

## Services and Growth

### PCAAE: 30 June 2015

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## Education & Conference income

- Associations are naturally positioned to provide education and training
- Small events in regions are popular
- Bigger events make the profit



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## Education other than at Conference time

- Small events (meetings, workshops) are important and lead to larger events (conferences & congresses)
- People are time poor, so short sessions are popular
- Increasing use of e-learning and webinars
- In professional associations, providing CPD (after university graduation) is an ideal area to offer events
- Post-grad qualifications are money-makers when sought-after in the marketplace (eg CPA)
- Plus Special Interest Groups are a winning idea!



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## National Conferences and International Congresses

- Large events bring in bigger surpluses
- Make your associations conference the “must-attend” event: eg “the Olympics of Accountants”
- Having a strong national association will assist bids for World Congresses
- TPB can assist greatly in bids for regional or international events
- Stronger associations have capacity to run regional or international events



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## Boost conference and event registration numbers

- Conferences make more money than all the smaller events combined
- Put on an amazing conference program
- Utilise an affordable venue and choose affordable catering options
- Give potential delegates 12 months notice of the date and location
- Give potential delegates 4 months notice of speakers, topics, timing



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## Exhibition income

- Some associations have developed Exhibitions to bring together buyers and sellers
- Exhibitions can be profitable because it is easy of buyers and sellers
- If associations don't run exhibitions, commercial operators will do so instead



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## Exhibitions / Trade Shows

- Members like to meet suppliers in one place
- Exhibitions are very time and cost effective for association members who buy
- Exhibitions are very time effective for sellers
- For the association, exhibitions can be very profitable
- If your association doesn't run it, someone else will!



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## Awards and Other Events

- Popular if well handled and respected
- Start small and build
- The awards by AMPAS are famous, but less so the association that runs them...
- Awards programs are also popular with sponsors, hence profitable
- Other special events, including sports days and networking



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## Sponsorship income generation

- Reputation and return on investment are key
- Have an in-house sponsorship manager
- Show potential sponsors "what's on the menu" regarding activities they can sponsor, such as:
  - Conference sessions
  - Exhibition trade booths
  - Online promotion
  - Magazine advertisements and advertorial



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## Sponsorship income generation

- The event quality, reputation and customer traffic matter more than glossy marketing brochures
- Associations perfectly positioned for a long-term relationship
- Sponsors will be upfront about their perceptions and satisfaction when asked
- Think medium-term: over years, happy exhibitors & sponsors will do more & pay your association for the privilege



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## Communications, Promotions and Publicity

- Communications sub-plan is required
- Printed magazines and journals: still alive and healthy
- Annual reports
- Delivering content on multiple platforms
- Media campaigns for the association brand or issue
- E-newsletters are popular if sent sparingly
- Websites have replaced physical libraries
- Dedicated "social networks" are popular, rather than
- Income can be generated from communications eg ad sales



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## Setting Standards for your industry or profession

- If the association does not set and enforce standards, government may do so instead
- Public interest needs to be considered, not just member interest
- Code of Conduct / Ethics is foundation standard
- Accreditation and "Aspirational professional designations" (eg CPA) will be very popular if they increase member income
- Associations should self-regulate and have standards higher than 'mere' licencing
- Disciplinary procedures are required for fairness



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### Position statements and advocacy

- As independent entities, associations are allowed to have policy 'position statements'
- Positions on relevant matters need to be thoughtfully developed over time – but be prepared
- Most advocacy is done softly and gradually
- Advocacy in some nations has influenced changes of government
- Media management skills
- Crisis communications



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### Research & Development into science behind your association

- This is Research & Development into the “art and science” of the association, not member needs survey
- Advances can result from quality research
- Associations often foster research by academics
- Scholarships can be paid for or sponsored



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### Selling other products or services

- Resources or guidelines
- Insurance (some associations are rich from insurance)
- Less successful if against free market offerings
- Find out what your members already need every day



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### Assisting commercial aims of members

- A example of where charities and associations differ
- OK to have an association supporting people/businesses who wish to make money
- Industry-specific information can be proved by an association seen as neutral
- Salary surveys are popular
- Make your on-line job board the leader



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### Commercial ventures & Government grants

- Find out what your stakeholders want
- Sell services to them, by the internet if possible
- Possibly best commercial product in Twentieth Century = Insurance products (eg NRMA)
- Government grants provide income and are core business, but ensure they are profitable, ie that the expenditure is not greater than the income



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### Foundations for Growth

- Boards must agree on need for growth
- “Not-for-Profit” is an inaccurate term
- Right staff are needed to drive growth: volunteers can't do it and cope



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### Have supportive Directors

- The right Board Directors
- External directors can change the focus
- No micromanagement
- Have protocols on authorisation and limits



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### Understand the finances

- Know the financial picture since 2000
- Associations should accumulate equity as they should make a profit and they have no shareholders
- Income levels and % returns are key



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### Increase Income

- *It is easier for associations to make profit than charities*
- Fundraising from public & philanthropy
- Government grants
- Membership income
- Registration income from conferences, etc
- Exhibitions
- Commercial products & services



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### Reduce expenses

- Start with “activity based costing”
- Reduce expenses in areas that are not generating income or are less important activities
- Transition of Board and to a new CEO should lead to a review
- “Fresh set of eyes” will question expenses others take for granted
- Ensure money spent on staff is spent wisely: it is usually the biggest expenditure



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### Get the right people

- Some CEOs are excellent administrators and advocates
- CEO's without the skillset for growth can employ income generators
- Task the right people with membership, registration or sponsorship growth, and reward them for growth outcomes
- Reshuffling staff is ongoing but crucial



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### Have a CEO to make profit

- Generalisation: volunteers won't make profit, but the right CEO *may* make profit
- Associations & charities need to invest in the right people
- Every CEO will have different skills: some great CEOs acknowledge their weaknesses and bring is appropriate support



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### CEO to appoint profit-making staff

- Put on sales and staff who are capable of increasing profitability
- Yet be wary of staff that you really can't afford
- Boards are naturally conservative and they often don't see the day-to-day reasons why
- CEOs need to say *"to achieve the Mission and the Plan, I need these resources and we will make \$X profit"*



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### Right in-house staff structure

- Outsourcing income generation may also outsource profits
- Employ and train dedicated Sponsorship Manager; someone to sell regos and membership
- Give them broad range of association products to sell



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### Membership income

- Associations are fortunate to be able to charge membership due to representing a profession or industry
- Charities tend to charge a token membership only
- Associations must charge what they are worth
- Credentials (meal-ticket) are profitable



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### Utilise technology

- Technology offers great opportunities
- Internet sales and donations are obvious income sources
- Promotion and services from websites will indirectly increase income
- Don't forget that technology can reduce expenses – creating savings in using technology to reduce expenses, particularly salaries and wages



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### Restructure if necessary

- Look at your structure
- Are you too small?
- Should you merge?
- External perspectives will assist your direction
- But don't just get one viewpoint for major changes



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### Reinvent your association

- Go beyond boundaries
- Sell things overseas
- Consider becoming a pan-Asian association eg ASEAN Association of XYZ
- Expand your target group – if it doesn't make you lose focus on your core



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### Culture that “surplus is good”

- Need a governance and management culture of needing “appropriate profitability”
- Need an open culture of all the Management & Board understanding the big picture
- Do not be put off by nay-sayers who are uncomfortable with profit and reserves
- The Board must do what is in the interests of the association or charity



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### Healthy finances = ability to risk

- Get financially comfortable with a stable equity to enable some risks to be taken
- Associations and charities on the borderline need to focus on survival
- Boards are stewards of the association or charity at that time – they are conservative – none wish to see an entity fail on their watch
- When equity is sound or better, their mindset will change to opportunities



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### Sell in an appropriate way

- Associations usually use direct marketing: to people and businesses you know and they know your association
- Marketing by email is the most common
- There is a place for affordable postal marketing and advertisement placement (eg. in industry journals)
- Random telemarketing may not work
- Targeted person emails or calls to most likely attendees can be very valuable – give people a gentle push
- Don't “flog a dead horse”



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### Put emphasis on Budget targets

- Giving credit to Governments of all political persuasions, they pay attention to the Budgets
- Start with annual Strategic Planning Day
- Develop “activity based costing” budget from Plans
- Make it clear what the budget is and don't change the original budget figure, or budgets will be ignored
- Yes, projections should be made throughout the year to avoid unpleasant surprises
- Budgets are your profitability plan!



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### Summary

- Associations will be around for a long time
- Services must be continually improved
- Services must make healthy profits overall
- If associations aren't growing, they are usually stagnating
- If associations don't take advantage of growth opportunities, others will
- The right attitude, people, systems will enable an association to grow and prosper.



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### Thank you!

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**Associations Forum National Conference**  
 14 - 15 July 2015 Adelaide Convention Centre



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