

THE TRIALS AND TRIBULATIONS OF NON-DUES REVENUE

A COLLECTION OF INSIGHTS
FROM **SURGE 2017**



SURGE
2017

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INTRODUCTION



What you're about to read is the result of an experiment in virtual collaboration. **SURGE 2017** assembled association professionals from across the globe to harness collective knowledge within a virtual summit of a completely new model.

Attendees could not only hear from speakers, but converse with them in real time and contribute their own ideas. We have now assembled some of the best insights from these conversations into a body of knowledge for the benefit of the entire association community.

This eBook, one of the 12-part SURGE series, delves into the session, ***The Trials and Tribulations of Non-Dues Revenue***. It includes themes from the speakers' conversation, snapshots of ideas from guest speakers, contributions from attendees, links to further resources, and more.

Thank you to all who participated – and if you missed it, go to the SURGE 2017 [event page](#) to watch all the sessions for free, at your leisure!

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01

FEATURED SPEAKERS



Keith Chamberlain

Director of Membership &
Experience at HFMA

Keith has worked for more than 20 years on building high-performing marketing and biz dev teams at variety of associations and for-profit companies. He recently joined the Healthcare Financial Management Association as its director of membership and experience to help the organization begin its digital transformation. Keith was the co-founder and chief navigator of RevvCrew and president of KER-OSENE Marketing, consultancies that provided non-dues revenue and strategic marketing services to organizations. Previously, Keith was the vice president of education and chief marketing officer for a cardiovascular specialty company, and director of business development & corporate relations for Colorado-based EDUCAUSE.





Garth Jordan
SVP Corporate Strategy
at HFMA

Since co-founding RevvCrew to help associations and non-profit organizations unlock their new revenue streams potential, Garth has taken the role of senior vice president of corporate strategy for the Healthcare Financial Management Association, and now works on special projects for RevvCrew. Previously, he was the COO & CFO of the Denver-based MGMA (Medical Group Management Association) where he oversaw all IT, marketing, business development, membership, customer relations, and financial operations for this \$25 million national health care association. Prior to MGMA, Garth held a number of other association executive roles, and was VP/COO of Mercy Housing. He earned his MBA from the University of Colorado, Denver, and a Bachelor's from the University of Colorado, Boulder.





Scott Oser
President of Scott Oser
Associates

Scott Oser has over 20 years of marketing experience in the association and publishing industries. Before starting his own firm, he worked for market leaders like National Geographic Society and AARP. Throughout his career Scott has excelled in developing, implementing and analyzing multi-channel direct marketing programs. He is currently supporting the industry as a Member of ASAE's Membership Section Council and Colorado Society of Association Executives (CSAE) Membership Committee.





Bruce Rosenthal
Corporate Partnerships and
Sponsorships Consultant

Bruce Rosenthal of Bruce Rosenthal Associates, LLC is a strategic advisor and consultant to associations and not-for-profit organizations, creating successful corporate partnership programs that increase revenue and add member value. Previously, he held senior-level positions with associations and not-for-profit organizations. He directed a successful corporate partnership program for a national association, launching the program in 2009 and revamping it twice to keep pace with changes in the economy and the evolving needs of corporate partners. He demonstrates leadership in identifying and fostering corporate partnership and sponsorship best practices, opportunities, and solutions as convener of the DC-Area Partnership Professionals Network.

Bruce Rosenthal
Associates, LLC

02

GUEST SPEAKERS



Barry Rooke

**Executive Director at National
Campus/Community Radio
Station**

Barry is the Executive Director of the NCRA. He has been with them since June of 2015; before that he spent multiple years with CFRU-FM at the University of Guelph as Station Manager, Staff and Board chair. He studied at the University of Guelph achieving his Master's in Capacity Development and Extension, as well as a BA, Radio TV Broadcasting Certificate and HR Post-Grad. He lives in Ottawa, and can be reached at barry@ncra.ca.



03

**HARNESS THE POWER
OF INDUSTRIAL
PARTNERS FOR YOUR
ASSOCIATION**

What can corporate relations offer your association beyond non-dues revenue? Keith Chamberlain says we shouldn't be scared of working with industry partners.

Non-dues revenue need not be complicated. The **latest data from ASAE** finds that, in non-trade associations, 30% of revenue comes from member dues, which means 70% of revenue comes from non-dues channels. That's a statistic associations can't ignore. Generating this non-dues revenue means embracing industry and business as part of your association's ecosystem. If not, they will take their business elsewhere and your members will lose out. How can associations attract industrial partners that will benefit the needs of their members?

Offer opportunities for thought leadership

For-profit companies can contribute a huge amount of knowledge to your association. A company in your association's industry spends time and resources on solving the problems facing your members in order to develop the best products. Partners want to bring this relevant data to associations who treat them as more than just salespeople. Members benefit from better quality products, associations benefit from increased non-dues revenue so they can provide costly services to their members, and companies benefit from sales. The perfect symbiosis!

Harness their design-thinking style

Large, successful companies such as Steelcase and Apple use a process known as design thinking to create new products and services for their customers. This human-centered approach to resource development requires looking at solving problems through the eyes of the customer. What can associations learn from

these companies and how might they apply this design-thinking methodology? Basically, traditional market research methods are out. **People must come first in product development.** Associations must empathize with members in order to truly understand their most critical needs from the member point of view - not the associations. Then, by continuing to ask "how can we...?" the association can start to prototype and test pilot possible solutions. And sometimes these solutions can be built in partnership with the business and supplier community - with the association acting as the bridge between members and others serving the industry.

For example, some associations build a forum of members who come together with partners to review their products at the nascent stage. This grants members thought-leadership opportunities, as they can influence the tools which will be used by their industry in future. Associations can facilitate bringing these communities together to help identify pain points that members are struggling with and attempt to construct solutions in a neutral, collaborative fashion.

Embrace experimentation

Try something new! When working with industry partners, taking small, controlled risks can really pay off. Transparency about new non-dues ventures with your members creates a culture of investment and forgiveness in the membership. If experiments pay off most of the time, the mutual trust between your association and its members will be strengthened.

To keep non-dues revenue channels relevant to your members, join forces with your industry partners and make the most of their contribution for your association.

From the Chat: Transparency and Experimentation

Does creating a culture of innovation and experimentation mean transparently reaching out to members saying "we're trying this"? The organization I'm now managing is at a crux, and this move is deeply needed, but so many long-term members are attached to the past. I've only been in this leadership role for three months so I have the opportunity to bring on times of change, but it's risky. We need to listen to what our members say they need.

- Kristen -



CASE STUDY: BUILDING AN APP

Barry Rooke tells us how finding out what members want and taking initiative can give your non-dues revenue streams a new lease of life.



At the National Campus and Community Radio Association in Canada, we decided to overhaul the way we approached non-dues revenue. We wanted to invite innovation into our strategies and delve into what our members' really want.

To start out on the path to success, we had to find out what our members want, so we created surveys and conducted one-on-one phone calls to get opinions. Using an [Open Space](#) meeting style, we gave members the opportunity to provide feedback on many aspects of the organization. It's become an important aspect of how we gather information from members to make decisions at the board and staff level.

One issue that comes up for us is conducting smooth meetings between people across the country, particularly our cross-Canada board of directors. I like finding technological solutions to problems, so decided to create an app to make these remote meetings easier.

As I am not a developer myself, I worked closely with a developer to come up with an agreement. They built the content specifically for us and we have full licensing rights for it. The finished product, [AG Meeting](#), allows full participation using a mobile device connected to the internet, with a modified version of [Robert's Rules](#) to assist the moderator. It has an administrator that assists attendees in making the meeting happen. We use the app regularly, and now that our members have access, and a handful of them are using it too.

We are continuing to develop and refine AG Meeting. We've connected with someone who will take the product to market and expect financial returns in the next year, because our research shows need for this product. Revenue from this will help us grow as an organisation.

It all started with a problem: conducting meetings between people across the country. We received for grant funding to develop the solution, then we asked: **"Can we solve this problem for other people? Will this make our members happier? Can we make money in the process?"**

If we can make quality products that serve our members, they're much more willing to fill out a survey, answer a phone call, or provide feedback. Our members and radio stations aren't catered to by many people, leaving space for us to be innovative and fill in the gaps. This is just one example of how we generate revenue outside of traditional member dues structures.

From the Chat: Transparency and Experimentation

When I think of non-dues, I think of something outside the scheme of member-related discounts. Merchandising could be huge for branding and marketing the brand, getting it out there in a sphere that isn't necessarily associated with the trade. The more exposure we have, the better our brand can be, and the more our other sectors will take off.

- Allison Ly -

Want to learn how to host your own virtual event, much like **SURGE 2017 ?**

AssociationSuccess.org is in the process of creating an online course that will walk you through the steps involved in putting on your own interactive virtual summit.

Want to be notified when the course is available?

SIGN UP HERE

05

DOWNSIZE OFFERINGS TO MAXIMIZE IMPACT

Garth Jordan says associations should prioritise quality over quantity for best results.

All associations want to maximise revenue in order to better serve their members. Non-dues revenue channels can be a great opportunity for associations to broaden the range of services they offer, and to build relationships with other bodies in their industry. But a deluge of products, conferences, and publications aimed at increasing revenue can distract from your organization's core priorities - as well as diluting the overall quality of your non-dues revenue efforts.

When it comes to non-dues revenue, I'd rather pursue a share of mind than a share of wallet. Industry partnerships with vendors can bring new knowledge leadership to your association with a small set of carefully thought-through and custom-designed products to fulfil your members' needs. **Members of your association want to see products relevant to their pain points.** With the correct research, associations can narrow down their selection to a concise and targeted array of goods that will make members' jobs and lives easier. However, with finite resources, you can't afford a long, slow process of trial and error.

This is why I propose **minimising products to maximise results.** Fewer products of a higher quality will return more to your association than an ever-growing range of offerings irrelevant to professionals. It takes strategic thinking to calculate which projects to throw your weight behind. Cast a critical eye over the projects meant to be bringing in revenue at your association. **Is 80% or more of your revenue coming from 20% or fewer of your products?** Carve out projects, whether they are e-books, sponsorships, or conferences, that don't fulfil the **80/20 rule**. Following the philosophy of minimum input for maximum output avoids the dilution of business and highlights the best your association has to offer. Efficiency is key.

Review your non-dues revenue channels on a regular basis. This involves a coherent, cross-departmental effort to give staff a holistic view of what the association has on offer so that appropriate research can be conducted. Measuring popularity with a product experience score can reveal which products make your audience tick. After collating these scores, draw a line where you see fit to measure each product's margin impact, for example by picking out the top ten generators of revenue in the past year. Find a way to cut products that fall below this margin.

If you direct resources towards making your top products provide the best experience possible, they won't come up lacking when it comes to your members' needs. Products **must be more enjoyable, more discoverable, and meet the needs of your audience.** Self-reflection reaps huge rewards. Ask the hard questions about non-dues revenue projects: are they delivering products that don't meet members' needs, or don't contribute the margin you need? If not, why not, and what can you do to change that? Don't be afraid to admit that a project has failed. Downsizing doesn't have to be a dirty word. With the right approach, your association can **maximise efficiency and excel with fewer products.**

From the Chat: Providing Value

Talk to your members. What do they want? Why are they members? What are you providing that they find valuable? What are you not providing? What caused former members to leave?

- Scott Oser -

What surprises me is the number of risk averse associations that don't tie their non-dues revenue back to the mission. This is the biggest risk of all

- Zach Sikes -

It takes lots of "preaching" -- in the form of education, communication, and demonstrated success on smaller projects -- to allow you to take larger risks. It's like training for a marathon with small steps and miles at a time.

- Keith Chamberlain -

06

GENERATING NON-DUES REVENUE TOGETHER

How is silo culture at your workplace impacting your ability to gain non-dues revenue? Scott Oser explains.

Do you remember the last time you put heads together with someone from a different department to share ideas about an internal pain point? Do you wish you had opportunities to do it more? Working together across disciplines can generate insight greater than the sum of its parts. This issue is particularly pressing in the case of non-dues revenue. To make the best of new opportunities for partnerships in your industry, the hive mind of the whole association must be on board.

Association leaders can take an active role in bringing together their staff for the best results, for example by creating a cross-departmental group to review a new product offered by an industry partner. Everyone can bring their unique expertise and everyone is kept in the loop.

If staff and corporate partners have got together to create exciting non-dues revenue projects, why not bring in the board, volunteers, and members? **Think of these parts of your association as interconnecting cogs that turn smoothly when fitted together.** The board has specific knowledge and years of experience to bring to the table. The members know what causes them the most hassle, and their input can be channelled by an empathetic marketing team into offering products that will remedy their problems, whether that's a how-to guide for a new software program, better in-person networking opportunities, or opportunities for publication in an industry magazine.

When non-dues revenue projects are developed in a silo culture, various departments offer new things with a lack of communication between them. This creates a barrage of disconnected offerings instead of a streamlined, coherent output. Imagine the familiar situation of going to the grocery store for toothpaste and seeing fifty varieties with little distinction between the brands. How likely are you to walk out feeling confident you've bought the best toothpaste for your needs? Not very! This is what it feels like for members overwhelmed by products on offer at a conference or online. Members are busy professionals with no time to sift through irrelevant offerings. **The key to successful non-dues revenue projects lies in a collaborative association culture.**

Save the date: **SURGE RETURNS IN 2018!**

Our free, innovative virtual summit for association professionals is coming back from **MAY 2ND-4TH.**

Do you want to attend or get involved in building **#SURGEspring?**

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07

RESULTS FROM THE PARTNERSHIP PROFESSIONALS SURVEY

What do associations have to offer? Bruce Rosenthal provides some statistics from a survey conducted by the PPN about associations' relationships to their industrial partners.

I'm the convener of **Partnership Professionals Network**, a group of 300 association executives and consultants in the Washington, DC area who get together and brainstorm around non-dues revenue strategies and corporate sponsorships and partnerships. In one survey recently conducted in the group, two-thirds of respondents said partner revenue was increasing and one-third said it was decreasing or holding static over the years. Only half said they had reviewed or updated their program in the last three years while the other half had not.

When we asked about the involvement of their boards, most said they were generally aware of partner revenue and would occasionally recommend partners. Only a quarter had boards who took a hands-on approach to brainstorming with partners.

Most respondents offer the usual set of benefits to corporate partners, like a banner ad, a sign in the conference lobby, and logo visibility. Less than a quarter offered anything beyond this, like knowledge leadership and opportunities to brainstorm with the board or provide value to members through education. **Companies want to be positioned as leaders in their field, not just having a bigger exhibit booth and banner ads.**

We asked associations if they believed there was competition for corporate partners in their field from other organizations or marketing channels. Most responded that yes, their association is compared to the competition every year. This indicates a scarcity mindset that allows association professionals to get comfortable without pushing themselves. They assume that if partners don't want to work with them, it's because they are cutting their marketing budget. **However, when you ask those companies in the for-profit sector, they say are usually increasing their budget and simply don't see value in marketing through particular associations. It's up to associations to make an effort and prove them wrong.**



WORD CLOUD

What were the most discussed topics in the attendee chat? The more frequently a word was used, the larger it appears in this image!





FURTHER RESOURCES

During the live chat, speakers and attendees alike chipped in with their tips for further reading and resources about the future of learning. We've compiled them into a list here. Keep on learning!

- [Application: AGMeeting](#)
- [Book: Raising Revenue from ASAE](#)
- [Book: Change By Design by Tim Brown](#)
- [Resource: A Virtual Crash Course in Design Thinking](#)
- [Infographic: Are You Missing Non-Dues Revenue Opportunities?](#)

