



Association Laboratory Inc.

STRATEGIC ISSUE BRIEF

Insight is Information in Context

Points of Interest

- Trends Shaping the Future Business Environment
- Strategic Implications of Social Networking

Implication of Trends Shaping the Future Marketing Environment

In a 2009 report, the American Marketing Association identified seven distinct marketing trends that experts anticipated shaping the business environment in 2015 (*Source: Future of the Organization in 2015, American Marketing Association and Design Strategies International, 2009*). The following lists the four trends with the greatest impact on associations and outlines potential implications.

Innovation or Invasion? - *Further advancements in marketing technology truly enabling micro profiling and targeting, to the point of drawing push back on privacy and civil liberties and threat of legislation/regulation.*

The association can serve anyone it wants, just not everyone it wants. The identification of distinct audiences for service and the connection between people from different audiences will continue to be a priority for associations. To be successful at this will require more sophisticated understanding of the similarities and differences in audience characteristics and behaviors. Investments in understanding audiences will thus be strategic, not tactical, in nature.

In addition, the creation of objective, transparent methods for evaluating audiences for distinct services, and the communication of these methods to volunteer leaders and the public, will increasingly become an organizational priority.

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The ongoing creation of market understanding will evolve into an enterprise-wide investment guided by a clear blueprint for the use of information in decision-making. The development of systems to identify, track, analyze and communicate information to decision-makers will be a strategic priority of associations.

Channel Convergence and Consequence - *Reality and implications of a convergence in communication platforms and devices, and new outlets continuing to challenge traditional media.*

Command-and-Control Becomes Cultivate-and-Create - *Marketing efforts becoming increasingly two-way conversations providing valuable information, co-created solutions impacting business strategies and product/ service offerings.*

The explosive growth of social networking and the resulting interest in social media strategy is evidence of these two trends. While associations have recognized the conversational aspects of social media they still struggle with the effective use of these tools.

Associations need to anticipate a near future environment where social media will be a given, not an option, and where virtually all audiences are familiar with its use. Social networking tools will become utilities in the marketplace, not new initiatives, and the use of social networking tools will be no more innovative than using meetings or publications in support of the association's mission. Understanding these tools and the purchase or development of expertise in these tools is thus a strategic priority for long term association success.

Talent Turmoil - *Rise of virtual employees, more competition from other industries for top graduates, increased demand for analytical and technology savvy marketers.*

Brick and mortar offices will always have a place in the business world because the nature and the face-to-face relationships necessary for some work are critical. But, traditional office and employee relationships act as an artificial limit on an association's ability to engage the most talented individuals. By using only employees who can work at a physical office location, the association limits its access to the talent pool.

Increasingly, associations will need to evaluate their office as a distinct asset designed to accomplish a goal, not as an organizational necessity. In addition, people regardless of their employment status will be used more frequently through vendor, contract and other relationships as associations seek to maximize their access to talent. ❁

Strategic Implications of Social Networking

by Cecilia Sepp, Senior Strategy Associate

As cited on tutor2u.net, Johnson and Scholes (Exploring Corporate Strategy) define strategy as follows:

“Strategy is the direction and scope of an organisation over the long-term: which achieves advantage for the organisation through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfil stakeholder expectations.”

Today's business world clearly fits this definition, especially with the introduction and expansion of online social networking tools into communications, marketing, and mem-

ber service. Unfortunately, the word “social” has created unnecessary confusion when applying these tools in the area of association business strategy.

While social media such as Facebook, LinkedIn, and Twitter are the incredibly successful new faces of online community building, their ancestors are still alive and well: web sites,



listservs, and email lists. The big difference between today’s online community building and their precursors is the immediacy of response -- instant messaging and texting being excellent examples of the exponential evolution of communication tools.

Unfortunately, the exponential evolution of communication technology outstripped the evolution of most humans when it came to their application. While early adopters latched on to this technology and ran with it, making those who did not begin to feel they were out of the loop, the truth of the situation has become a

bit clearer – you still need to use the tool that fits your specific task best.

Matching the tool and the people to the task is the basic building block of strategy. Failure to follow this basic strategy is the one and only reason the Battle of Actium was such a rout; you do not send a land commander to lead a navy and you do not use soldiers for sea battle. Countries fall because of such decisions, and so can organizations.

Fortunately, we can all learn from history and from each other. When it comes to integrating social media, or more accurately, online community building tools, any organization can be successful if it chooses the right online tool for their audiences.

When integrating social media into your strategy, an association needs to know the following:

- Who is the audience, or in a larger association, who are the multiple target audiences?
- Where are these audiences? Are they in front of a computer or are they on the move?
- How do these audiences use communication technology?
- What does the association want to accomplish? Is it a call to action, purchase of a product, attendance at an educational event?

Twitter is a tool that is useful for grassroots organizations. Need to get your members to contact Congress about a bill? Set up a Twitter presence and build your followers.

Maintain the momentum by sending legislative updates between calls to action.

Facebook is about building community and networks. If you want your members to have a place to congregate online, set up a Facebook group and supply it with a steady flow of new content.

Listservs are still an excellent tool for members to share information, especially if they are a constituency that is not in front of a computer all the time. Examples of these groups are teachers, medical professionals, and contractors – they use their computer, but will likely check it once or twice per day.

Strategic application of social media/online community building tools follows the same rules as any other communication vehicle: audience, goal, tool, and most importantly, supporting the mission of the association for long-term viability. ❁

Reducing the Risk of Business Decision-Making

One of the unfortunate realities of the association environment is that there is a great deal of punishment for failed risks, but not many rewards for successful risk taking.



Associations generally pursue conservative business strategies designed to minimize downside exposure, not maximize upside return. For example, if an association's membership drops 20% in a single year a great deal of time and effort will be spent explaining this drop and legitimate concerns regarding job security will be justified. Alternatively, if membership increases 20%, it is the rare association executive that receives a substantive bonus or raise for their efforts.

Research and information analysis is a tool designed to reduce risk. Associations that collect and use information from their database, market research, and other resources reduce the risk of business decisions, increasing the odds of program success and decreasing the odds of failure.

Evaluating the investment in these efforts is challenging. No association would invest \$20,000 in a decision on a \$2,000 program – nor should it. Conversely, investing \$20,000 on a long-term strategic initiative that may have substantial financial impact may be a relatively inexpensive investment.

Optimally, an association will create a research and data collection strategy or blueprint designed to balance the costs of research and data collection with its use by decision-makers. This strategic research blueprint provides management with a clear direction for research and a predictable line item for cost control.

The following are some guidelines to help association executives balance the investment of data collection and analysis with its cost when developing a strategic research blueprint:

- The more audiences you serve the greater the necessity for a strategic research blueprint because you must understand and serve a wider variety of distinct markets.
- The more complex your program/service mix, the greater the necessity for a strategic research blueprint because you must monitor and modify a larger number of distinct programs.
- The larger your staff the greater the necessity for a strategic research blueprint because a wider variety of decision-makers will be using information for their individual projects and for collaborative projects across business domains.
- The more complex your governance structure the greater the necessity for a strategic research blueprint because the staff costs of constantly preparing multiple reports to communicate program status, association opportunities, etc. becomes so burdensome as to reduce their effectiveness.

The following are common questions used to help develop your strategic research blueprint:

- What decisions need to be made in order to successfully achieve the association's goals and manage its programs, services and initiatives?
- What information and analysis is needed to support these decisions?
- When is this information needed and how often is it needed?
- Does this information currently reside within the association or will it need to be collected?
- What processes or research are necessary to collect this information?
- What analysis is necessary to provide insight to decision-makers?
- To what extent is external validation of this information necessary?
- How should the information be communicated to decision-makers in order to be actionable?
- Does the association have the internal capacity and capability to collect, analyze and communicate information at the level of quality necessary for decision-making?

While the total dollar investment for each association will be different, the benefits of creating a strategic research blueprint can be an essential tool to minimize risk and help associations achieve long-term sustainable growth. ❁

Practical Insights: Mike Martin, Executive Director National Association of Pupil Transportation

Many association executives discover that the easy part of strategic planning is the report. The hard part is showing up on Monday morning and driving your association in a different direction. Mike Martin, Executive Director of the National Association for Pupil Transportation, faced this challenge after developing the association's most recent strategic plan and has some ideas on strategic plan implementation.

Validate and Manage

NAPT's first step was to reconfirm the conclusions from the strategic planning retreat. "The discussions of strengths and weaknesses during strategic planning was an eye opening exercise", commented Martin. "The lists, especially of our weaknesses, grew longer by the minute when everyone was brainstorming so we wanted to validate them one more time after everyone stepped-back and be sure we were focusing our time and financial resources on the goals that remained high-priority".

NAPT also reached out to others not involved in the original discussions to assess their opinions. "An unexpected benefit", according to Martin, "was that members felt we demonstrated our concern for their wellbeing through the process".

After this post report debriefing the association put together an action plan to guide the implementation of each strategy. The goal of this management document was to build accountability into the strategic plan. The document specified the association's goals, linked each goal to a strategy and specified who was responsible for each strategy. It also specified a reasonable timeframe for implementation.

Build Strategic Conversations into Governance and Culture

Following the development of the implementation document, the Strategic Plan became a part of every Board meeting.

"We start every Board meeting with a review of our plan and our progress towards the goals," said Martin. "It has become integral to our decision-making process."

In addition, the association emphasized the importance of the plan to its staff. Posters featuring the simple, concise, easy to remember language of the plan are displayed prominently in the office. “Our mission statement is our mantra,” said Martin, “and as a result, an incredibly high percentage of our members know it too.”

Key Insights

When asked what three things were most important to successful strategic planning, Martin highlighted the following:

1. The use of an external facilitator to guide the process. An external, objective individual provides a fresh pair of eyes and creates a safe environment for leadership discussions.
2. The board needs to set aside sufficient time to focus on strategic discussions. "This is the most important thing the Board does", said Martin.
3. Make sure that the people most critical to success are included, whether or not they sit on your Board.

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By building leadership consensus, validating conclusions and building the strategic plan into the culture of the organization the NAPT created a blueprint to guide actions and leadership discussions.

The National Association for Pupil Transportation (NAPT) was created in 1974 and is headquartered in Albany, NY. NAPT is the school transportation industry's largest and most diverse membership organization.

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Want to learn more? Visit our web site for our complimentary articles regarding the unique issues of association management: www.associationlaboratory.com

About Association Laboratory Inc.

Association Laboratory Inc. is one of the nation's leading association business strategy consulting firms. The award-winning company specializes in the research and development of association business strategy.

The company serves a nationwide client base representing some of the nation's leading trade, professional, credentialing, and philanthropic organizations.

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