

ONE SIZE FITS NONE

ASSOCIATIONS HAVE EMBRACED BUSINESSLIKE APPROACHES TO OPERATIONS, YET MANY STILL CLING TO A COOKIE-CUTTER MEMBERSHIP MODEL. SCOTT BRICOE EXPLORES A NEW PHILOSOPHY FOR ASSOCIATION EXECUTIVES ENGAGED IN MEMBERSHIP RECRUITMENT AND RETENTION.

WITH THANKS TO ASAE FOR KIND PERMISSION

How is this for heresy in the association community?

Membership is dead. To **Jeffrey W. Raynes** (Executive Director at APICS/The Educational Society for Resource Management and ESAE Board member) and to others like him in the field, that statement may be shocking, but it is dead-on true, and associations will change as a result or they will become obsolete.

"The problem is we have a 'one-size-fits-all' approach to membership," says Raynes, preparing to unleash one of his catch phrases: "One size doesn't fit all. One size fits none."

As radical - or as colourful - as "one size fits none" and "the death of membership as we know it" may sound, these are not new concepts. They both point to the need to operate an association as a business: perhaps a mission-driven business, but a business nonetheless. Associations have been moving toward a business model for decades. It is the notion of membership, however, that has stubbornly resisted this evolution. Associations still operate with the same model of membership they have always used: developing a basket of goods and selling it as a member benefits package. This model, however, does not jive especially well with the move toward business operations. For one thing, the basket of goods can become so large and cumbersome that it is a financial drain on the organisation. Another factor is that a shift in societal values has de-emphasised the need for association membership. But perhaps most important of all is that market expectations and competition have strained the viability of offering a single basket of goods and calling it membership.

THE UNMANAGEABLE BASKET

"For too many associations, membership has become a loss leader," notes Raynes. "It actually costs more to attract, serve, and retain a member than the organization receives in dues."

It is not hard to see how associations can fall into such a membership trap. A key metric used to gauge performance in most associations is the number of members. Some percentage increase is generally a goal in the strategic plan. The board is updated on membership numbers at every meeting. And there is usually a complex marketing plan geared at selling that basket of member benefits goods.

One way to **increase membership** is to add a new benefit designed to pull in members on the brink. Associations also are notorious for looking at the fringes of their membership markets and designing new benefits to pull those people in. As a result, associations can easily end up with 20 or 30 items in its basket of membership goods. That's great for selling membership, but onerous for servicing it. *"A single member may care about four or five of those member benefits," says Raynes. "The other 20 benefits are just wasted effort on that individual."*

*"The idea that one size fits all can have disastrous results for an association," notes **Arlene Farber Sirkin**, president of Washington Resource Consulting Group, Inc. "You need to take principles and adapt them to fit your specific association based on what various segments of your membership value."*

CHANGING TIMES

Another one of Raynes' catch phrases: *"The days of the card-carrying, backslapping, dinner-meeting-attending member are over."*

However, Raynes puts a qualification on the statement. It's not that the networking and friendships that have been the hallmarks of associations will suddenly end. To many people it will continue to be important to feel as though they are part of a community. Rather, it is the realisation that this traditional notion of membership is no longer strong enough to be the central glue that holds everything else together. According to Raynes, the traditional notion of membership is just one more commodity that an association has to offer, and the value that individuals place on the commodity is not as high as it used to be.

Wendy Mann, an innovative and forward-looking thinker with expertise in membership and marketing, says that many people have begun to separate their personal and professional lives to a much higher degree than what was previously practiced. *"It used to be that the social circles people developed were centered around work, but even the high-level people are more guarded about their personal time. They work hard and long hours, but they leave the office behind and devote time to other interests, such as family."* Mann also notes two-income families, nontraditional families with single parents, and suburbanisation and commute time as factors that have contributed to changes in association membership. In addition, studies show that baby boomers are changing ca-

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reers much more rapidly than the preceding generation, and generation X and succeeding generations are changing even more rapidly still. As a result, there is less attachment to work-related associations.

And then there's **Robert Putnam**, the Harvard scholar who proposes in his infamous work *Bowling Alone* that Americans have become disengaged from each other and the world around them at an alarming pace. Putnam's research is rigorous and impressive as he details what he calls the "decline of social capital." His conclusions may be controversial (the root of all evil in Putnam's world appears to be television), but the research reinforces the notion that traditional membership is on the decline.

WHO HAS THE TIME?

"Give me any benefit that associations provide and I'll name ten other places where people can turn for the same or a substitute benefit," challenges Raynes. Industry advocacy and political advocacy might tax Raynes a bit, but for all other traditional benefits, he is up to the task. The crux of the argument, however, centres around two points: information competition and time competition.

To some degree, all associations are in the information business. For most, a major part of the value proposition for being a member is that the association informs members on the profession or industry. Previously, the association may have been the only source of information. But even with the rapid transformation from dot-coms into dot-gones, the internet has changed this playing field dramatically. Regardless of how associations approach this circumstance - by redoubling efforts to provide the best content, for example, or by being the first source of relevant, compiled information - there is now competition in an area where many associations had traditionally enjoyed an information monopoly. And, in addition to competing with other or-

ganisations to provide professional or industry content, there is increased competition simply to get attention. People get hundreds of emails each day; it is easy to jump on the web to check a stock quote, game score, or latest news; and with the growing use and popularity of instant messaging, another distraction is beginning to eat away at the time individuals have to consume the information associations provide. Combine these time pressures with the time pressures that Mann pointed out above, and there is a severe time crunch.

Expectations also play a key role. Customers expect to receive the information they want, when they want it, and how they want it. And here's a key: they want only the information they've asked you for. This is how they are letting you know that they are "circle pegs" and there is no way you will ever get them to fit through those square holes. It is "one size fits none."

SO WHAT'S AN ASSOCIATION TO DO?

"Frankly, membership by itself is just not that important," says Raynes. "It carries the same weight as, say, conference attendance or book sales, as it is the segment of the customer base that chooses that particular association product." For example, if membership declines by five percent but education participation increases by five percent and book sales increase by five percent, there is no need for alarm bells.

While perhaps not sharing the same exact sentiment about the importance of membership, **James A. Kaitz**, president and CEO of the Association for Financial Professionals, understands the need of the customer-centric, business approach. When reporting to the board, he stresses customers and level of engagement over the number of members. De-emphasizing membership as a key indicator of success for associations leads to the de-emphasis of the basket of goods. Taking

this out to the ultimate conclusion would be the exciting but controversial prospect of unbundling membership benefits, a.k.a. cafeteria-style membership or membership à la carte. It's been talked about quite a bit but has rarely been put into practice. Sirkin notes that the American Association of Retired Persons has unbundled its membership, but that in general this can be very challenging. "For a lot of associations, unbundling membership benefits and selling them separately is not a cost-effective solution," she says. "To do that, the association then has to be prepared to market each benefit separately from membership."

Steve Carey, president of Association Marketing and Management Resources, says: "The jury is still out on cafeteria plans. There are some member benefits that just don't stand up from a value aspect: say government relations or public relations. Associations have not figured out how to put benefits into a cafeteria plan in a way that won't have members cherry-picking the best products and leaving vital functions like government relations unfunded." In essence, Carey is saying that by unbundling membership benefits, an association has the potential to magnify the freeloader problem to catastrophic proportions.

Fortunately, there is a middle ground. **Caroline Fuchs**, from McKinley Marketing, Inc., refers to it as "rebundling." The model consists of grouping membership benefits into different categories. So, instead of having one basket of membership goods, the association develops several different baskets for different constituents. This differs from strict unbundling, which abandons the idea of baskets of goods altogether, making all association offerings commodities. She points out that each association is different and will operate with its own unique set of circumstances, but a rebundling approach can be a productive strategy for many.

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One example of an association pursuing just such a strategy is the **International Facility Management Association (IFMA)**. Beginning in 2003, IFMA members chose from the following membership options:

\$150	Base Membership, Electronic Delivery
+ \$30	Mail Delivery
+ \$95	Chapter Membership
+ \$30	Council Membership

The rollout was a culmination of more than three years of work.

The last unbundling step - involving council memberships, which is IFMA language for special interest groups - is not uncommon in the association marketplace. The first unbundling step of separating out electronic delivery from postal delivery represents a significant step, but it is a logical step and one that a few other associations have implemented and many others have begun planning for. The potentially divisive issue is unbundling chapter membership, which previously was not an option.

The IFMA approach is likely not the radical solution to Raynes' "one size fits none" philosophy. In fact, this could be seen as only a slight modification of the traditional membership approach - adding a few differently-shaped holes so that perhaps a few more pegs will fit through. But considering the fact that there are precious few other association examples to turn to, the IFMA unbundling approach might someday be considered one of the innovative first steps that lead associations down a new path.

CHANGE IS HARD

How to affect such change - even more far-reaching change - is debatable. Raynes calls for radical change to bring about the radical solution. "In some ways, I'm a follower of

Jack Welch and his 'destroy-your-business-dot-com' approach." Welch, the former CEO of General Electric Corp., challenged his units to approach the Internet and new technology with a radical approach: effectively destroying your company and rebuilding it. Only in this way would a company be able to lead.

"Such destruction need not be outwardly messy," he cautions. "There might be some bloody internal fighting, but to the outside world, the organisation can appear perfectly calm."

To Raynes it boils down to governance: not the individual governors or board members themselves, but the very structure of governance. Current models of governance reinforce the traditional membership model, he says. From the 15- to 20-year leadership track it takes to move from chapter volunteer to board officer, to board representation based on geography rather than interests or strategies, the governance structure itself is the first and hardest barrier to overcome.

While Raynes advocates blowing up the barrier, others take a less radical view. Sirkin for one, as well as many others, including Mann, Carey, Jim Dalton from Strategic Counsel, and David Brady, executive vice president and chief operating officer at IFMA, touts the power of research. "The key to the whole thing is understanding what the different segments of the membership want," Sirkin says. "It has to be based on fact, not on guesswork."

"The curse of the republic is that the elected representatives think they know everything," notes Dalton. "They know about the governance of the association, but they need to know about the customer base. What has to be killed off is the mindset that the elected leader knows everything because he or she was sent there by the customer."

Research then becomes the critical element to overcoming the governance barrier. For

example, if unbiased research shows that customers do not care about a particular programme that just happens to be a pet project of a board member, it is the research that shows that the program should be ended, not just the opinion of staff.

Mann advocates an additional vital step in the process: engaging political support, both for the research and for supporting the conclusions that the research dictates. While association politics will make most executives groan, it is a skill that many CEOs possess, or they would never have risen to that level. When it comes to fundamentally rethinking a basic function of an organisation, Mann says, it is time to use those skills to the greatest extent possible. To shepherd a research project of this nature, she says, "Buy-in is critical. I would include the board chair, the incoming chair, another influential board member or two, perhaps an influential past board chair, and I think it's important to get an up-and-comer who is not on the board yet to be a part of it."

Few in the association community would dispute Raynes' two tenets: that one size fits none and that the days of the card-carrying, backslapping member are over. What to do about it is a much more difficult question. Changing a model that is as fundamental and firmly entrenched as the association membership model is no small task. Perhaps deconstruction and reconstruction are the only solutions. Or perhaps IFMA's calculated march away from the traditional membership mode, based on research and political championing, is the winning approach. Raynes notes that the roots of the membership model are very deep. Using either approach to change them is likely to be long an arduous task but perhaps an inevitable one.

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