journey started by determining its values.**

KRM has a unique structure and culture. The company is 20% owned by its employees through an ESOP (Employee Stock Ownership Plan). KRM places tremendous emphasis on transparency. Non-management employees can attend management meetings and extensive minutes are taken and made available to employees. Also, employees can find out how much cash KRM has.

> *"If you don't tell employees something, they'll guess, and their guess is usually worse than reality. So I figured, we might as well tell 'em."*
> — Rick Olson

Jim Collins's first book, *Built to Last*, was published in 1994, the year KRM was founded. The book resonated with Mr. Olson and was used in 1999 to help KRM determine its values. At an offsite retreat, the company's 26 employees decided on the following values:

— *Ethical*. This is the most basic, fundamental value.

— *Fair*. The most controversial value. What exactly is fair?

— *Respectful*. The intent is respect for each employee through work/life balance.

To clarify and explain these values, Mr. Olson wrote and distributed a white paper. New employees still get this white paper when they join. The values are used for guidance when the company is making tough decisions.

▪ **KRM embraced the philosophy of *Good to Great*.**

After having used Mr. Collins's first book to help define the company's values, in 2000, Mr. Olson heard a recording of Mr. Collins describing the research behind *Good to Great*. (The management team listened to this recording so much they wore it out.) When *Good to Great* was published in 2001, Mr. Olson and the rest of KRM's management team studied it. They concluded its principles fit well with how they wanted to run KRM over the long term.

Using *Good to Great*, the company developed a visual. This visual is posted in the company's hallways and meeting rooms and is given to employees who join KRM. The visual lays out each *Good to Great* principle, provides a summary of it, and explains how KRM tries to apply it.

▪ **KRM has learned valuable lessons in applying each *Good to Great* principle.**

Mr. Olson briefly described KRM's experience and lessons learned in applying each principle. While KRM has derived benefits and discipline from using this approach, doing so has not yet (after 8 years) made KRM great.

Principle 1: Level 5 Leadership
Companies that went from good to great had what Collins termed "Level 5 leaders." These are leaders who are humble, selfless, and think only about what is good for the organization. They are fanatically driven and have an incurable need to produce sustained results; they do whatever is necessary for the company to succeed.

As the leader at KRM, Mr. Olson tries to model the behaviors that are desired. More importantly, the company wants every employee to demonstrate the traits of a Level 5 leader. This principle is demonstrated by the fact that KRM takes the long view in regard to both employees and customers. KRM assumes that employees will be with KRM long term (as many have been) and that customer relationships are long-term relationships. As such, KRM invests in these relationships. KRM doesn't think about selling a customer; they think about how to make their clients successful.

Principle 2: First Who, Then What
Collins describes this as getting the right people on the bus and then putting them in the right seats. At KRM, getting the right people on the bus starts with a very intensive hiring process. The process involves an entire team,

includes lengthy interviews, and entails a thorough back-ground check. Those who are hired get a welcome video, a copy of *Good to Great*, the visual, a binder about *Good to Great*, and the white paper. They also meet with the CEO and CFO to go through the ESOP and the *Good to Great* visual.

Principle 3: Confront the Brutal Facts

When describing this principle, Collins wrote about former Vietnam POW Admiral James Stockdale. As a POW who was tortured and living in unimaginable conditions, Stock-dale accepted the brutal facts that his conditions were hell. But he retained the belief that he could rise above it, get through it, and prevail. And he did. Conversely, those who were optimists were unrealistic, and didn't persevere. They thought they would be rescued any day, only to have those dreams dashed.

KRM has done a good job of creating a culture where employees communicate and accept the brutal facts. The company enlisted a psychologist who helps employees with healthier communications. A key part of healthier commu-nications is assuming good intentions. If one employee doesn't understand another, instead of getting angry, by assuming good intentions the result is asking questions to understand the other person. It is not that problems or conflicts disappear, but they are dealt with.

Part of healthier communications has also been having all employees take the Myers-Briggs Type Indicator (MBTI) test, which provides insights into each person's behavior and communication style. KRM has also used a tool called "The Birkman" and the company uses healthy-communica-tion coaches to help employees work through any issues. For those interested in these tools, several books are recommended reading: *Please Understand Me*; *The Art of Speed Reading People*; and *Type Talk at Work*.

> *"We have learned how to have brutal conver-sations about the facts without offending each other; we make it a positive, healthy experience."*
> — Rick Olson

Principle 4: The Hedgehog Concept

This is about determining what an organization is the best in the world at, and determining the company's economic engine. KRM has determined its strengths but is still in the process of establishing its economic engine.

Principle 5: Culture of Discipline

The idea is that disciplined people take disciplined actions. KRM has had challenges in creating a culture of discipline. To try to create such a culture, two years ago KRM developed a strategy map and a Balanced Scorecard (based on books by Robert Kaplan and David Norton). The goal is to create a clear strategy for KRM and to align everyone to execute it. This methodology entails creating objectives, measures, targets, initiatives, and milestones. KRM's success with this method has been mixed. The initial strategy maps and scorecards were too detailed and complicated. They are being revised and the focus will be on specific milestones.

Principle 6: Technology Accelerators

While KRM has done a decent job on the technology front, the company isn't a technology company; it is a service company where people make the difference.

Other Important Points

- ***How the Mighty Fall.*** Following *Good to Great*, some of the "great" companies that were featured experienced tough times. This begged the question: If these companies were once so great, why were they struggling? To address this question, Collins wrote *How the Mighty Fall: And Why Some Companies Never Give In*. This book shared research identifying five stages of decline:

  — *Stage 1: Hubris Born of Success*. Successful people and companies become arrogant, thinking they can success-fully do anything.

  — *Stage 2: Undisciplined Pursuit of More*. Companies that were doing great become undisciplined, pursuing even more and more of the same results.

  — *Stage 3: Denial of Risk and Peril*. Companies that had been great deny problems and risks. They believe all will be fine.

  — *Stage 4: Grasping for Salvation*. Once these once-great but declining companies understand their risks, they try to do anything to keep their doors open.

  — *Stage 5: Capitulation to Irrelevance or Death*. In the end, by going through these stages, even the mighty fall. Once-great companies have gone out of business.

- **Collins's next book.** Mr. Collins has said that his next book is on the timely subject of strategies to prevail in difficult times.

2009: The Year of Engagement

▪ Speaker: **Andy Steggles**, CIO, Risk & Insurance Management Society, Inc. (RIMS) (now with Higher Logic)

Overview

Social websites are growing at an incredible rate. There are more than 190 million blogs; Facebook and social media sites are adding around 250,000 new users each day; and activity in online communities accounts for 1 in every 11 minutes spent online.

Online social environments present a great opportunity for associations to reach and engage members. Private social platforms offer many advantages over public social networking sites. By using these platforms, associations can employ a variety of tools and techniques to increase member engagement, reward their most engaged members, and improve member retention.

Context

Mr. Steggles discussed techniques for building a social presence online and highlighted different strategies associations can use to engage members.

Key Takeaways

▪ **Private social platforms offer distinct strategic advantages to associations.**

Unlike public social networking sites that are accessible by anyone, private social platforms enable associations to create their own social networking area. By creating a private site, an association can utilize its management system data, offer greater accessibility to members, and provide greater control of the networking environment. Advantages of private social platforms include

— *Integration of association management system (AMS) data*. Private social platforms can be integrated with data from an association's AMS. Public sites like LinkedIn can't leverage this type of information. The greatest strategic advantage of a private social platform is using all of the association's AMS data.

— *Member access*. Members of professional organizations are often not able to access public social networking sites like Facebook or LinkedIn from work, as these sites may be blocked. When this is the case, a private network is the best route for an association to take.

— *Greater consistency*. Increasingly, local association chapters want to have their own social networking sites. However, creating these sites can be challenging and time consuming. An association can leverage a private platform as a tool that enables chapters to create their own websites and communities. Association headquarters can use this platform to create and embed standard

components into chapter websites, like a job bank and an events calendar.

There are many potential products for private social platforms. Associations first need to establish their goals, such as advocacy, donor recognition, or member retention. Once goals are established, an association can assess the many products that are available to determine which one will work best in helping the association meet its goals.

▪ **Viral engagement represents a big opportunity for associations.**

Utilizing social networks to create viral engagement is an area that shows much promise and is generating much attention. However, viral applications remain largely conceptual at this time. They are close to being functional, but there is still work to be done. Examples of viral engagement programs for associations include

— *Member-get-a-member programs*. The way these programs work is that when a member recommends someone for membership, the member is asked to invite others who might be interested in joining. This creates a viral way to learn about and contact potential new members.

— *Association mentoring programs*. When a member shares online the information that is needed to become a mentor or a mentee, he or she is given the opportunity to invite others to participate in this program. The system then crafts an email to the selected individuals.

— *Event registration*. When a member signs up for an event online and gets a receipt, they can be asked to invite others to attend the event.

▪ **Engaging members can be done by offering professional benefits and recognizing participation.**

Two of the best ways for associations to engage members are by offering professional benefits, such as personalized URLs (PURLs), and recognizing participation through digital ribbons.

PURLs are web addresses that direct a user to a person's profile at a larger site, such as LinkedIn. It is logical for associations to offer PURLs as a benefit of their member websites. A value-added feature associations could provide is tracking about how many people click on a member's PURL link. Associations could also give members instructions about how to add a PURL to their email signatures.

Since member retention is closely tied to engagement, many associations are encouraging member participation in association activities and are rewarding members for their participation. Through the AMS, it is possible to

identify which members participate and in which activities. Examples include authoring magazine articles, speaking or exhibiting at events, and serving as chapter officers. Each person can be sent a personalized email asking for continued participation.

When member activity is tracked, it is also easier to recognize participating members. One way to recognize members online is through digital ribbons, which are attached to a member's online profile. These ribbons identify affiliation with different activities and distinguish different engagement levels. An association can also create "most valuable member" ribbons.

Associations can measure how and when members are engaged.

Once an association has established an online presence, it is important to measure the different points where members are engaged. For example, an association might analyze who creates a blog on the association's website, who views these blogs, and who comments on them.

Different types of engagement should be given different weighting, based on the association's overall strategy. Once weightings have been assigned, it is possible to determine the amount of member engagement over a particular time period. Benchmarks can be created, so the association knows where it needs to improve.

> "Associations need to stop focusing on ROI and focus instead on 'return on engagement.' The more engaged members are, the more likely the association is to retain them."
> — Andy Steggles

Social media can be used to engage members in ways that go beyond just blogs and wikis; social media should be embedded in everything an association does. Examples include the following:

— *Online, interactive FAQs.* Associations can engage members by giving them the ability to rate online FAQs and identify which responses are most useful. FAQs can include wiki-like characteristics, where members can edit the answers and make them more comprehensive.

— *Print and electronic versions of articles.* In printed publications, every article should contain a URL to an electronic version of the article, where members can comment and engage.

— *Member input on event content.* When conference proposals are requested, consider allowing members to rate these proposals online before the selection committee does its final selection.

Demographics are an important, but often overlooked, aspect of social media and platforms.

Organizations often don't fully consider the importance of demographics when creating their social media strategy, but gathering and providing demographic information can help in making an association's social networking capabilities more engaging. For example, knowing information such as a user's age, title, professional experience, and location can influence the type of social networking area that is created.

The specific type of demographic data that are collected will vary by association. Also, different functional areas will want different information. For example, the magazine staff and the meeting organizers will want different pieces of data. As a result, the process of deciding what demographic information to collect must include multiple parts of the organization.

In addition to collecting demographic data, an association may also want to allow members to post their demographic information and view that of other members. Access to other members' information allows members to learn more about others and can help facilitate networking. The potential benefits from networking make the idea of providing demographic information on an association website appealing.

> "The more data you have, the more networking opportunities evolve."
> — Andy Steggles

There are different ways to motivate members to furnish and update their online data. One approach is to measure a person's profile completeness, expressed as a percentage. With this information, it is possible to run reports showing what percent of members' profiles are complete in each chapter. To boost engagement, an association might issue this report to the chapters and run a contest for the best average profile completeness.

Other Important Points

3D Virtual Worlds. RIMS recently held its first-ever 3D virtual conference. It consisted of three concurrent sessions over two days. There were over 500 attendees and the feedback from the event was extremely positive.

A Diversity Toolbox for Associations

▪ Speakers: **Stan Bissey**, Executive Director & CEO, California Judges Association
Tangie Newborn, President, Immense Business Solutions

Overview

Associations that do not embrace or plan for diversity will be left behind. In embracing and planning for diversity, it must not be viewed as just an HR process. It must permeate all aspects of association operations, from membership to the staff to board governance. Tools like a diversity statement, a diversity strategic plan, and a communications audit can help associations create a capable and diverse staff, build a strong and diverse membership base, and even bolster fundraising. Associations can implement these simple, proven techniques immediately to begin generating positive results.

Context

Mr. Bissey and Ms. Newborn discussed the importance of diversity in all aspects of association operations. They described techniques for making diversity an integral part of plans and programs.

Key Takeaways

▪ **Diversity must permeate all aspects of association operations.**

At associations, diversity must go beyond HR processes to become a way of thinking. Because multiple generations and ethnic groups now work together, a philosophy of diversity is critical to creating an environment where the contributions of each group and individual are maximized.

There are three areas where associations can address diversity:

— *The staff*. When an association has a diverse staff, it shows commitment to diversity. And, staff members that represent different demographic groups help attract diverse new members. The support of the CEO is mandatory. If an organization is facing staffing challenges related to diversity, it may be useful to bring in an outside consultant.

— *Member development*. It is important for organizations to cultivate diverse membership bases, and not just a diverse staff. Members are the heart of an organization and their dues help sustain operations. Bringing in diverse new members helps guarantee the future vitality of an association. Associations should identify different groups for member outreach programs. These may include different generations, single parents, or the lesbian, gay, bisexual, and transgendered community. The key is to make an emotional connection with each type of potential member.

— *Board governance*. Diversity must be considered during board development as well as during the association's strategic planning process. Association boards should reflect the demographics of the communities they serve. One way to generate board buy-in for diversity initiatives is to create a strategic plan that includes diversity initiatives and to demonstrate the business case for diversity. For example, put a dollar value on the number of potential members that the association expects to attract through a diversity initiative.

> *"Associations that don't embrace and plan for diversity will be left behind."*
> — Stan Bissey

▪ **A good first step is to develop an association diversity statement.**

Associations cannot underestimate the importance of developing a diversity statement. This is similar to a mission or vision statement. It sets the tone for and articulates the organization's beliefs related to diversity. Without such a written statement, an association has no foundation on which to begin its diversity programs. Organizations must recognize, however, that developing a diversity statement can be time consuming. It is not uncommon for associations to take up to a year to complete the process. Once drafted, the diversity statement should be incorporated into the organization's bylaws.

▪ **Staff diversity builds stronger associations and can help with fundraising.**

Associations must make diversity a priority and must actively manage it. Diversity considerations should be added to performance measures and appraisals for the CEO and staff. Examples of activities that support diversity include attending diversity classes, bringing in new members or staff from different demographic groups, and actively influencing the organizational culture.

In this economic downturn, funding sources are becoming increasingly selective about which organizations they support. Grant-making agencies today are often looking for information about diverse board and staff composition, before committing to funding decisions.

▪ **Developing a diversity strategic plan should be a board action item.**

Developing a diversity strategic plan is an association best practice. Oversight for this initiative should be the responsibility of the board and should be considered a board action item. The strategic plan analyzes diversity-related strengths, weaknesses, opportunities, and threats that the association faces. The conclusion is a business case,

articulating the benefits the association will derive from diversity initiatives.

A good diversity strategic plan includes

— An overview
— A vision statement
— Association objectives related to diversity
— Challenges the association may face and how they will be addressed
— A timeline for achieving the goals
— An explanation of how the diversity strategic plan ties to the association's overall strategic plan

It is recommended that associations start small by identifying one or two diversity goals and then setting a conservative timeline for achieving them.

> *"We are never done with diversity. When an association says it is done, then it will revert and go back to its old ways."*
> — Tangie Newborn

- **Communicating to members about diversity is critically important.**

When it comes to diversity initiatives, communication to members is essential. Members must know what the association is doing regarding diversity and why.

Given the importance of an association's communications, it is a good idea for designated staff members to audit all external communications, including the website and publications. The purpose of this analysis is to ensure that the association's messages are consistent with the stated position on diversity. This audit should not just focus on text. Pictures speak a thousand words as photos are often how people get engaged.

Making modifications to communications need not be costly. Website content can be changed quickly and inexpensively, and other publications can be revised as they go into new rounds of printing.

40 Hot Tips to Better Position Your Education in a Down Economy

▪ Speakers: **Debra Bachman-Zabloudil, CAE, FACHE**, President, The Learning Studio
Suzi Wirtz, CAE, Director of Marketing, The Learning Studio

Overview

The down economy means that association executives need to think of their portfolio of educational offerings in a whole new way. This is the time to understand your members and the environment, and try new approaches and offerings. New approaches can be in how education is designed, delivered, and marketed. Those associations that understand the environment and their members and try new things will be better positioned when the economy recovers.

Context

These speakers described the challenging economic environment and the important role that education plays, and offered 40 tips associations can use to improve their education now while better positioning themselves for the eventual recovery.

Key Takeaways

▪ **The down economy presents challenges to associations in general, and education in particular.**

For many associations, the current environment is hurting membership levels and affecting attendance at association events. Travel budgets have been cut and there is less money for training. Some associations are reporting that spending on continuing education is off by 25%-30%.

▪ **Education plays an important strategic role for associations.**

For associations, educational products and programs are an important source of revenue, and are a critical way that associations touch and engage members. Members who participate in and are engaged in educational programs are more likely to see value in and renew their membership with an association. Conversely, when fewer people participate in educational offerings, this decrease the number of members whom the association touches and could hurt membership renewal.

In this challenging environment, it is critical to be able to provide unique and differentiated educational programs.

> "Success isn't about being perceived as the best at what you do; it is about being perceived as the only one who does what you do."
> — Debra Bachman-Zabloudil, quoting Jerry Garcia

▪ **Associations can use numerous creative tips to improve their educational offerings.**

These tips, designed to engage members and better position associations for the eventual economic recovery, were divided into several categories.

Understanding Your Customers
To provide compelling educational offerings, it is essential that associations understand their customers and understand what types of education are most appealing.

— *Conduct an educational needs assessment*. Every organization should do an assessment at least once per year. Simple tools like phone calls or email surveys can be used to determine what educational programs members are using and what they want/need.

— *Profile education customers*. Find out who is using which educational offerings. Understand why and how they perceive these offerings.

— *Reassess your competition*. The competitive set may be different than in the past. Find out where members are going for education, including other associations and different industries.

— *Look at member demographics, expressed needs, and current offerings*. Find out what the needs are for specific demographic segments, and learn what offerings each segment is/isn't using. This data will reveal insights and help in making decisions.

— *Understand your "Jonesers."* Jonesers is a term for people born in and around 1962-65. Many people born at this time are a lost generation, born after the Baby Boomers but before Gen X. They are time-starved and busy, and they desire simplicity and convenience. Determine how many Jonesers are in your organization; if the number is high, it may make sense to develop specific educational offerings to appeal to them.

— *Keep your eyes on the forest; not the trees*. Pay attention to the entire continuum of educational offerings being provided. Assess this portfolio to determine if the right offerings are being provided to the right member segments. Identify any potential gaps.

Understanding the Current Environment
Educational offerings must reflect what is taking place in the external world. Some tips for doing so:

— *Stay current and be focused*. Look to outside resources to understand macro societal trends and how these trends might affect your association and its educational offerings. Several good trend-spotting sources exist. One to check out is www.trendhunter.com.

— *Don't become complacent*. Don't let the current environment scare you. Several of the world's greatest companies started during recessions. This goes to show that it is necessary to keep investing and keep innovating.

— *Set aside funds for experimentation*. This is not the time to put ingenuity on the back burner. Allocate funds to experiment and when providing these funds, don't require long committee approvals. Make your organization nimble.

> *"What are you going to do this year that you've never done before?"*
> — Debra Bachman-Zabloudil

— *Show members you care*. Let members know that you care about the economic challenges they face. In particular, do a program on health and well-being for your members.

Delivering Your Product
Rethink how educational offerings are delivered.

— *Work with chapters*. National associations should be proactive in reaching out to chapters with collaborative educational ideas. One idea: the national association develops educational products and acts as a wholesaler; the chapter acts as the retailer, selling and distributing these products to members. This is a win/win.

— *Offer fingertip learning*. Fingertip learning is "bite-sized information" that is easy for members to consume—on a computer or PDA. This type of learning requires minimal time and investment.

— *Try on-location programming*. For a large customer, create a custom version of an educational program that they can offer in-house.

— *Develop and maintain evergreen courses*. Evergreen courses are those that will always be relevant and in demand by members; they are the tried and true, not the trendy material. For example, a great course on negotiation never goes out of style.

Getting the Most From Your Instructors

— *Find creative, untraditional ways to lower speaker costs*. In one example, an association shared the cost for a prominent speaker with a local business. The speaker spoke first at the business and then for the association. In another example, a prominent speaker's appearance was marketed to the community and non-members could buy tickets to attend.

— *Renegotiate speaker agreements*. In the current environment, everything is being renegotiated, including instructor agreements. Don't be shy about doing so.

Educational Design: Try New Approaches
Some associations have enjoyed tremendous success with their educational products, using the same methods to generate strong financial results year after year. But in 2009, all bets are off. Some design-related tips are provided, with a particular emphasis on social media:

— *Focus on credentialing*. If your members need to be credentialed, focus on educational offerings that address the credential. Also, online preparation courses can be an attractive source of new revenues.

— *Offer podcasts*. Podcasts can be used to promote education and can be a form of education in itself. Members can pay a subscription fee to access a series of podcasts.

— *Blog and Twitter*. Blogging and tweeting via Twitter can spread the word about education programs. Presenters can be encouraged to blog and tweet before, during, and after sessions.

— *Get on Facebook*. Getting on Facebook is important, but in doing so, be purposeful. Have a plan, and focus on education-specific content.

— *Create a presence on Second Life*. Second Life provides a free, simulated environment that is very conducive to education. It is great for distance learning.

— *Add additional programs with caution*. Data from ASAE & The Center indicate that association members may be skipping single-day education. Before launching a program, be sure there is an adequate market to support it.

— *Offer "exclusive" annual meeting education programs*. Have some content that members can only receive by attending the annual meeting.

— *Repurpose annual meeting content*. Annual meetings often have great content, but this content is often not captured and used. Ideas include creating CDs and DVDs. These might be for all sessions or could be "best of the best" where the best, highest-rated sessions are included. Highlights from sessions might be posted to the Web throughout the year.

— *Bundle multiple programs together*. Offer a special price for bundled purchases.

— *Unbundle programs*. Some offerings might only be sold on a bundled basis. An idea is to offer the different components individually.

— *Pre-sell*. An association can sell attendance for webinars or events by offering a discounted price for purchasing multiple units (e.g. 5) in advance.

Market Your Programs Effectively
The goal in effective marketing is to increase program attendance. In developing marketing plans, make sure that all key segments are targeted using the most effective marketing vehicles. For example, young members, who often feel neglected, might be best reached through social media.

— *Institute a "send your staff" initiative*. If an existing member brings a non-member or a young executive from their organization, provide a discount to this guest.

— *Create special areas on your website*. In particular, create an area on your website for "products to help you through the economy."

— *Have consistent messaging*. Through all forms of communication deliver the same message, such as "We know what you are going through, which is why we are making this special offer . . ."

Program Delivery

— *Have networking at educational events*. People come to educational events to learn, but they also want to connect and network; allow adequate time for this. And, incorporate interactive techniques and icebreakers, such as "World Café."

— *Use "needs and leads."* Needs and leads is an interactive discussion (not a sales session), where one person articulates a need. A person might say, "My organization needs . . ." The other participants will then provide advice, suggestions, resources, and contacts to help that person with their needs.

— *Ensure take-home value*. Every educational event must have and must emphasize its take-home value. One technique: at the end of an educational event, ask participants, "What are three things you learned?" This simple question reminds people of the value they are receiving.

> *"This simple question reminds people of the take-home value they are getting."*
> — Suzi Wirtz

— *Make your education practical*. One way to make education extremely practical is by using case studies. Case studies can be purchased, from sources such as Harvard Business School, or they can be written. Composing a case study can make it relevant to the real-world challenges that members face.

The Recovery Period

While a recovery is expected in the next year or so, even after the recovery takes place, profound, lasting changes are expected. There will be a contraction in wealth and credit will remain tight. This represents a significant opportunity for associations. (The speakers referred to research from research firm Mintel.)

> *"In the midst of a lot of distrust in the external environment, the "trusted" association entity has an opportunity to provide the kind of innovation and leadership that for-profit businesses might not be able to."*
> — Debra Bachman-Zabloudil

— *Prepare for recovery*. A recovery is inevitable. Those associations that prepare will be better positioned when the recovery eventually occurs. Associations would benefit by undertaking a formal preparation process. Also, associations can help their members do the same.

— *Listen to members and market like you have never marketed before*. After previous recessions, the last things that people gave up were the first things that they turned back to after the recovery. Training and development likely falls into this category. So, be ready to market aggressively when the tide turns because members will likely be ready for training.

— *Consider the key topics of interest to members*. Research shows that topics such as becoming green and financial literacy are top of mind.

— *Find compelling content that is changing society*. This will differ for each association, but areas that are likely to change the landscape for members include regulation and alternatives to consumption, like repurposing.

— *Focus on outcomes*. In the wake of this recession, members are going to be looking at education in terms of ROI and outcomes. Associations should evolve from being satisfaction-based to outcomes-based. Members will want to see a return; they will want to know what outcomes they will receive from investing in education.

— *Develop partnerships*. Seek out and form partnerships with other organizations that can save costs in developing or expand the reach of educational offerings. (An example: the Microsoft/Yahoo! partnership doesn't involve any payment from one party to the other; it is a partnership to work together to pursue opportunities.)

— *Repurpose assets creatively*. Take the association's existing assets and figure out how to repurpose these assets in creative ways. The example was shared of how this past winter Chicago's Wrigley Field, renowned as a baseball stadium, was used for the first time ever to host an outdoor hockey game. No one would ever have thought of using this baseball stadium for an outdoor hockey game, but doing so was a huge success.

Recession Retention: Keeping Members in Tough Economic Times

▪ Speaker: **Mark Levin, CAE, CSP**, President, B.A.I., Inc.

Overview

With the economic downturn at the forefront of everyone's mind, membership executives must arm themselves with skills and knowledge to successfully retain members. It is crucial that associations develop metrics to measure member retention and use this data to identify where improvement is needed. While associations may be tempted to change their fee and membership policies to retain members, they should be cautious in doing so. Communications can be a powerful way to reinforce association value and improve member retention. However, communications must be backed with compelling programming and strong incentives that keep members coming back.

Context

Mr. Levin discussed how the economy is taking a toll on membership and described ways associations can respond.

Key Takeaways

▪ **Associations must develop member retention metrics and implement retention programs.**

Member retention is important to associations for several reasons. More members means more financial resources to fund programs, services, and publications. When members leave, the association loses valuable funding and human resources. One of an association's most important sales tools for improving its financial situation is to increase its retention rate.

There are a variety of metrics that associations can use to measure retention and the value of members. These metrics can identify potential problems and opportunities for improvement.

— *Gross retention rate.* This represents the total percentage of members who paid for membership last year and again this year.

— *Net retention rate.* This is the percentage who paid for membership last year who meet the following conditions: 1) they are still eligible for membership; and 2) they paid again this year. This metric takes into account the fact that people move, leave the profession, and lose their jobs, and that companies shut down. Net retention is the only true way to evaluate the effectiveness of association retention programs. It gives an honest picture of how well an association is doing in keeping its members and where improvement is needed.

— *Average life of a member.* This is calculated by looking at the retention rate. If, for example, an association has an 80% retention rate, it means that one fifth of all members drop out each year, and therefore, every five years the membership turns over. In this scenario, the average life of a member is five years. (An article in the *Journal of Association Leadership* suggested that this metric may underestimate members' average tenure.)

— *Average gross income per member.* This is calculated by dividing the association's total non-dues income by the number of members in the organization.

— *Total net income per member.* This is derived by subtracting the cost of servicing members (e.g., communication costs) from the average gross income per member. The total net income per member should be slightly higher than the cost of one year's dues.

— *Total lifetime value of a member.* This can be derived by multiplying the average annual net income per member by the average life of a member.

Associations should closely track each of these metrics and devote resources to programs that are designed to keep members. There should be a line item in budgets for member retention.

▪ **Associations should be cautious in changing policies to retain members.**

The effects of the recession are being felt throughout associations as many employers are no longer paying for professional dues, leading to decreased membership. As a result, volunteering is down and some associations don't have a critical mass of members to form committees. Event attendance has also declined, hurting sponsorships.

> *"The economy is the 800-pound gorilla confronting associations when it comes to membership."*
> — Mark Levin

In response, some associations are making policy changes to try to retain members. For example, separate, lower-cost types of memberships have been created by some associations for members who have been laid off or are in transition. Also seen is instituting installment plans for members who are having trouble paying their fees. Hardship cases may be evaluated on a case-by-case basis to determine whether a member may receive a reduced fee.

But associations must be careful when making these sorts of policy changes. Organizations don't want to be caught in the middle of disputes that may arise about who is and isn't granted a hardship exception. It is recommended that a written policy be drafted that the executive committee or board approves. The policy should outline who has the authority to make membership decisions and the criteria.

- **In a recession, association value can be reinforced through communications, which can help retention.**

Communications offer a powerful way for associations to connect with members. Members want to feel that their association understands what is going on in their lives, especially in a down economy. It is crucial to communicate in ways that do not ask members for money. Consider a quarterly newsletter with "no strings attached" that provides information about how the association is helping members with career development. There are many formulas for the number of times an association should communicate with members. A rule of thumb is that first-year members are highest risk and should be "touched" three or four more times per year than existing members.

When it comes to renewals, associations must convey why they are asking members for support during hard times. One approach is to turn intangible membership benefits into tangibles. One association indicates on renewal notices which programs the member participated in during the last year, and how much more those would have cost without membership.

The Association Forum of Chicagoland recently conducted a survey exploring the best member communication methods. The techniques that were most effective at improving member retention included direct mail and event and tradeshow marketing. Social networking was not as effective. Electronic communications and social networking may have already reached the overload stage. In contrast, there has been a decrease in the amount of physical mail people receive. Consequently, response rates from direct mail have been increasing a bit.

> *"If all you send members is an invoice, that is all they will remember about the association."*
> — Mark Levin

- **Even in the downturn, there are ways associations can increase member engagement and retention.**

Although the economy has created membership challenges for associations, there are techniques that can be used to boost member engagement and retention. These include

— *Programs that provide members with competitive advantages.* Professional and trade associations must identify ways that membership will provide members with competitive advantage. This may be professional recognition or continuing education. Programming should be planned that helps members deal with the economic situation. For example, networking programs, webinar series, and techniques for lowering business costs are all timely. This may actually be a good time to ask members to consider increased association involvement. Business is slow and people may have more time.

— *"Virtual member" programs.* Virtual membership can have a lower fee than full membership and all communication is electronic. In some associations, virtual members pay slightly higher fees to participate in an event than full members. Virtual memberships often appeal to younger members. One downside is that people may be slow to upgrade to full membership. However, it takes less money and effort to upgrade an existing virtual member to full membership than it takes to convert a non-member to membership.

— *Economic incentives.* Associations are implementing a variety of programs that provide economic incentives for members to renew. Early renewal incentives help get membership payments into the organization sooner and convert people who perhaps were not going to renew. One association found that more than 10% of members didn't renew simply because they forgot. In response, this association instituted voluntary, automatic renewal via credit card. This saves the association money as it doesn't have to send renewal materials; the association offers participants a small automatic renewal discount.

— *Member phone calls and surveys.* It is important for associations to think about how they will engage with lapsed members. One idea is to have board members or staff make personal phone calls. The members who receive these calls should be those who are most at risk. In addition, associations must have a legitimate reason for calling, such as conducting a short survey.

Other Important Points

- **Trade associations and 3D marketing.** Trade associations often try to make at least three people per company or member organization into advocates for the association. That way, if one of them loses his or her job, there are still association supporters in the member organization.

- **3-2-1 surveys.** One association is engaging members through 3-2-1 surveys. These are online surveys with three questions. Each question has two possible responses, and the survey takes one minute to complete. The survey results are published on the association website and participants receive an email notifying them the results have been posted.

- **Communicating with employers.** Many employers are cutting support for employees' professional dues. Some associations are communicating directly with employers and suggesting that membership dues be classified as marketing or training in the company budget.

- **Bundling.** Associations are starting to bundle products together with discounts for the bundled package. For example, if a member buys two publications or registers for two events, he or she receives a discount.

Associations Next: Serious Questions for 2010 and Beyond

▪ Speaker: **Jeff De Cagna**, Chief Strategist and Founder, Principled Innovation LLC

Overview

Social media are transforming every human endeavor and forcing organizations to adapt in unprecedented ways. There is no playbook. What does it mean to be a 21st-century association in a Web-enabled world?

The social media phenomenon is a quest for greater meaning in people's lives. The preeminent challenge for an association is how to create meaning for those it serves in all it does.

Learning how to create meaning requires that an association engage in a self-discovery process propelled by asking the right questions. Pursuing these questions reveals new paradigms and principles—guideposts to point the way toward transformative, adaptive "next practices."

Context

Mr. De Cagna offered six questions to propel discovery of what it means to be an association in a 21st-century world, and shared his views on "next paradigms" and "next principles." The audience broke into groups to discuss practical application of these principles and derive "next practices."

Key Takeaways

▪ **The preeminent challenge facing associations is how to create meaning for members.**

Association leaders are generally unprepared for the challenges of a Web-enabled, networked world. The reason: organizational structures are based in 19th- or 20th-century management models, as Gary Hamel has observed (see summary of Hamel's session). Organizations will be challenged to change in ways for which there are no precedents, says Hamel. There is no playbook, no procedure, no policy. Associations must figure out how to change and adapt. In essence, they must ask: *"What does it mean to be a 21st-century association in a Web-enabled world?"*

Arriving at the answers depends on having the right conversations. This entails

— *Focusing on the right questions.* Leaders must ask the right questions and engage everyone in the answers.

— *Focusing on meaning.* People's thirst for meaning is driving the social media phenomenon, transforming every human endeavor (says author/professor Clay Shirky). Leaders need to focus on creating meaning. That is the preeminent challenge of the future.

> *"Associations say, 'If we can just be relevant to our members, we'll be successful.' . . . The real issue is, 'How do we build meaning into all that we do?'"*
> — Jeff De Cagna

▪ **For associations, addressing the meaning problem is a journey through six questions, each pointing to a "next paradigm" and "next principle."**

Associations need to answer, "How do we create meaning in all that we do?" To answer this question, an association must reexamine its purpose in the 21st-century world. This assessment can take place be addressing six questions. These questions can drive a discovery process, leading to "next paradigms" and "next principles." These questions and participants' responses are summarized below.

1. **What does it mean "to associate?"** The social media groundswell reflects peoples' desire to connect and associate *on their own terms,* not on terms dictated by an organization.

   — *Next Paradigm: Social is a way of being.* People are bringing social aspects to all areas of their lives.

   — *Next Principle: Make everything social.* Every association function should be social.

2. **What does it mean to be a "member?"** People can join online communities for free; why pay dues? Associations need to ask, "How are we going to build an organization people want to be a part of?"

   — *Next Paradigm: Membership is a commodity.* It is like bandwidth, too cheap to meter. There need to be alternatives to the dues-paying models.

   — *Next Principle: Meaning is the business case.* Associations have many assets from which to build meaning. People derive meaning in the presence of trusted relationships, active reciprocity, and responsibility. Associations can offer meaning that is more enduring and less transient than is found online.

3. **What does it mean to be a "volunteer?"** Some view volunteers as unpaid workers. It's time to stop labeling the person, and label the activity—"voluntary engagement." Those contributing make it a daily choice to do so.

   — *Next Paradigm: Contribution is king.* Associations have to ask, "How do we foster voluntary engagement and contribution in a world where membership is too cheap to meter, where people won't pay for access to contribution opportunities?"

   — *Next Principle: Embrace simplicity.* Instead of saddling contributors with time-consuming meetings, conference calls, and other commitments,

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associations need to make it easy for members to contribute—on their schedules, and in short increments of time.

> *"We force contributors to jump through hoops because the hoops have always been there."*
> — Jeff De Cagna

4. **What does it mean "to govern?"** Governing in the 21st century means being a "steward"—connoting no sense of ownership but much responsibility. Stewards leave an organization better than they found it. They are oriented toward the future, not the past.

   —*Next Paradigm: Networks trump hierarchies.* The networked community is smarter than the hierarchy trying to govern it—smarter, more responsive, and more agile. The Web can expedite much that hierarchies impede. Leaders need to give up the idea of controlling the network and recognize that it extends far beyond membership ranks.

   —*Next Principle: Govern outside in.* Leaders traditionally have pushed their decisions out to a passive community. Instead, they need to focus on engaging the outer fringes and learning from them.

5. **What is the meaning of "strategy?"** A strategic plan is an attempt to control the environment and future. This can't be done. The Web has evolved with no plan; likewise, associations need to evolve driven by ongoing collaborative conversation.

   > *"If you're spending any money or time building a strategic plan . . . STOP NOW!"*
   > — Jeff De Cagna

   —*Next Paradigm: Control is history.* Leaders who think they have control are in denial. They can influence but can't control the network. Control is overrated; it is costly in terms of money, time, effort, and engagement. Associations that are structured for control should restructure to pursue "continuous, opportunity-driven adaptation" as Google does.

   —*Next Principle: Strategy demands learning.* Instead of striving for strategic control, associations need to embrace learning, encouraging experimentation and leveraging failure's discovery opportunities.

   > *"We must learn our way to strategic success. We'll never plan our way to it."*
   > — Jeff De Cagna

6. **What is the meaning of "innovation?"** Embracing the principles of continuous innovation can help associations figure out what members need before they really need it.

—*Next Paradigm: Innovation 360.* Ideas are everywhere. Open eyes and look in all directions. Foster innovation through resources, relationships, partnerships, and collaborations.

—*Next Principle: Embrace diversity.* Diversity is particularly challenging for affinity groups, united by what makes people the same. Cultivate not just human diversity but a diversity of ideas.

▪ **These new paradigms suggest "next practices."**

Participants were asked to push their thinking to come up with radical ideas ("next practices") for each paradigm. Baby steps won't be transformative enough for adapting to a radically altered world; radical ideas are needed.

Next Paradigm	Next Practice Idea
Social is a way of being. Make everything social.	▪ Become an advocacy organization where members, instead of paying dues, pay for advocacy on issues important to them.
Membership is a commodity. Meaning is the business case.	▪ Let the community decide what they want from the association and what they want to pay. Gather this data through member feedback and trend analysis; price services accordingly. ▪ Crowd-source decisions—for example, on annual meeting content.
Contribution is king. Embrace simplicity.	▪ Abolish a traditional volunteer model, including recognition, and create a culture where volunteerism is an expectation. Let members control how they support the community. ▪ Make the connection between engagement and support more explicit. For members who want a transactional relationship, offer services at market value. Those who want to contribute and engage can be offered more services and opportunities.
Networks trump hierarchies. Govern outside in.	▪ Abolish set terms for board service, making continued service dependent on the quality of individuals' contributions. Post scorecards online, allowing the community to vote. ▪ Broadcast board meetings online in an interactive town hall format.
Control is history. Strategy demands learning.	▪ Make strategic planning virtual, in real time. Post plans on online dashboards, educating the community and showing progress toward goals.
Innovation 360. Embrace diversity.	▪ Invigorate the board with diverse thinkers—tapping younger people and external thought leaders as directors. ▪ Conduct board meetings like think-tank discussion sessions.

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Business of Meetings: Marketing Your Meeting: How the Tried and True Complement the New

- Speakers: **Denise Gavilan**, Principal, Gavilan Marketing & PR
  Kelly Koczak, VP, Marketing Communications, Produce Marketing Association

Overview

The goal of all event marketing is to boost attendance, which is not as simple as it sounds. Marketing strategies need to succeed on many fronts—communicate compelling value, strengthen community bonds, turn repeat attendees into evangelists, partner strategically with local organizations, motivate association advocates and industry influencers, and create an unforgettable experience for attendees.

Tried-and-true best practices used in conjunction with tactics that leverage today's new social technologies can make it all happen.

Context

The speakers shared insights and best practices acquired from years of experience in association event marketing.

Key Takeaways

- **The goal of event marketing is always to boost attendance.**

  Increasing attendance sounds simple, but it involves much more than just convincing association members to come to an event. It means getting members to talk up the event, to bring others, and to keep returning year after year regardless of locale.

  That can happen when marketing strategies succeed on many fronts: when they a communicate compelling value propositions; when they strengthen community bonds through the telling of attendees' stories; when repeat attendees become evangelists who spread word of the event virally; when the community has the tools to share and repackage marketing messages; when local organizations and businesses extend event visibility; when the association's advocates and influencers pitch in to promote the event; and when former attendees can't wait to return.

  > "It's about capitalizing on your community . . . telling attendee organizations' stories . . . and encouraging others to share, repost, and repackage content . . . to promote the event."
  > — Kelly Koczak

- **Tried-and-true marketing tactics can enhance the effectiveness of campaigns.**

  Event marketing campaigns start with a standard marketing plan: defining the goal, objectives, target audiences, key messages, tactics, media relations plan, timeline, budget, and evaluation measures. Speakers concentrated their remarks on the audience, message, and tactics, sharing tips on each.

Audience

Effective marketing messages can't be crafted without having a good handle on the target audience. Some tried-and-true tips:

— *Research your target audience* to learn not just demographics and geographical information, but also what they want to get out of the association's event—what sessions they liked in prior years, etc.

— *Develop a buyer persona*—a short bio of the typical customer you want to attend the meeting.

— *Focus on customer segmentation.* Tailor marketing strategies to specific segments. Learn which groups: bring in the most revenue (put more resources toward attracting them); have particular interest in the issues to be discussed; would be first-time attendees (include more procedural details, consider offering incentives); and are "loyalists" who attend each year (encourage them to spread the word and bring a friend).

> "One of the most important components of meeting marketing is understanding your audience profile and being able to communicate to it."
> — Denise Gavilan

Messaging

After identifying your target audience, determine what they want to know/hear about the event. Messaging should be simple, clear, and concise, and should resonate with your audience. Tried-and-true tips:

— *Include a call to action*—register now, refer a colleague, pay attention to the hotel cut-off date, etc.

— *Explain the value proposition*—give reasons to attend.

— *Keep messages narrowly focused* and targeted to the audience.

— *Reiterate messages* before the event.

— *Integrate messages.* Consistent, integrated messages used by all parts of the organization are crucial, to ensure all departments are working off the same page.

— *Personalize email using software that inserts names.* This makes email personal.

— *Personalize direct mail.* Ms. Koczak has personalized direct mailings for people in various geographies—for example, sending Indianapolis residents driving instructions and sight-seeing suggestions for a trip to Chicago to attend an event.

> *"All promotions should have a clear, consistent call to action. Marketing veterans know all this, but it's an important point to reinforce with teams that have newcomers."*
> — Kelly Koczak

— *Create an event persona.* Using a consistent logo for an event year after year builds awareness, saves on design costs, and reminds former attendees of their prior experiences, embodying a promise of similar experiences this year.

— *Tighten community bonds* by telling attendees' stories and the stories of their companies.

Tactics

Understanding your audience's behavior and your association's goals informs tactics. Tried-and-true tips:

— *Forge strategic local partnerships.* Local groups can raise awareness of your event among area businesses—at huge cost savings for your association—in exchange for sponsorship billing (or another win/win exchange).

— *Capitalize on the community's current and emerging issues.* Conduct a member needs assessment to understand how to offer attendees additional value by leveraging current issues. (For example, a needs assessment determined that learning more about food safety was a strong desire of foodservice industry attendees at an event of the Produce Marketing Association; this prompted an idea for learning centers where attendees can talk directly with food safety experts.)

— *Promote word-of-mouth marketing by the association's "ambassadors" and "influencers."* Ambassadors ("loyalists") include members who love the event, attend year after year, and will spread the word if encouraged to do so. Influencers can be internal or external—any people in the organization to whom members listen (e.g., the head of volunteers) as well as industry leaders who shape members' views and thinking. Create programs to capitalize on these relationship assets. Ask ambassadors and influencers to provide testimonials, give you prospect lists, "talk up" the event, etc.

— *Tie incentives to social responsibility.* Donate a percent of registration fees to a cause that members care about.

- **Social media tactics complement the tried-and-true.**

Tried-and-true marketing principles can be applied to new social media tools to yield new tactics that improve campaign success. Moreover, since the new technologies have changed the behavior and habits of audiences, social media tools themselves suggest new, game-changing tactics. New social media marketing tactics include:

— *Online marketing.* On your event webpage or microsite, include tools to help the association's ambassadors and influencers promote the event. Examples: web stickers of the event logo to be pasted into websites, email, and social media pages; incentives (e.g., Starbucks gift cards) to members who allow their names to be used on e-postcards to colleagues.

> *"Anything to get people to share information is huge. People will use the tools you make available to them."*
> — Kelly Koczak

— *e-Publications.* Save direct mail costs by sending out postcards directing people to a virtual brochure. Consider a weekly email or a show digest updated and distributed monthly.

— *Videos.* Embed in your website video links from prior events to show people why to attend. Hold video contests, uploading the winning ones to the site.

— *Widgets.* Use widgets on your event site—counting down the days to the event or early bird registration deadline, mapping area hotels or restaurants, giving driving instructions or flight information, etc.

— *Google ad words.* This tool allows your ad to appear when people search for information on competitors' events.

— *Twitter.* Set up a corporate Twitter account and encourage feeds by association employees to drive visibility for both the association and the event. (An important caveat: Understand your organization's goals before developing a social media strategy.)

> *"The social media opportunity is about content, conversation, and building community."*
> — Denise Gavilan

Other Important Points

- **Recession effect.** This year attendees are holding onto their money as long as possible, sacrificing early bird pricing to do so. Prepare for a possible onslaught of on-site registrations. Adjust marketing tactics accordingly, perhaps with new promotions to encourage early registrations.

- **Attracting newbies.** What entices someone who has never attended an association event to come the first time? Often it is a referral from a colleague. Two-for-one promotions for members who bring a first-time attendee can get results.

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Certification Slip-ups Exposed

▪ Speakers: **Jefferson Glassie**, Partner, Pillsbury Winthrop Shaw Pittman LLP
  Mickie Rops, CAE, President, Mickie Rops Consulting Inc.

Overview

Associations' certification and other credentialing programs often unwittingly violate applicable standards of practice, and even laws. Non-compliance can result from misunderstanding how to structure various programs and misinterpreting how to apply standards in gray-area situations. But at the root of most standards is one objective: preserving program integrity. Understand that, err on the side of enhancing program integrity, and you can minimize the chance of compliance slip-ups. Best practices can help.

Context

The speakers led a discussion of 18 mini case studies, challenging audience participants to pinpoint the violations of credentialing standards.

Key Takeaways

▪ **Credentialing programs often fail to conform to standards because they are inappropriately structured.**

Associations are involved with four distinct types of credentialing programs. The terminology for them, however, is often used interchangeably, leading to hybrid programs that don't comply with applicable laws and standards ("slip-ups"). The types of credentialing programs differ in important ways:

— *A certificate program* provides education/training and assesses the resulting learning outcomes. Once earned, there are no requirements to maintain the credential.

— *A certification program* assesses competencies learned elsewhere and requires ongoing demonstration of competence (recertification).

> *"Think of a certificate program as like a degree. Once you get your degree, no one takes it away. . . . For certification, you have to have an ongoing demonstration of competence."*
> — Mickie Rops

— *Accreditation* establishes the credentials of an organization or program versus an individual.

— *Licensure* is a credential issued by the government and is mandatory for the practice of the profession.

Credentialing Programs Compared

	Certificate	Certification	Accreditation	Licensure
Who confers the credential?	Any organization			Govt. agency
Who/what is being credentialed?	Individual	Individual (or product)	Organization or program	Individual
Voluntary/ mandatory?	Voluntary			Mandatory
Core system components?	Provision of education/ training	Verification of education/ training & experience *obtained elsewhere*	Verification of eligibility criteria	Verification of education/ training & experience *obtained elsewhere*
	Assessment of learning outcomes obtained via provided course(s)	Assessment of current competencies	Assessment of current conformance w/ standard(s)	Assessment of current competencies
	No ongoing requirements	Ongoing requirements	Ongoing requirements	Ongoing requirements

Blue = Important distinctions.

▪ **Compliance slip-ups also result from misinterpreting how to apply standards to a given situation.**

Compliance slip-ups are common even when certification programs are structured correctly. Mr. Glassie speculated that 50% of programs may not conform in some way. Compounding slip-ups: Various organizations (e.g., National Commission for Certifying Agencies, American National Standards Institute) define standard practices, and their definitions vary in scope and specificity. Moreover, how standards apply to real-life situations is often not obvious. Associations can achieve better clarity when they understand the legal concepts underlying the standards.

▪ **In ambiguous situations, erring on the side of integrity will minimize the chance of slip-ups.**

Most standards are intended primarily to preserve program integrity. So an association faced with an ambiguous situation can minimize the chance of non-compliance by erring on the side of integrity.

Discussions of 18 mini case studies yielded best practices for promoting integrity; caveats; and insights to help associations adhere to standards. Among these best practices and insights:

— *Hybrid programs*, such as a certification program that requires mandated training and testing, are non-compliant.

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— *Certification-related decisions should be made by an autonomous certifying body (CB) operating independently from the industry's professional society.* For example, a member request to change certification eligibility requirements would go not to the board of directors, but to the CB.

> "Members may want to drive the certification bar higher or lower—that's why the need for autonomy."
> — Jefferson Glassie, Esq.

— *Certification commissions should include representation from all stakeholder groups affected by their mission.* For example, a physician-certifying commission would include members of the public, since protecting the public is a reason for credentialing physicians.

— *Training and certification functions should remain independent to avoid conflicts of interest on the CB's part.* A CB may issue a study guide depending on what is in it. Literature lists are fine, but actual prep material should come from the association's education arm. Standards specify that a CB may not imply that using its study materials is required for certification or the only route to it.

— *An association's education department may be slipping up if its marketing implies that taking the association's course gives the test-taker an advantage (e.g., "You're getting certified by X Society. Get the Prep Course from us too.")* Wording is critical—nothing should hint at compromised CB impartiality.

— *A marketing arm of an association with a certification program would be out of line in sending exam applicants a brochure for the association's prep course.* The marketing department should not have access to applicant lists—a confidentiality violation.

— *There is no violation of standards when a CB wishing to improve the education offered to certificants establishes quality standards and an accreditation system for education providers.* The same body may administer both a certification program and an education-provider accreditation program.

— *A CB should not be the entity deciding an appeal of its own decision (e.g., to revoke a credential).* An appeals policy should be in place, providing for a distinct appeals committee. For the impartiality that due process requires, an appeal must be considered by different people than the original deciders. The appeals policy should also detail what, if any, further recourse an appellant has after an appeal is denied.

> "A sub-element here: We try to carve the adjudicative function from the investigative function. One entity shouldn't handle both."
> — Jefferson Glassie, Esq.

— *A CB soliciting bids for an audit of its certification program should not attach a copy of the test form with the RFP (as Ms. Rops once received).* This is a security issue; the test could be passed around.

— *Best practices: Professors and others who write exam questions should sign contracts transferring rights to the CB and should sign non-compete agreements preventing them from teaching exam prep courses for a period of time.* An exam question should be stricken if the professor who wrote it taught it.

— *A CB's certification program eligibility requirements must be fair and objective.* For example, "appropriate work experience as determined by the selection committee" is vague and subjective.

— *In the opinion of Ms. Rops, CBs should not reward leadership activities or professional involvement with continuing education credits without evidence that the experience led to learning.* It is not a CB's place to "reward," but to "award" after demonstration that credit has been earned. The first time one gave a presentation might be a learning experience justifying credit, but not each successive time.

— *A credential is a trademark.* Those with trademark rights must try to stop misuse of the mark or relinquish their rights to it. Therefore, if a certificant does not recertify but continues to use the credential, a CB has to sue the individual. Allowing fraudulent use to continue impairs the integrity and value of the credential, which is unfair to other certificants and ill serves the public.

— *A CB's decisions must not create unfair advantage.* If a candidate is allowed to retake a test after complaining about noise at a test center, the same offer must be made to everyone who took the test.

— *A best practice for a CB's privacy policy disclosure* is to add a clause allowing personal information to be shared with state licensing boards if so requested.

— *An association's new protocols or practices are not valid content for certification exams.* Job analyses determine test questions. Content unrelated to performing the job in question should be off limits.

— *A 501(c)(3), a charitable education organization, may establish a certification program to advance its profession, as do 501(c)(6) associations.* But Mr. Glassie is aware of a private IRS ruling suggesting that 501(c)(3) status could be jeopardized if revenues from the program reach a certain threshold. He anticipates future IRS action in this area.

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Managing and Leading the Next Generation of Workers

▪ Speaker: **Robert Wolfe**, Manager, Marketing & Communication, Solid Waste Association of North America

Overview

How to engage the Millennial Generation is becoming more important as this generation plays an increasingly prominent role in the workforce. To understand Millennials, it is important to recognize the experiences that have shaped them. They have a desire for a work/life balance, meaningful work, career growth, and constant communication and feedback that is often misunderstood. The key to connecting with and engaging Millennials is frequent communication to understand them, educate them, and challenge them.

Context

Robert Wolfe—a Millennial himself—spoke about commonalities and misconceptions among the Millennial Generation and ways to engage them.

Key Takeaways

▪ **Millennials have had a unique set of experiences that have shaped them and defined them.**

Millennials are defined as those who were born between 1980 and 1995. This generation has had technology at their fingertips since birth. They use technology to stay in touch with friends and colleagues on a non-stop basis.

> *"Technology—the internet, computers, and cell phones—has been at our epicenter."*
> —Robert Wolfe

And Millennials believe their voice and their opinions matter. They believe this because through American Idol, You Tube, and blogging, Millennials have influenced the outcomes of television shows and presidential elections.

Millennials grew up in a competitive environment. Youth sports were taken seriously and students were pushed to prepare for college at a young age. For this generation, college was a basic requirement, not a competitive advantage. As a result, most Millennials have had at least some college experience. And while Millennials were pushed to compete and achieve, their parents were often overprotective. Because of this, some in this generation have entered the workforce expecting similarly protective and nurturing treatment from their managers.

▪ **Millennials' experiences have shaped a set of core values that are apparent in the workplace.**

These core values are reflected in that most Millennials:

— *Strive to achieve an enjoyable work/life balance.* They appreciate flexible schedules and have an aversion to overtime. A high priority is placed on extracurricular activities, and Millennials don't want work obligations interfering with their personal lives.

— *Want their work to make a difference.* They want their projects to be meaningful and purposeful; they aren't satisfied doing what they perceive as grunt work.

— *Want to grow.* They want to move quickly from entry-level positions to higher roles and they want to be continually challenged.

> *"We're looking to become a more powerful asset."*
> — Robert Wolfe

— *Want communication and feedback.* They want regular feedback from managers and want to understand the "why" behind everything.

— *Are outcome focused, not process oriented.* Millennials are focused on achieving results, but want flexibility in how the results are achieved. For example, strict dress codes are often undesirable because Millennials don't see attire as having a true effect on outcome.

▪ **Older workers see these values and behaviors as proof that Millennials are lazy.**

Older workers often don't view the values and behaviors of Millennials in a positive light.

Millennials' desire for work/life balance is viewed by older managers as evidence of a poor work ethic. Their refusal to work more than a 40-hour week is resented by older workers who are used to doing whatever it takes to get the job done.

Older workers also sense a feeling of entitlement among Millennials who are adamant about only working on meaningful projects. Other generations have the perspective that not all work can be meaningful; some tasks simply need to get done.

> *"We are constantly looking to learn and develop, and we would like to be rewarded for that."*
> — Robert Wolfe

Millennials are often viewed as disloyal because of their impatience to move up the ladder and because if they aren't quickly promoted they won't hesitate to move to another company in search of a better position.

Also, their constant need for feedback makes Millennials seem needy. Some managers get irritated because of this unending need for communication.

▪ The key to engaging Millennials is to educate them, challenge them, and communicate with them.

Millennials would take issue with the beliefs held by older workers and would say that older workers are misconstruing their behaviors and values. Millennials would argue that they work hard and are loyal.

Bridging these gaps requires education and communication. For example, if a manager needs a Millennial to work overtime, the manager needs to clearly communicate how much overtime is required and why it is necessary. Also, managers should demonstrate greater levels of flexibility, requiring overtime in one situation but allowing a shortened work week when the workload is decreased.

To address the perception among some that Millennials act as if they are entitled, managers should understand that Millennials will give a great deal if they believe it is a two-way street. Clearly communicating the duration of projects, the rewards for successful completion, and when new responsibilities will be given will go a long way in satisfying Millennials. At the same time, Millennials should be reminded that opportunities for advancement are not "given"; they are earned.

"Define expectations early and hold us accountable."
— Robert Wolfe

The belief that Millennials are disloyal is not true. But Millennials aren't necessarily loyal to companies; they are loyal to people, specifically to managers who provide respect and help them grow. Clearly communicating opportunities for growth can help keep a Millennial's impatience at bay. If managers observe several Millennials resigning from their company, they need to examine their own behaviors. Be sure to provide Millennials with meaningful work and opportunities for growth. Understand what excites Millennials and give them tasks that excite them.

In addition, schedule formal and frequent sessions to give Millennials feedback and to review their performance. A regular, formal communication process will show Millennials that they are valued and will diminish their neediness. Spending time getting to know younger staff will also go a long way in keeping them satisfied.

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Membership Marketing on a Shoestring Budget

▪ Speakers: **Elizabeth Engel, CAE**, Director of Marketing & Sponsorship, National Association of Children's Hospitals and Related Institutions
Kathleen Wilson, CAE, Executive Director, National Association of Trial Lawyer Executives

Overview

Successful membership acquisition and retention initiatives require a solid strategic plan, with organization-wide buy-in. But executing those plans can be challenging for small associations operating on a shoestring membership-marketing budget.

That challenge need not be as difficult as it sounds. The same membership goals can be achieved by leveraging the association's relationship assets as by spending huge sums on marketing.

Context

Ms. Engel and Ms. Wilson shared practical lessons from their experiences working to boost association membership ranks.

Key Takeaways

▪ **Successful membership acquisition and retention initiatives require a solid strategic plan.**

Successful membership recruiting depends on having acquisition measures perpetually in place—an ongoing program versus intermittent membership drives. The same is true for membership retention: You need a solid strategic plan.

To develop a plan for member acquisition or retention, use a conventional business plan as a template, then customize it for your purposes. Such a template will help you set feasible goals and stay focused on them.

When creating the plan, involve volunteers to keep them feeling included (and contributing). Inclusiveness will promote acceptance and buy-in. The more people who know and advance the association's membership goals, the better.

> *"Make sure you have a solid membership program—the same program every year versus intermittent campaigns."*
> — Kathleen Wilson

▪ **Best practices for member acquisition on a tight budget include leveraging relationship assets.**

When Ms. Engel was working on increasing the membership ranks of the Consortium for School Networking, she had a budget of just $1.6 million—which would not even have covered the cost of a single direct mail piece to her universe of potential members in the nation's 13,000 school districts.

Ms. Engel learned that she didn't have to spend huge sums to spur growth if she leveraged the association's relationships assets in innovative ways:

— *Partnering synergistically with similarly focused organizations.* Ms. Engel cultivated barter relationships, trading a speaker engagement at partners' events with one at her organization's events, for instance. She likewise swapped event booths and attendee lists.

— *Mobilizing champions to spread great word-of-mouth.* Members who love what your organization does for them are often happy to share their views. But you need to ask—and not with a vague or onerous-sounding request like, "Can you promote the association?" Make the request specific—e.g., "Can you write a blog post on our website?" or "Can you speak at this event?" If you don't know your champions, Internet tools (e.g., Google Alerts, StumbleUpon.com) can help by revealing what social networkers are saying about your association and who is a passionate advocate.

> *"Champions are the people who are excited about your organization, who want to spread the word and are going to do it if you ask them. All you have to do is ask."*
> — Elizabeth Engel

— *Leveraging members' tendency to share.* The balance of free website content relative to member-only content must be carefully considered. But do offer plenty of great content that is free, to give potential members a taste of what they will get if they join. Encourage content sharing by embedding "Share This" widgets on your site, making it easy for social networkers to raise awareness about your association.

— *Tapping local networks.* Starting regional chapters is a big decision. But for Ms. Engel's organization, it was one that grew the association's membership from 300 to 500 in just a year. The ability for members to associate more freely and locally was an attractive lure.

▪ **Best practices in retention include creating a membership culture.**

It costs six times more to recruit a new member than to retain a current one. The surest way to hold onto as many members as possible is to build a culture that recognizes that membership is vital. This begins by raising the prestige of membership work among the leadership.

Association leaders often think of membership recruitment as akin to selling—a necessary function but not very sexy. They prefer to be involved in higher-profile work. The way to raise the prestige of membership work is by elevating the membership chair to a board- or executive-level position. It takes a few years to change culture, but over time the organization's perceptions of membership committees will shift—and so will the importance ascribed to membership retention work.

Further ways to drive recognition of how vital membership retention is:

— *Share data about membership trends* with the board and other stakeholders—including projections if trends stay on their current trajectory.

— *Raise awareness about members' worth to the association in dollar terms.* Conduct a "Lifetime Value" analysis that itemizes the sources of revenue an average member brings in with each successive year of membership. Present the data in easy-to-read tables and graphs, and share it with directors and staff.

— *Set the expectation that everyone in the association works to build membership,* and embed it into the culture via orientation, training, and teaching. Cultivate volunteer leaders by offering rewards and recognition and keeping your promises.

— *Emphasize the membership/money connection.* Remind staffers: Paying members mean better-paid employees.

American Political Science Association

When Ms. Engel arrived at the American Political Science Association in 1997, membership had been declining for years owing to negative perceptions among academic political scientists and graduate students (members and potential members). By gradually improving the association's image, she and her team succeeded first in stemming the membership slide (over two years) and then in raising membership ranks by more than 20% (the next five). To turn the situation around, they focused on:

— *Improving customer service.* Specifically, the role of front-line staff in providing excellent customer service.

— *Empowering staff.* Staff members were given the resources and authority to fix problems on their own.

— *Taking the long view.* For example, student members were aggressively recruited even though it cost more to add a student than would be collected in dues. "We knew students were the future of the association."

Tips for Success on a Shoestring Budget

Member acquisition:

- **Barter with like-focused organizations.** Swap booths, member/attendance lists, e-newsletter promotions, banner and magazine ads, conference speaking spots, etc.

- **Promote by word of mouth.** Ask your association's champions and regional leaders to spread the word about member benefits.

- **Understand the drivers of direct mail success.** Experts say success is a function of the quality of the mailing list (40%), the offer (40%), and the "creative" (20%); educate yourself about success drivers online (e.g., at marketinggeneral.com). Vary the look of mailings seasonally to avoid a "seen-it-can-skip-it" reaction.

- **Waste not.** Piggyback printing jobs for volume discounts, and use printing scraps for note pads or mailing inserts.

- **Get personal.** Hand sign direct mail marketing letters (or pay students to). Send mailings on the membership chair's letterhead, so they don't appear to be coming from an impersonal association. Personalize marketing emails with simple shareware tools (e.g., WorldMerge).

- **Integrate membership marketing into everything.** Collect testimonials at every event. In every communication a member sees, include marketing-related messages and offers (like: "Send us a prospect for membership, and we'll send you a $10 gift card . . ."). Never fail to include a membership application in magazines and newsletters for members to make it easy for them to recruit for you.

- **Have fun!** Find creative ways to engage volunteers in recruiting. Ms. Wilson held a Western-themed phone-a-thon and networking event (even lawyers got into costume). Other ideas: a baseball-themed member-recruiting competition for directors, a pizza-and-beer party for student volunteers. Reward with custom-printed M&Ms.

Member retention:

- **Focus on impeccable service.** Don't underestimate the value of excellent customer service; get everyone in the organization asking, "How can we serve our members better today than we did yesterday?" Take care not to back-burner the details that shape member impressions—proofreading communications, ensuring links work, etc.

- **"Repeat, three-peat, four-peat."** Don't assume that members know all the association offers them. Pepper websites and publications with reminders, kept short and sweet: "Did you know your membership includes . . . ?"

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Virtual Associations—A New Way of Working

- Speakers: **Kevin Mead**, President—North American Region, Executive Director—Worldwide Operations, International Group of Accounting Firms (IGAF)
  Laura Skoff, CAE, President & CEO, Team Dynamics, LLC

Overview

There is a growing trend of association staffs operating virtually. This shift is being driven by financial issues, staff considerations, and/or board support. Moving to a virtual environment affects all areas of an association, from HR to IT, insurance, and legal. With the proper planning and attention to employee needs, transitioning to a virtual environment can generate many benefits. Successful virtual associations continue to serve their members while enjoying reduced operating costs and low staff turnover.

Context

Ms. Skoff and Mr. Mead discussed strategies for transitioning an association to a virtual work environment. Mr. Mead explained how IGAF became a virtual association and described the financial and organizational impact.

Key Takeaways

- **More associations are conducting business as virtual organizations.**

  A virtual association is an organization that leverages digital technology and uses a staff that is not located together in the same office.

  The concept of virtual organizations has evolved over time. First, teleworkers occasionally worked remotely in emergencies or while travelling. Then telecommuters became more common. These employees always work from a remote location. Eventually certain departments, such as call centers or publications groups, were removed from central offices. Today, entire organizations are operating virtually. These include companies as well as associations and association management companies.

- **Financial issues, staff considerations, and board support may motivate an association to go virtual.**

  There are a number of key factors that can drive an association to move to become virtual. The most common:

  — *Financial issues.* The economic downturn has resulted in revenue shortfalls for many associations. In addition, expenses associated with overhead, wages, and benefits continue to increase. Certain expenses can be minimized by operating virtually. Lease costs typically represent 7% to 12% of an association's budget; operating virtually lowers this rate. In addition, virtual operations give employers the opportunity to hire staff in lower-cost locations. The Learning Resource Network, for example, with a staff of 15, went virtual 11 years

  ago. This change reduced association overhead by 75%. When the National Foundation for Alternative Medicine became virtual more than two years ago, their monthly expenses decreased from $5,000 to $350.

  — *Staff.* If a key employee wants to relocate, this can motivate an association to go virtual in order to retain this individual. In addition, Generation X and Millennials are very comfortable working with technology. They like flexibility and value the ability to work from anywhere. A virtual work environment is consistent with younger workers' needs.

  — *Board of directors.* The board's attitude toward a virtual organization may be based more on their personal and professional experience than on the association's needs. However, a strong business case can tell a compelling story. Financial considerations, improvements in staff retention, and work-life balance benefits are all factors that can convince a board to support the transition to a virtual association.

- **The executive staff must ensure that employees are comfortable with the association going virtual.**

  The timeline for making the shift to a virtual association varies. On average, this type of initiative takes a year. During this time, one of the most important tasks for the executive staff is to ensure that all employees are comfortable with the transition.

  Management must identify an evangelist. The evangelist will serve as the hub for the transition, gathering feedback from staff. He or she will give employees context about why the shift to a virtual environment is necessary. This includes describing the business case, mapping the timeline, and emphasizing that the change is a team initiative. Evangelists should be good listeners and have strong communication skills. They may be an association employee or someone hired from the outside.

  The HR department is another critical component in the successful transition to a virtual organization. The nature of jobs in a virtual association usually changes. Outcomes-oriented jobs become essential. How and when employees work is not as important as producing deliverables on time. Self-starters tend to thrive. People must learn new ways of managing and working. If the HR department is not motivated to make the transition to a virtual workplace, it may be necessary to outsource the function to an outside company.

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> *"While most people focus on the infra-structure challenges associated with a virtual association, the greatest concern should be the staff."*
> — Laura Skoff

- **When changing to a virtual environment, infra-structure challenges are usually easy to address.**

During the transition to a virtual work environment, many people focus on infrastructure challenges, such as the phone system and mail. However, these issues are usually easy to address. Analyzing the existing business processes is a suggested first step. It is crucial to document every step and all the decision points. The organization can then evaluate how technology could streamline operations.

It is possible for virtual associations to create highly customized technical infrastructures based on specific needs. Solutions are available for mail, document management, telephone systems, and virtual meetings.

— *Mail.* U.S. mail can be sent to an association staff person for review and distribution. Alternatively, it can be sent to a P.O. Box, or an office business center can accept the mail, scan it, and email it to the association.

— *Document management.* Digital document systems exist, such as GoFileRoom, which enable organizations to become paperless.

— *Telephone systems.* Although virtual association employees work remotely, phone systems are available that make it easy to retrieve voicemail and transfer calls to other staff members. IGAF uses Virtual PBX. This system has been very economical costing IGAF less than $100 per month. Voicemail messages can be sent as an audio file to email.

— *Virtual meetings.* A wide variety of collaboration tools exist that support virtual meetings. IGAF, for example, holds its staff meetings in Second Life using headsets and microphones.

Case Study: IGAF's Shift to a Virtual Association

Background

IGAF is a global association of 160 accounting firms with an annual budget of $2M. The organization has six employees in North America and three elsewhere.

IGAF had been considering moving to a virtual environment to save money, but the transition was ultimately triggered by a valued employee who was relocating and therefore had to leave the association. As a result of this person's planned move, IGAF decided to become fully virtual, which occurred between May and October 2005.

Results

Before going virtual, IGAF paid $25K per year for office rent. It now saves approximately half of that. Additional savings have come from the drastic reduction in employee turnover. Since transitioning to a virtual environment, no employees have left IGAF, including the staff person who relocated.

> *"Our investment in buildings was not contributing to member services."*
> — Kevin Mead

There are, however, new expenses associated with a virtual environment that must be considered.

— *Home offices.* IGAF has spent money providing necessary office equipment for its remote employees. The association reimburses employees for their Internet service and phone expenses.

— *Health insurance.* With employees in multiple states, IGAF discovered that providing health benefits was challenging and more expensive.

— *Liability issues.* When employees work from home, liability issues must be considered. IGAF drafted a legal document that provides the association with the right to inspect home work spaces.

— *State wage and labor laws.* Because IGAF has employees working in different states, it must conform to a variety of state wage and labor laws. The association now pays unemployment taxes in five states and is aware of different overtime regulations. One of the largest expenses for IGAF has been legal fees to understand state-specific labor laws.

Other Important Findings

Mr. Mead believes moving to a partially virtual environment sends the wrong message. When employees work remotely one day a week, it suggests that the organization only trusts them a little. If some employees can tele-commute, while others cannot, it creates two classes of employees—one that feels trusted and one that does not. Mead recommends that associations either retain their existing "brick and mortar" structure or move completely to a virtual environment.

One downside to virtual associations is the loss of work-place community. IGAF has worked to counteract this by using Microsoft Instant Messenger with voice and video.

The larger an association, the more structure it must have in a virtual environment. Because IGAF has a fairly small staff, it does not need a highly structured virtual organiza-tion. Mr. Mead noted that this lack of structure is not likely to scale well for bigger associations.

Doing Well by Doing Good:
The Association Executive as Social Entrepreneur

- Speakers: **Bruce Butterfield, CAE**, President, The Forbes Group
  Karen Conlon, President, California Association of Community Managers
  Richard O'Sullivan, Principal, Change Management Solutions

Overview

Associations face a challenge. For many, the services their members offer are increasingly commoditized, and members may question the value of an association. In this environment, associations must not just supply members with more tools and education; they must boost demand for members' services. This is done by understanding changes in the external environment, understanding what members' customers and other constituents want, and forming networks and partnerships to increase demand for members' services. This approach entails behaving as a social entrepreneur.

Bringing about such an approach won't be easy. The board and members are likely to say, "That's not what we do." Convincing association constituents to adopt such an approach requires creating a "burning platform" and convincing stakeholders that change is necessary.

Context

These speakers described a new approach that turns an association executive into a social entrepreneur. Several real-world examples were shared.

Key Takeaways

- **Social entrepreneurship is different from social responsibility.**

  Social responsibility is behaving in a way that balances people, profit, and responsibility, and that looks at both the current and the long term. Being socially responsible is something everyone and every association can do.

  Social entrepreneurship is different. As with any entrepreneurial undertaking, it involves bringing together ideas and resources to create something new. Social entrepreneurs create new social structures and resources, usually in a way that creates money.

- **Associations must answer, "What do we really do?"**

  Associations offer tools and programs, hold events, facilitate networking, and educate members. But these activities aren't what an organization really does. Every association must wrestle with and answer this question. An example of what one organization really does is, "We provide small businesses with the tools to be successful." This organization is about small business success.

- **Instead of just enhancing members' ability to supply their services, associations should think about creating demand for members' services.**

  Typically associations put members at the center of the universe. The association asks what members need to be successful (information, tools, programs), and then provides what members want. This typically focuses an association on improving what members supply. This approach helps make members incrementally better.

  But in markets undergoing significant change, or where members are struggling to stay relevant and valuable, just making members slightly better may not be good enough.

  A different approach is to look at members' customers and at the constituents affected by members. An association should consider who else benefits when members succeed. By understanding members' customers and the other constituents, an association can facilitate a network that affects what services are demanded from members.

  > "The future of associations is not providing services to a membership, but coordinating services across sectors to members' customers."
  > — Richard O'Sullivan

  Several case studies were shared:

  ### Case Study #1: Ukrainian Society of CPAs

  This association was formed by USAID to help businesses in Ukraine grow by making Ukrainian businesses more transparent. The society's initial efforts focused on training members on transparency and certifying them. But this approach wasn't successful. The reason: The business environment in the Ukraine didn't demand transparency.

  Instead of just supplying members with skills and knowledge related to transparency, it was necessary to get constituents to demand transparency. So, a new approach was taken. The association worked with banks, suppliers, and other partners to educate them on the importance of transparency. Soon these constituents began demanding more transparent financial statements from Ukrainian businesses, which caused these businesses to demand the services of association members.

  As a result of acting like a social entrepreneur, transparency among Ukrainian businesses improved, which has helped attract more foreign direct investment and has benefitted the entire Ukrainian economy.

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Case Study #2: Beacon Hill Village (BHV)

BHV is a membership organization in the heart of Boston. It provides aging Beacon Hill residents the ability to continue living in their homes, without having to move into a retirement or assisted living community.

While members pay a fee and receive many benefits, the success of this model (which has sparked a "village" movement across the U.S.) entails involving and creating benefits for other constituents. When residents stay in their homes: real estate values are higher; crime is lower; insurers and health care providers save money; and local retailers benefit. Because of the benefits to other constituents, these constituents offer discounts and additional services (like free delivery of drugs by a local pharmacy).

This membership organization is behaving as a social entrepreneur in going beyond just providing benefits for members, to facilitating activities across an entire network.

Case Study #3: California Association of Community Managers (CACM)

CACM, whose members manage homeowners associations, was originally formed for legislative advocacy; many of CACM's activities focused on compliance. But CACM's member services were being commoditized, the association wasn't attracting new members, and members' fees had been flat for 15 years.

To address this, CACM enlisted The Forbes Group, an association consultant, to conduct an economic scan. The results of this scan recommended a shift in the association's focus. Instead of equipping members to manage property assets, which had been the focus, The Forbes Group recommended helping members keep tenancy rates high by better managing their communities. To keep tenancy rates high, The Forbes Group suggested that CACM assist its members by focusing on particular segments of members' customers who care about

— *Financial stress.* Keeping tenants in their units involves reducing the number of foreclosures, which is a more dramatic problem in California than elsewhere in the U.S. CACM plans to help its members through offerings such as financial literacy classes for members' customers.

— *Working from home.* Increasingly people work from home. Tenancy rates can be increased if people have the ability to work from home in a productive, satisfying way. CACM members can enhance the value for their customers by leveraging their communities' facilities and capabilities to create a "third place" for those who work from home. They can also coordinate networking and social activities among work-from-home residents.

— *Aging.* Aging residents have unique needs, such as transportation, delivery of drugs, and access to health

care providers (similar to the needs of those in the Beacon Hill Village). CACM members can help tenancy by assisting aging customers with their unique needs.

— *Water.* Water is a big deal in California, with a host of regulatory issues. CACM members can help assist residents with water complexities.

These recommendations, regarding offering members services to help them help their customers, represented a significant change for CACM.

- **Efforts by association executives to change an association's approach will be met with resistance.**

In most associations, shifting the focus from members to members' customers is a dramatic change. The most common response is, "That's not what we do." That is the likely refrain among the board and members.

> *"The greatest challenge is to move the board and members who don't see a burning platform. They will say [in response to new ideas], 'That's not what we do.'"*
> — Karen Conlon

Overcoming this resistance requires creating a burning platform—that is, present the board and members data that educate them on the realities that exist. They must realize that the current situation is not fixable and that the organization must change direction. This can be extremely difficult. Many organizations look back with regrets on opportunities they failed to capitalize on.

> *"You have to create a burning platform . . . we are all on fire, but some of us don't realize it.'"*
> — Bruce Butterfield

Sometimes, as at CACM, a credible outside consultant may be necessary to show the board a realistic picture of the current situation, and to suggest necessary changes. Also, it may be necessary for an organization to change its structure to pursue a new approach. A new team or entity may need to be created, which can grow over time.

Other Important Points

— **Find private partners.** When finding constituents and partners, look for private sector partners. They will be excited by potential opportunities, and will make decisions and move quickly. Public sector partners often don't care about new opportunities and increased revenues. They may react negatively to a potential partnership, and more work with their limited resources will be seen as a negative, not a positive. They will be slow to make decisions and can be challenging to work with.

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The Fundraising Landscape: Where is it Headed?

▪ Speakers: **Susan Raymond, Ph.D.**, Executive Vice President, Changing Our World, Inc.
Chris Watson, President, Changing Our World, Inc.

Overview

While the recession is taking a short-term toll on fundraising, in the long term, philanthropic giving is expected to rebound as it has in the past. However, while the level of giving should eventually return, the structure of nonprofits is undergoing permanent changes. Competition for funding is stiffer, philanthropists have high expectations about how their donations will be used, and some organizations are pursuing new types and sources of funding. This complex environment offers opportunities to nonprofits that are willing to adapt. When philanthropy bounces back, innovative organizations will be best positioned.

Context

Dr. Raymond and Mr. Watson described economic and nonprofit trends, as well as their implications for fundraising and resource development.

Key Takeaways

▪ **The recession has profoundly affected nonprofit funding, but long term, philanthropic giving is expected to be resilient.**

The economic downturn has created great volatility in the financial markets. Since the stock market high of October 2007, $10 trillion in economic value has disappeared in the U.S. and $25 trillion globally. Almost half of AARP members have lost at least 30% of their retirement accounts.

Due to lost savings and high unemployment, individual giving to nonprofits has decreased. As unemployment rates increase, individual giving decreases. Unfortunately, the U.S. Department of Commerce has estimated that unemployment will not return to 5%-6% until 2013. Consequently, reduced donations are likely to burden the nonprofit sector for several more years.

However, over the long term, philanthropy tends to be resilient. During the last 40 to 50 years, philanthropy as a percent of GDP has hovered between 1.7% and 2.3%. Even the Great Depression did not permanently affect philanthropy. At the beginning of the Depression, private giving dropped, but between 1933 and 1941 it doubled.

> *"Philanthropy just keeps chugging along. It's like the little engine that could."*
> — Chris Watson

▪ **The number of nonprofits in the U.S. has exploded, bringing competition for resources.**

There has been significant growth in the nonprofit sector over the last 25 years. In 1987, there were 300,000 nonprofits in the U.S. and today there are 1.2 million. By 2015 there could be 1.6 million nonprofits.

The proliferation of nonprofits has led to many small nonprofits and stiff competition for resources. Data suggest that as many as 70% of nonprofits have budgets of less than $500,000 per year. Between 1999 and 2009, the number of environmentally focused nonprofits increased by 78%, while the amount of philanthropy given to environmental causes increased by only 24%.

▪ **Different types of nonprofits have emerged, adding complexity to the landscape.**

In addition to traditional charities, other types of entities have emerged including:

— *Mixed charities.* These organizations have some reliance on giving, but depend more on government funding and private fee-for-service, as well as other forms of earned income.

— *Social enterprises.* These organizations are either nonprofits or for-profits that produce goods and services that address social needs. These offerings used to be provided by charities. Social enterprises have attracted philanthropic giving and investments that incorporate both commercial and nonprofit concepts.

— *Nonprofits that compete in markets.* Hospitals and educational institutions are examples. These organizations are funded through fees for service, government subsidies, and private philanthropy.

The evolution of these different types of entities has contributed to the complexity of competition for funds.

▪ **Approaches to philanthropy have become more sophisticated.**

Philanthropy has been redefined in recent years. In the past, voluntary giving by individuals and institutions fell into two categories: expressive philanthropy and contingent philanthropy. Expressive giving is characterized by a donor's personal attachment to a nonprofit. Contingent philanthropy, in contrast, is when a donation is made based on the fulfillment of certain conditions. Contingent philanthropy is growing in the U.S. and abroad.

Philanthropy has also expanded into

— *Cause marketing.* This generates funds based on consumer behavior rather than corporate donations. It has increased by 80% in the past five years. Since cause

marketing is funded out of company marketing budgets, these dollars are not counted in philanthropic giving.

— *Program-related investing.* This is a growing trend in the foundation community. Funds are divided and used for loans rather than for grants. These loans help nonprofits build their balance sheets by acquiring assets.

— *Mission-related investing.* Foundations are using funds to invest in commerce that is consistent with their mission. These assets often bring higher returns than traditional, managed investments.

— *Investment funds and bond markets.* Investment funds aggregate capital without nonprofit or donor linkages. Investors accept returns that are 1% lower than the market rate. That 1% is then invested in funds used for grants or program-related investing. Bond markets are another vehicle that is used to support charitable initiatives, such as vaccines in Africa.

▪ **Donors' expectations have changed.**

New approaches to philanthropy have brought new expectations to the nonprofit sector. The philanthropic community is increasingly populated with innovative donors who want more from nonprofits.

Donors want to know what impact their contributions are having, and want this information communicated quantitatively. This is a huge challenge for many nonprofits.

In addition, philanthropists want greater levels of personal engagement over long periods of time. They seek involvement in the organizations they are helping fund. Donors also expect nonprofits to have state-of-the-art technology and adequate skills to innovate.

▪ **This new, complex environment offers opportunities and challenges to nonprofits.**

Traditional philanthropy presented a straight path from donors to nonprofits. The new world, however, is considerably more complex with nontraditional funding sources and heightened expectations. While challenges exist for nonprofits, those who adapt will enjoy significant benefits.

Advantages for organizations that embrace the new philanthropic system include

— *Financial benefits.* With so many philanthropic sources available, nonprofits can diversify sources of funding. This diversification may shield organizations from economic downturns.

— *Partnerships.* When nonprofits partner with complementary organizations, all parties enjoy greater strengths. Building these relationships, however, can be difficult. Nonprofits are often reluctant to collaborate for fear of losing focus, direction, or expertise.

— *Broader networks of leaders.* As the nature of philanthropy changes, different types of leaders are emerging. Nonprofits may have greater access to board members with skills related to finance or insurance.

While the opportunities are great, there are also challenges that nonprofits must address as they adapt. These include:

— *New skills.* There is a need for different staff and board skills. New proficiencies are needed to diversify revenue sources, implement updated processes and systems, and embed flexibility in operations and program approaches. The nonprofit sector is lacking expertise in these areas.

— *Sophistication.* Many organizations, especially small nonprofits, may struggle with more sophisticated philanthropic expectations. If donor funds only flow to organizations that can quantitatively demonstrate impact, small nonprofits may be at risk. Unfortunately, these organizations are typically closest to the community.

— *Dealing with risk.* When philanthropists focus on impact, risk is often ignored. This is problematic for poorly understood challenges. Nonprofits cannot produce impact when they do not understand the problem they are trying to solve. If philanthropic dollars only fund impact, it is not clear who will fund risk.

As the economy recovers, philanthropy will rebound. However, the changing methods and expectations associated with philanthropic giving are not going away. Those nonprofits that innovate and adapt will be in the strongest position for the bounce-back.

Other Important Points

▪ **Restructure now.** Dr. Raymond and Mr. Watson believe that the downturn presents an excellent opportunity for nonprofits to restructure and make long-term changes in how they operate.