

# TIME TO CONSIDER AN AMC

BY REBECCA BRANDT, CAE

**W** **WHAT TIME IS IT?** This is one of the most common questions in the world—and one of the simplest but most important. Time, of course, can dictate priorities when it comes to management of an association, too. Is it time for growth? Is it time for a transition? Is it time to go global? An association management company (AMC) might be the best resource for your association as it wrestles with these important questions.

An association I previously worked with was struggling with one such question: whether or not to expand into online education. Through in-depth environmental scanning, resource analysis, and gathering of member data, the board of directors agreed to take the leap. What was going on behind the scenes was critical to the decision-making process. I was able to talk to other association professionals right down the hall at my AMC whose associations had considered the same question. I found out what challenges their boards faced and was able to better guide my association through those same challenges. This type of access, the opportunity to learn firsthand from other association professionals and their boards, is an invaluable asset that AMCs bring to association management.

Finding the right time for growth is critical in the lifecycle of an association and involves many factors. If growth is your priority, learn how an AMC can provide the opportunity for your organization to reach beyond imposed limits in “Time for Growth” on page 3.



In addition, since we’ve realized the world is flat, associations are offering more products and services to international audiences. But does that mean it is the right time to become a truly international association? What does that mean to your group? “Time to Go Global” on page 6 provides insight on how an AMC identifies markets, clarifies an association’s vision, and promotes its products and services across international borders.

Meanwhile, change is constant, and associations often face significant transitions in the form of mergers, reorganizations, or the departure of an executive. In such times, an AMC can provide a deep bench of staff resources and experience. “Time for a Transition” on page 10 describes how

several associations have benefited from turning to an AMC for such guidance.

In the past year, research has shown that AMCs bring financial success to associations. In 2015, an independent study commissioned by AMC Institute (AMCI) and performed by James Gaskin, Ph.D., professor of information systems in the Marriott School of Management at Brigham Young University, found that associations managed by AMCs consistently outperformed standalone organizations in financial metrics including revenue growth, income growth, and budget surplus. You can review the full report by contacting any of the AMCI-accredited AMCs listed in this guide.

So, what time is it? It is a great time for your association to consider partnering with an AMC. Take some time to enjoy the 2016 *Associations Now Guide to AMCs*.

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## RESEARCH HAS SHOWN THAT AMCS BRING FINANCIAL SUCCESS TO ASSOCIATIONS.

2014, the leaders of a professional association knew the organization was ready for growth. The only trouble? They didn't know how. So, they signed on with an association management company to find a way forward.

The AMC discovered the association had not increased dues or other fees in more than five years. While the leaders had been eager to keep members happy, flat revenue was hampering the association's growth potential.

To help the leaders get past their fears, the AMC offered a clear analysis of the association's financial position plus strategic recommendations on how to aim for growth while respecting the association's culture. Then the AMC created a communication plan to explain the upcoming changes to members. The plan included talking points and coaching to make leaders feel comfortable delivering the news.

The result: The association implemented higher dues and event fees with little discontent from members. "Now the association is positioned to realize a net income gain this year and positioned for a healthy, thriving future," says Dara Rudick, CAE, CEO of Management HQ.

Sometimes, for associations like this one, growth is an imperative. Sometimes it's a choice: You decide to forge into new markets or take on new legislative initiatives. And sometimes growth is thrust upon you when your industry and your offerings unexpectedly take off.

Regardless of the reason, you may wonder where to get help navigating growth's inevitable ups and downs. If one option is an association management company, here are three frequently asked questions about what an AMC can do to help you with smart growth.

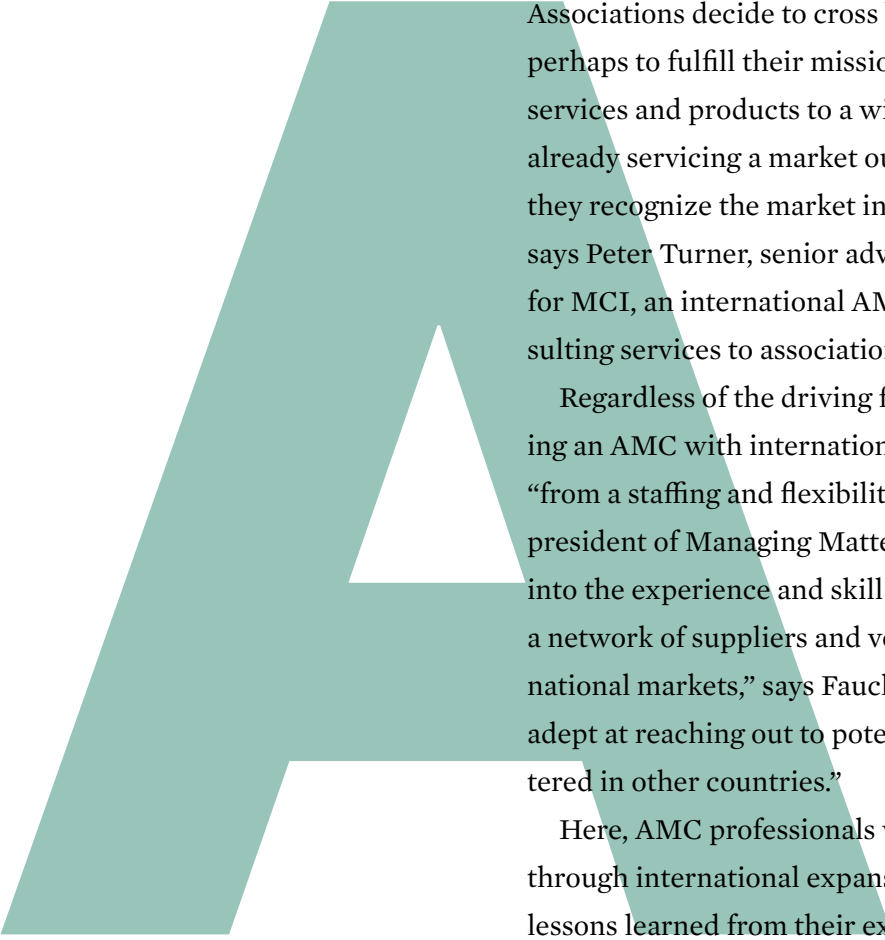


### WHY CONSIDER AN AMC WHEN YOUR ASSOCIATION NEEDS TO GROW?

**Experience.** Because they work with a range of clients, AMCs have staff specialists who have probably already done what you want to do. Maybe you need to lay the groundwork for change by educating your board or upgrading your database. Or maybe you need to take professional development global by offering meetings in China. "Chances are someone at an AMC has done that and can tell you what to prepare for," says Kay Whalen, CAE, president of Executive Director, Inc.

**Perspective on best practices.** "We know what works and what doesn't based on our knowledge and network," says Leslie Murphy, FASAE, CAE, president of Raybourn Group International. "And if we don't have direct experience with a new program, service, or association, we have a variety of tools to research and implement successful initiatives."

**Support services.** Growth puts major strains on everything from accounting to IT to communications. You don't want your website to crash during a major volunteer signup drive. AMCs have experts to ramp up your capabilities or to put resources in place if you don't have them already.



Associations decide to cross borders for a number of reasons, perhaps to fulfill their missions, increase membership, or offer services and products to a wider audience. Others realize they're already servicing a market outside the United States. Or, perhaps they recognize the market in the U.S. is flattening out or declining, says Peter Turner, senior advisor for global development strategy for MCI, an international AMC that offers management and consulting services to associations expanding into new markets.

Regardless of the driving factor in an overseas expansion, hiring an AMC with international experience can be advantageous “from a staffing and flexibility standpoint,” says Jenny Faucher, president of Managing Matters, Inc. (MMI). “Associations can tap into the experience and skill set of AMC professionals, as well as a network of suppliers and vendors that will be effective in international markets,” says Faucher. “What’s more, many AMCs are adept at reaching out to potential partner organizations headquartered in other countries.”

Here, AMC professionals who have directed associations through international expansions share success stories and offer lessons learned from their experiences.

### **FULFILL YOUR VISION**

Successful international expansions are often preceded by an association’s strong commitment to its vision and mission, says Dick Padlo, account manager at IMI Association Executives and executive director at the International Lactation Consultant Association.

Three years ago, after experiencing an aging and declining membership, ILCA redefined itself. “We realized the vision of the association was very limited in scope,” narrowly focusing on promoting the lactation consultant credential, the IBCLC, says Padlo. “We realized there are about 100 organizations worldwide that are trying to move the needle [to promote breastfeeding], but ILCA wasn’t a part of that conversation. By focusing exclusively on the IBCLC without the greater context of improving health worldwide, ILCA had become isolated

from the organizations most important to our cause.”

ILCA developed a new vision with a “greater purpose,” says Padlo: world health transformed through breastfeeding and skilled lactation care. Padlo spearheaded efforts to form partnerships with like-minded organizations, such as the World Health Organization and UNICEF, and to establish an international infrastructure to communicate the global breastfeeding agenda and convey the message at the local level.

“During an 18-month period, we went from having three affiliates to 17 partners all around the world, and from having 6,000 members to building a capacity to reach 30,000 healthcare professionals committed to similar goals,” says Padlo.

“We had the ability through the AMC to get the job done, because we had access to AMC expertise in all

areas,” he adds. When extra staff support is needed, “we don’t have to hire dedicated staff or expensive consultants. ... If an AMC is functioning properly, it will have resources on staff to back up some of the efforts on a project-by-project basis, without paying premium consultant fees.”

### **GROW YOUR CREDENTIAL**

Some associations expand their membership by promoting credentials overseas. Last year, MMI assisted one of its clients, the Association for Strategic Planning, in a drive to become “the leader in strategic planning—and not just in the United States,” says Rachel King, an MMI account manager. ASP members themselves often work across borders—coming from global companies such as Cisco and Harley Davidson—so it made sense for the association to increase its global footprint.

Since the initiative began, MMI has facilitated the addition of an international

board member based in Dubai and has created new chapters in Nigeria, Honduras, and Liberia. MMI also has assisted ASP in expanding the association's iconic World Strategy Week. The event is now celebrated at a global "webinar level," with webinars broadcast and recorded each day, then shared for those who miss the live presentations.

"These outreach efforts, with the support of our hands-on board, have led to the growth of the ASP certification program by 100 percent over the past year," says King, "with 50 percent of the new certificants coming from beyond the U.S. borders."

## REVAMP YOUR PRICING STRATEGIES

Several associations are finding that AMCs offer invaluable expertise when determining how to scale membership fees—and member benefits—appropriately in different locations. "Look at it this way: You don't sell a McDonald's burger in another country with the same ingredients or at the same price," says Nikki Walker, global vice president, association management, for MCI.

Walker advises associations to consider the buying power of each country. "In India, there are lots of associations—but they typically will sell a 'membership for life' for about \$150. So, if they pay for membership in a U.S.-based association, they can't justify paying \$150 for just one year," she says. Associations may need to be creative: Those same individuals in India may be willing to pay \$30 per year for journal access.

Walker also notes that individual membership associations may need to approach membership from a different angle. "With the technical professional society, what we found is it's better to go after enterprise sales," says Walker. The society now promotes membership to large companies that bundle several products.

## TAILOR YOUR MARKETING

Once a new area has been identified for expansion, there's a certain amount of marketing and customization that's required—but successful

marketing campaigns in the U.S. do not necessarily translate in a foreign country.

"Many associations have never developed a specific local market development strategy or social media campaign outside of the States," says Walker. An experienced AMC "can help create business plans, conduct solid market research, develop a market development strategy, cultivate partners, and leverage the social media channels that are relevant, and legal, in a particular country."

MCI recently led a successful international expansion of a global technical professional society, in part due to a tailored marketing and business development strategy. The society partnered with MCI in 2013 to open some international markets, through MCI's Dubai office.

The MCI team members assigned to the account—who are fully integrated into the association's staff—expanded the society's local training network to increase certifications, developed a conference to be held outside of the United States, initiated an awards program, created local and regional websites, and provided local

membership services in multiple languages.

The integrated marketing and business development strategy led to increased lead generation of almost 333 percent for the society. What's more, the society "has more than doubled its revenues in Dubai since we started working with them in 2013," says Walker.

## PREP FOR CHANGE

Association professionals who have taken part in international expansions agree that such initiatives cannot be taken lightly, and they require a willingness to change.

For associations that are prepared for global growth, remember that identifying markets, clarifying a vision, promoting products and services, and fostering partnerships are important steps—and AMCs may be perfectly positioned to help navigate these uncharted waters.

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"We had the ability through the AMC to get the job done, because we had access to AMC expertise in all areas."

-DICK PADLO

## AMCS TALK ABOUT SCALABILITY—WHAT DOES IT MEAN?

It means you can add what you need when you need it, and pay for only as much as you use.

Scalability applies to expertise as well as staff time. Launching a project requires high-level capability to design new systems, for example, or develop a financial plan. This naturally costs more. Once the project is running, maintenance mode requires less work and skill, so you pay less. An AMC can evaluate your short- and long-term needs so you can increase or decrease in ways that associations with dedicated staffing, benefits, and office space cannot easily do.

Faced with industry disruptors from the sharing economy and rent-by-owner housing sources, the Corporate Housing Providers Association wanted to both grow and differentiate its members by showcasing their professionalism via training programs. A full-service client of Raybourn Group, CHPA quickly assembled an expert team to pilot new regional conferences. AMC staffers set to work on budgeting, forecasting, logistics, and marketing. The popular conferences have attracted new members

and engaged existing ones who never participated in events before.

Now that the labor-intensive growth process has ended, the conferences are coordinated by a meeting planner who shares her duties with several other clients. “This reduces the cost for CHPA as it maximizes return on investment,” Murphy says. The association has been using a similarly flexible staffing plan to start and sustain accrediting and quality assessment programs.

The American Academy of Emergency Medicine has worked with an AMC to grow its membership from 130 to more than 8,000. Scalability helps it run a high-profile European meeting that takes place only every other year. “They can staff up and then staff down, and their AMC fees change accordingly,” says Whalen.

You can even have a scalable CEO by getting an executive whose time is allocated for half-time service to your association. “It’s the kind of executive flexibility that’s much harder to do without an AMC’s backing,” says Murphy.



## HOW CAN AN AMC HELP WHEN GROWTH BRINGS PROBLEMS?

**Provide professional expertise.** When the International Parkinson and Movement Disorder Society signed on with Executive Director, Inc., it sought help improving its customer service and international presence. EDI saw that neither of those would spur growth unless the society grappled with a bigger problem: It lacked accounting procedures and a robust database.

Over the years, the society has built a firm operational foundation, learned from what EDI taught about similar associations’ successes and failures, and adjusted its staffing as needed. The society has grown from fewer than 1,000 members in 1999 to 6,000 today.

**Offer staffing flexibility.** The Society for Immunotherapy of Cancer needed help both shrinking and expanding. After years in which the society grew at a healthy rate, industry-wide problems with a once-promising therapy caused sponsorship dollars to drop. To help the society stay afloat, EDI helped make strategic cuts that reduced staffing costs by half. Sponsorship funding has since increased, and EDI has helped the society more than quadruple previous levels of both member services and staffing.

**Provide blessed relief.** Most volunteer leaders are grateful when they’re freed to focus on high-level work—such as setting a new direction for the expanded membership—instead of planning the banquet menu.

**Handle other byproducts of sudden growth.** For example, when changes in your field create strong demand for training, you may not have enough volunteers and subject matter experts to handle it. An AMC can help you anticipate that problem, launch a leadership development program to grow your volunteer ranks, and advise you on how to get the necessary resources to make your new programs a success with members right out of the gate.

An influx of members or money doesn’t mean your problems are solved. You have to know how to use windfalls strategically. It can be tempting to invest in new staff or office space without realizing how they can pull your focus away from your mission and toward costly overhead. Better to work with experts who help you plan wisely—including creating contingency plans.

“Most people in associations don’t go through growth spurts every day,” says Rudick. “It’s good to be with someone experienced.”



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aced with destabilizing industry consolidation, two related trade associations turned to an association management company for advice. Not only did the AMC already represent one of the associations, but it also had broad expertise in their food-related industry. What's more, the AMC was plugged in to an informed network of independent consultants who could provide analysis and support. The ultimate decision: Merge.

Once the decision was set, the associations needed a strategy. Again they turned to the AMC. The AMC's governance experts helped reconfigure the board structure and offered advice on tough decisions about which trustees would serve and which would go. Its financial gurus created a dues structure that would be both equitable for members and effective at driving a new business model. The AMC even helped develop a new name.

Today, the merged associations have "a strong, combined voice to advocate for the entire industry," says Greg Schultz, group vice president at Kellen, the AMC that structured the process and supports the resulting group. "They've got a larger base on which to spread the costs of running their organization, and the members are better able to advance their goals. The outcome was just terrific for their industry."

If your organization is approaching a time of transition, you too may find that an association management company can help lead you to a stronger future. Here are five tips from AMC leaders who've helped associations pivot to new futures, whether because of mergers, reorganizations, or the departure of an executive.

# 1 BRING IN AN OUTSIDE PERSPECTIVE

A transition is a natural time to step back and take a clear-eyed view of your goals and operations. "AMCs are like think tanks," says Schultz. "We've seen many, many problems and challenges, and we can draw on that vast association experience to develop solutions." As the merging food industry associations learned, an AMC can get you ready for a new future by deploying its depth of resources and specialty expertise.

This can involve creating a business model for mergers, facilitating a process for developing consensus, and envisioning the future. It can also bring about wake-up calls regarding problems that have either gone unnoticed or been actively ignored.

"We have a protocol we walk through with boards," says Erin Fuller, FASAE, CAE, president of association management and consulting for MCI USA. "Is your membership database kept on somebody's MacBook Pro? Are your funds commingled with another organization's? Do you have a pension plan from 30 years ago with three people still on it?" An AMC can help you find out—and find a way forward.

# 2 MAKE THE MOST OF YOUR MONEY

An AMC can help you save during a time of transition, in several ways.

**Flexible staffing.** An AMC can scale up when you're in the staff-intensive period of major change and scale down when you move to maintenance mode.

**Shared staffing.** Budget was a major concern for two associations that consulted Katherine Pankratz, senior account manager with VTM Group, about a merger. "When they looked at the cost implications of their previous staffs and overhead and then the shared services we offered at the rate we offered, there was no comparison," says Pankratz. "The amount they saved was amazing."

**Economies of scale.** "The purchasing power an AMC can offer, and the sheer volume of business we do, offers the lowest cost to all our clients," says Pankratz. This is true whether you need help negotiating with print vendors or conference venues around the world.

# 3

## HELP YOUR BOARD GRAPPLE WITH CHANGE

Risk management is always a chief preoccupation for trustees. Whether risks involve finances, political pitfalls, or new ventures with uncertain outcomes, AMCs have likely seen such challenges before. They can give informed advice on a process to plan for and manage risk.

During changing times, boards also need guidance on member communications and the feedback loop. Especially during mergers, “AMCs are expert at anticipating member questions on topics like dues, fielding the questions, and then funneling the concerns to the board,” Pankratz says. “It’s so critical to know what messaging is important and when you need to deliver it.”

An AMC can also help volunteer leaders focus on what volunteer leaders should do. “Our mantra is, leverage the highest and best use of everyone’s time,” says Fuller. “Many organizations come to us after abandoning a CEO search, meaning volunteer leaders may have needed to be in the weeds of tactical work. We provide board training for them and get them back up at the higher strategic levels where they belong.”

**“AMCS ARE LIKE THINK TANKS. WE’VE SEEN MANY, MANY PROBLEMS AND CHALLENGES, AND WE CAN DRAW ON THAT VAST ASSOCIATION EXPERIENCE TO DEVELOP SOLUTIONS.”**

**—GREG SCHULTZ**

# 4

## WEATHER DIPLOMATIC CHALLENGES

One of Fuller’s clients had switched to an AMC model as its long-time CEO prepared to step down. By the time of his retirement dinner, a problem was clear to the new AMC staff: The CEO had been a great industry advocate but a terrible money manager.

Nevertheless, the staff knew from experience the importance of handling the transition professionally and solving the problems with utter discretion. “Keeping a good face is so important for so many reasons. We knew he might become a member or stakeholder, and we didn’t want our sponsors to think there was something wrong,” Fuller says. “We didn’t want the distraction that comes with airing dirty laundry about a CEO who was so valued.”

# 5

## GAIN A FULL PARTNER

An unplanned merger, search process, or crisis intervention may make a volunteer leader feel like moaning, “This is not what I signed up for!” Nevertheless, this transition is likely to be the volunteer’s legacy. As Fuller says, “a smooth and successful transition is the greatest gift you can give your association.”

To make the change go smoothly, “Communicate well and communicate often,” Pankratz says. “We can’t help you if we don’t know what’s going on. Throughout the entire partnership, our job is to help you through this and to make it easier for you and your members.”

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## How do you help a new employee understand the culture of your AMC?



### **BETH ARMSTRONG, MAM, CAE**

**PRESIDENT**  
**ASSOCIATION & SOCIETY MANAGEMENT INTERNATIONAL**  
**FALLS CHURCH, VIRGINIA**

We introduce personnel to ASMI's culture with a year-long onboarding program. The customary corporate literature presents who we are and who we serve, but interacting and establishing relationships with colleagues is the key to understanding the corporate culture at ASMI. New staff complete local tours, virtual activities, lunch dates, and more on a planned schedule with staff from a range of departments and client-service teams. This reinforces our culture of camaraderie and team spirit.



### **ANDY FREED**

**PRESIDENT AND CEO**  
**VIRTUAL, INC.**  
**WAKEFIELD, MASSACHUSETTS**

It starts with hiring. The best hiring advice I ever got was "Hire the attitude, teach them the skills." Once we have the right people, we work to help them understand our culture. A team member's first day should be special, with a welcome sign, balloons, and a celebration to engage them as part of the team. We have a buddy program, and our HR team has regular check-ins to make sure people are becoming part of the fabric of Virtual.



### **JOSEPH THOMPSON**

**CEO**  
**THOMPSON MANAGEMENT ASSOCIATES**  
**ANNAPOLIS, MARYLAND**

A new employee's exposure to the culture of Thompson Management Associates actually begins during the interview process. It is critical to our firm's success that candidates not only understand what's important to TMA and our clients but also gain a basic sense of our office personality and what's important to the ongoing success of our team. Gaining the right fit at this stage minimizes surprises later on and helps to ensure a positive start for the new hire.



### **GREGORY BROOKS**

**EXECUTIVE DIRECTOR/PRESIDENT**  
**AMC SOURCE**  
**NORTH PALM BEACH, FLORIDA**

If a mutually good fit is determined during the interview process, an independent assessment by a doctoral-level professional is conducted to help determine innate qualities suited for our AMC and multi-client culture. A three-phase training program is offered during the onboarding process to prepare new recruits for success. This includes a series of online training tools, videos, and senior-level and peer mentoring. This continues during a 90-day probation period with two-way assessments at two, four, eight, and 12 weeks.