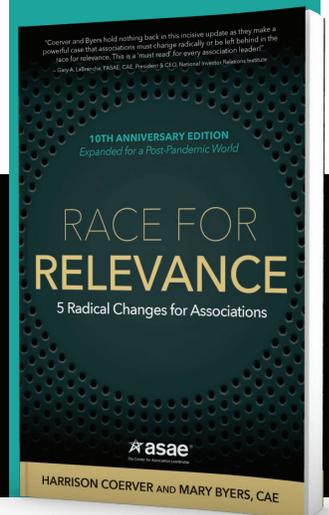


# Race for Relevance:

## 5 Radical Changes for Associations

If you are reading *Race for Relevance* as part of a book club or with a few selected colleagues, following are suggested questions to help guide discussion. We've included more questions than necessary so that you can pick those that resonate with you. Questions are listed by chapter for convenience. Consider having different individuals lead each chapter's discussion.



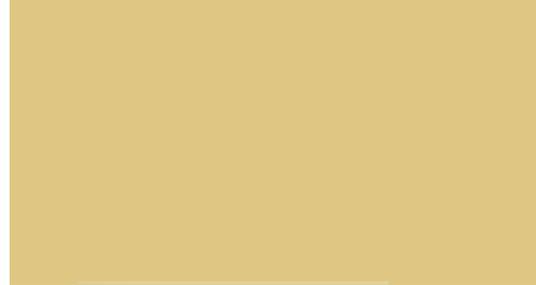
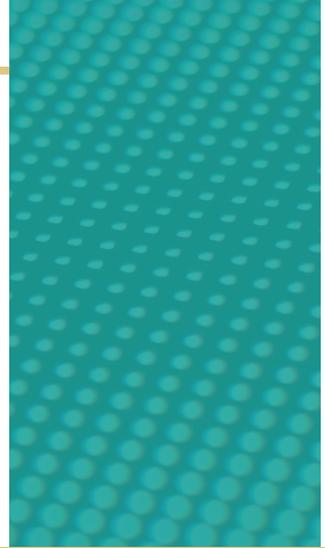
### Introduction

1. In the introduction, we write: "You probably have noticed that today's association model, which was created more than 100 years ago, isn't nearly as effective as it once was." Is the way you are structured and the way you operate working as well as it once did? What are the indicators that effectiveness has been maintained or that it has deteriorated?
2. "The pandemic accelerated all that had been challenging associations and almost overnight it became 'business as *unusual*.'" In what specific areas did the pandemic act as an accelerant to changes already underway for your organization?
3. "It (the pandemic) exposed the flaws of typical association governance: large boards composed without much consideration." Did your full board play a critical role in decision making during the pandemic? Or did the CEO and officers make the important decisions and communicate them to the full board? How many key pandemic decisions were made by the CEO and Chair alone? If the full board was not involved in the critical COVID-related decisions, why do we need large boards in kinder, simpler times?
4. "It (the pandemic) unveiled the 'dogs' in our product lines." What programs or activities were rendered irrelevant by COVID? Do you believe that their performance will improve in post-COVID times? If not, what are your plans for sunsetting them?
5. "It (the pandemic) taught us that we underestimated members' acceptance of digital delivery." Knowing what you know now, if you could turn the clock back to pre-COVID times, what could you have done differently to increase member acceptance of digital delivery? Are you experiencing a desire by leadership to return to face-to-face delivery and wind down digital options? What do you think is the right mix going forward?



# 1 Chapter One: The Imperative for Change

1. "It used to be that companies automatically joined their trade associations, paid their dues, attended meetings, and volunteered on boards and committees. Professionals naturally joined their societies, paid their dues, attended meetings, and volunteered on boards and committees. Expectations were modest and life was good." How have member expectations changed in recent years? How do these higher expectations manifest themselves? How have you responded to members' increased scrutiny of the value of belonging?
2. "Many associations are struggling to maintain membership." A recent study found that 47% of associations experienced membership declines in 2020. If your membership declined, what corrective action have you taken? If your membership was stable or increased, what do you attribute that to?
3. "While most associations and professional societies are not in immediate danger, they will struggle if they cling to conventional approaches and structures." Why do you think that associations and professional societies are so bound to tradition and the "way we've always done it"? What have you found to be effective in getting your board and staff out of their false comfort zone?
4. "The radical changes proposed in this book suggest that associations are no different from any organization in that that they should make the highest and best use of their resources, apply sound management practices that lead to performance, hold individuals and entities accountable, and have clearly defined direction and priorities. They must also discard practices that are no longer effective—usually due to changes in the marketplace." Why is it that some association executives and volunteer leaders recoil at the suggestion that they be more "businesslike"? Is there another way to describe effective management other than "businesslike"?
5. "Six marketplace realities that did not exist 35 years ago have significantly and irreversibly changed the playing field for membership organizations: time, value expectations, market structure, competition, generational differences, and technology." Which of the six trends are having the most significant impact on your association? How is this trend effecting your association and what are you doing to mitigate its impact? Is there a major trend or development that you are experiencing that is not among these six?





## 2 Chapter Two: Board Size Matters

1. "Believe it or not, an association can be effectively governed by a board of five, not including the CEO. Yes, five." What is your reaction to one of the most controversial concepts in the book? Why do many in the association community believe large boards are best suited to govern?
2. "Many association boards do not effectively govern or lead their organizations. They are not strategic or forward-thinking. They do not proactively partner with staff as subject matter experts to provide input and feedback. They often waste time. They regularly sub-optimize the talent and abilities of their directors. They are reactive. They continue to micromanage staff." Is this assessment too harsh? If you agree with most of these criticisms, what are you doing to improve your board's effectiveness?
3. "Boards complain that the executive committee is usurping their responsibilities. Executive committees complain that their boards are indecisive, reactionary, and in the way of progress." If you have an executive committee, have you experienced this common tension? Is the impact of this governance friction significant or a minor inconvenience? If you went to a five-member board and eliminated the need for an executive committee, how would it impact governance performance?
4. Each time you add a member to a board, committee, or task force, the less you will get out of each member and the less you get out of each member individually, the lower the board performance is overall." Have you experience "social loafing" – the tendency of some in a large group to let others do the work? What techniques have you used to encourage all members of the board to contribute to the best of their abilities?
5. "Each time you add someone to a board, committee or task force, you are adding to the number of connections that each individual needs to manage." When you saw the diagrams in the book which depict the number of connections by group size (for example, a board of 10 has 45 connections) were you surprised? When you think of your own board, committee, or task force experience, how many other members were you able to connect with in a meaningful way?
6. "Trust is a critical aspect of high-performing boards and the more people you have, the more challenging it is to build it." How does trust impact collaboration? What can large boards do to build trust? What are the key elements of a trusting relationship?
7. "When you add another member to the team, you have added to the communication and coordination burden, and you are allocating less time to productive effort." When you think about your board, what percent of time is devoted to organizing, communicating, and coordinating versus the percent of time doing meaningful work?

# 3

## Chapter Three: Board Composition Matters

1. “A welcome change we’ve noticed since the first edition of this book: Associations are being more intentional in recruiting and more deliberate in orientating new board members.” Would you describe the process you use to compose your board as “intentional” – designed to attract a certain knowledge or skill? How would you rate your association’s onboarding process for new directors? What could you do to improve your onboarding process?
2. “The board we recommend is based on competency, not geography, special interests, who you know, or how long you’ve been around.” In composing your board, have you determined the kind of experience, knowledge, or other competencies that you believe you need to govern effectively? What would you say if someone challenged competency-based board composition because is not representative of member constituencies or geographic location?
3. “We recommend changing the name of the nominating committee (if you have one) to the leadership development committee, or something similar. (The International Council on Veterinary Assessment calls its nominating committee the talent management committee.) This signals a change from a once-a-year task developing a slate of candidates for presentation to a year-round effort to identify, develop, and eventually appoint leaders for the association.” How much time does your nominating committee devote to its role each year? Is your nominating process passive (respond to candidates expressing interest) or proactive (looking for emerging leaders in the membership)?
4. “According to researchers Engle and Brown, only about one third of respondents to their association research conduct interviews of prospective candidates. Based on these findings, it appears that more than 60 percent of association boards leave leadership up to essentially unvetted candidates.” Does your association interview board candidates? If no, why not? If you do interview candidates, what questions do you find particularly effective?
5. “If an association can afford thousands of dollars for board-related travel, meals, and meeting expenses, it can afford professional search assistance for director selection.” Have you ever considered using a search professional for director recruitment and selection? How would your board react to a suggestion to do so?
6. “A final thought on the competency-based director selection process: We don’t believe all board members have to be association members.” Has your association ever considered outside or “public” members of the board? Why do you think some volunteer leaders object to outside directors? Due to the nature of your membership, are there any areas of knowledge or experience needed on the board that would not be found in your membership? Do you think having a public member on your board would result in better board behavior and practices?

## 4 Chapter Four: The Empowered CEO and Staff

1. "The traditional association model is often corrupted by a lack of candor." Directors are reluctant to confront each other, preferring to "go along to get along." Have you experienced unfavorable or flawed board outcomes from this behavior? What techniques have you used to engage the board in meaningful debate on issues? Can your executive staff challenge volunteer leaders without fear of retribution?
2. "It is easier to manage than to govern." What do you see as the key differences between managing and governing? What skills are important in governing that are less important in managing? How many involved volunteers have you worked with that really "get" governing?
3. "The temptation to slide from governance to management will always be there. Managing is more tangible, with outcomes or resulting feedback often immediate. The politics involved in governing are intricate. Governing decisions are more difficult than management decisions." Many board members have considerable management expertise. Can these be translated to effective governance? How? What techniques have you found to be effective in mitigating the tendency of directors to get involved in the management of the association?
4. "The mindset regarding staff can be additionally challenging when there is a culture of staff servitude. In this case, volunteer leaders are masters and staffers are vassals. This is an unfortunate situation, but it still exists." How would you describe the relationship between your board members and staff? What do you believe encourages board and staff to treat each other as equals?
5. "The change to an empowered staff will magnify the mismatch of staff who have not maintained necessary skills with the new challenges for staff. Taking an honest assessment of staff will be necessary and making changes as a result will be difficult. But the reward is worth it." What approaches to legacy staff without the skill set required today have you found effective? Many legacy staff have developed long-standing relationships with volunteer leaders. How do you deal with this if their abilities have not kept pace with the requirements of the job?

## 5 Chapter Five: Rationalize the Member Market

1. "How do we serve a member market that has changed significantly from the one that the association was designed for?" What have been the major changes in your member market since your association was founded? Which have had the most significant impact on the association? How have you adjusted to respond to the changes?
2. "A review of the growth of associations over the last 50 years shows almost all of them with a narrower focus than their predecessors, indicating that those associations with a precisely defined member market are in demand and succeeding. Their mission is clearer with a well-defined market." Do you serve a broad or narrow market? Have you been confronted with competition from new associations that target a segment of your membership? What have you done in response? What strategies have you developed to address market consolidation (for trade associations) or specialization (for professional societies)?
3. "How broad a constituency can your association effectively serve?" How successful have you been recruiting and retaining members in the fringe areas of your member market? Has it been worth the time and effort required? What segments of your membership have always been challenging to serve?

# 6

## Chapter Six: Rationalize Programs, Services, and Activities

1. The typical trade association or professional society tries to do too much." How many new programs or services have you added to your portfolio in the last 5-10 years? Have you sunsetted or eliminated any programs and services? Do you have a process to evaluate new programs and services before you add them?
2. "Also known as the 80/20 rule, the principle applied to an association's product line projects 80 percent of member value is derived from 20 percent of the benefits offered. So, if an association offered 10 programs or activities, two of them would account for 80 percent of the value received. Do you know which of your products and services offer the most value to members? How does supporting the 80 percent divert resources from the 20 percent where the real value is?
3. "There is one major underlying assumption that is flawed: that the way to add value to membership is to add more programs, services, and benefits." Why is it that we often think the more we offer, the more valuable membership is? How many of your members could recall, without help, 50% of what you offer? How does the scope of your programs and services clutter your website?
4. "Existing programs and services are often continued without much challenge." What is your process for reviewing your scope of programs and services? Do you require programs and services to meet a minimum level of utilization to be continued?
5. "Andrew Lang, CPA, wrote, 'As a student of association finance, I am mystified by the number of organizations that do not know the true cost of what they are selling. If you ask association executives if they know the cost of a particular product or service, most will say "yes.'" However, on further inquiry, the vast majority are referring to the direct cost, and often enough, only the out-of-pocket direct cost. All too frequently, associations that do not know the full cost of what they are selling are selling at a loss.'" Do you allocate all costs, direct and indirect, to your programs and services to determine their true profitability? If not, why not?
6. "How many businesses can a \$1 million, \$2 million, or even \$5 million trade association or professional society be in? How many businesses can they support in a meaningful way?" If you eliminated most of your programs and services, and kept only 2 or 3 of the most popular, how would it impact your membership and finances?
7. "While the association may have the appearance of many eggs in multiple baskets, many are subsidized either by dues or net revenue from one or two winners, so the reality is that the organization has all its eggs in one or two baskets already." If one of your most popular and profitable services failed, what impact would that have on your membership? Do you think associations have a false sense of security from offering a broad range of services?

1. “Aggressive and continuous adoption and exploitation of technology must become an integral component of the organization’s functioning and performance.” Would you describe your approach to technology offensive or defensive? Why do you say that?
2. “It is difficult to ignore that today every association function can be done via technology: meetings, education, networking, fundraising, registrations, everything. The pandemic has now proven this.” What did you learn about the potential of technology during the pandemic? Where you able to maintain most of your programs by switching to digital delivery? How do you intend to capitalize on what you learned about the acceptance of digital delivery going forward?
3. “The associations not adopting a digital-first mindset risk their relevance to members with each passing day.” How does your members’ experience with digital tools and apps as a consumer impact their expectations of the association? Do you think that associations can be relevant without embracing technology? What is holding you back?
4. “Innovators’ and ‘early adopters’ were missing from association and professional society boards in the past.” Was this true of your board? How can you recruit tech advocates in the future?
5. “Notes Plummer, ‘We’re flooded with data, but associations are not really harnessing the power of it. And they’re not focused on data-driven decision making. Every aspect of your technology should support the ability to collect and analyze better data.’” Why do you think associations lag at optimizing data? How would you rate your association in capitalizing on data? What is the one thing you could you do to improve your rating?
6. “The resources allocated to association technology have been tragically inadequate in most cases. Associations have tended to think of their technology investments as periodic system upgrades made begrudgingly rather than as critical investments in their future.” When it comes to spending on technology, how would you describe your board’s attitude? What can you do to generate a positive and opportunistic approach to spending on technology?
7. “Do not let members who are late adopters of technology handcuff efforts. Doing so puts the association at risk with progressive, earlier adopters, including young careerists and future members.” Have you delayed making digital investments for fear of leaving some members behind? How would a millennial member describe your association’s technology? How can you convince board members that if you delay adopting digital strategies, you risk your relevance to progressive, forward-thinking members?
8. “The total percent of the typical association’s annual budget allocated to technology is inadequate. Period. Most associations have been kidding themselves about what it takes.” What percent of your annual budget (including staff time) is allocated to technology? Do you think your current level of spending is adequate? In the future, how are you going to fund increased investments in technology?
9. “But variation and validity aside, associations need some guidance. We’ll go out on a limb for the sake of stimulating discussion and analysis and propose that associations should consider spending 7–8 percent of their total gross revenues on technology, including staff, based on what our research showed for other sectors and associations’ need to catch up.” Have you calculated your tech spend? Is your annual tech spend at the 7% to 8% of total gross revenue? Do you agree with our goal for tech spending?

## In Summary

1. What most resonated with you about the book?
2. What concepts made you feel resistant?
3. What is your biggest takeaway?
4. What is one thing you can identify to begin working on now so that your association doesn't become irrelevant?

