

HOW TO INNOVATE THE LEAN WAY

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, ***How to Innovate the Lean Way***. 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



Ann Mei Chang
Former Chief Information
Officer at USAID

Ann Mei Chang is the author of the upcoming book, *Lean Impact*, on how modern approaches to innovation can drive massively greater social impact and scale. Ann Mei served as Chief Innovation Officer and the first Executive Director of the U.S. Global Development Lab at USAID. The Lab is the newest bureau at USAID and leverages 21st Century advances in technology and innovation to accelerate the impact and scale of global development. Previously, Ann Mei was the Chief Innovation Officer at Mercy Corps and served as the Senior Advisor for Women and Technology in the Secretary's Office of Global Women's Issues at the U.S. Department of State. Prior to her pivot to the public sector, Ann Mei had over twenty years of experience at leading Silicon Valley companies including Google, Apple, Intuit, and some startups. Most recently, she was a Senior Engineering Director at Google, where she led worldwide engineering for mobile applications and services, delivering 20x growth to \$1B in annual revenues in just 3 years.





Elizabeth Weaver Engel
CEO & Chief Strategist
at Spark Consulting

Elizabeth Weaver Engel, M.A., CAE, is CEO and Chief Strategist at Spark Consulting LLC. For more than twenty years, Elizabeth has helped associations grow in membership, marketing, communications, public presence, and especially revenue, which is what Spark is all about. She speaks and writes frequently on a variety of topics in association management. When she's not helping associations grow, Elizabeth loves to dance, listen to live music, cook, and garden.





Guillermo Ortiz de Zarate
Chief Information & Innovation
Officer at NCARB

Born and raised in Buenos Aires, Guillermo, has been leading the development and implementation of technology for companies in industries such as engineering, urban development, healthcare, banking, international commerce, marketing, and government for over 25 years. Guillermo joined NCARB in April 2007 as the Assistant Director of Information Systems and in August 2009, Guillermo was promoted to Director of Information Systems to lead the modernization of the Council's technology. In February 2017, Guillermo was promoted again to Chief Information & Innovation Officer, leading not only the Information Systems department, but also the development of new sources of revenue through the commercialization of NCARB's technology and the implementation of an innovation framework. Guillermo holds a BS in Information Technology and an MBA from Carey School of Business at the Johns Hopkins University.



02

GUEST SPEAKERS



Mike Moss

President at Society for College and University Planning

Mike Moss, CAE, is the president of the Ann Arbor based Society for College and University Planning (SCUP). In collaboration with the Board of Directors, he is responsible for providing leadership and vision for the organization and guiding the development and implementation of the strategic plan, programs, policies, and practices of the society. Prior to SCUP, Mike served as chief operating officer for the International Facility Management Association and senior director of operations and education at NACE International. Mike's past positions have provided him with a broad range of experience, from organizational design and strategic planning through certification management and member relations.





THE PATHWAY TO LEAN: SIX STEPS

*Back in 2011, [The Lean Startup](#) by Eric Ries took the business world by storm with its vision of a more efficient and productive way of running start-ups. Many other industries have since taken on the principles of the book to make similar advances in their field. **Ann Mei Chang** introduces Lean thinking with these concise principles.*

The end goal of Lean thinking is to reduce waste of time and resources. Many organizations are trying to get to the wrong destination faster and more efficiently. Our goal is to try to get to the right destination. Eric Ries encourages us to ask: Does this solve a real problem that's important to at least one of our audiences in a way that's useful and makes sense to them?

I am writing a book called Lean Impact that adapts these principles for the social sector. As a professional working in global development, my background is not in associations, but I see parallels between our working structures and the ways we can streamline our processes. Here are six simple principles that could **change the way you work for good.**

01 Start with a clear goal

All the work you do should be in service of a goal. Outlining this goal early in the process keeps everything task-oriented. Often, we get so wed to our solutions that we lose sight of the problem we're trying to solve. This makes it harder to change tack when our solutions don't work out. The goal should be specific and measurable, so you have a vision of what success - and failure - looks like. Start by asking: what are we trying to accomplish?

02 Engage your stakeholders

Who stands to benefit from this specific project? In the association industry, members will always be stakeholders. Others might be partners or service providers, employers or prospective members. One of my favorite quotes from Eric Ries' book is, "Get out of the building." There is only so much you can achieve sitting around a table with your colleagues. Real inspiration will come from your customers, who know what they need and can offer up this knowledge to help you build the best service for them.

03 Identify risks and assumptions

Assumptions are the statements you believe to be true about needs, solutions, and users. For example: Our members face problems with X. We can solve this problem by Y. A barrier we need to overcome is Z. From here, you can work out what might cause the project to fail. Go in with a healthy dose of skepticism. What needs to go right for your solution to work?

04 Validate your hypotheses

Test the assumptions you write down in the form of if-then statements, for example: If this product engages members, then we will see an increase in retention. Find the cheapest and fastest way to test these hypotheses. This can be done through the creation of a minimum viable product (MVP) or prototype, that takes fewer resources to put together than the big idea. Present a group of stakeholders with a mock-up of the projected final product, and test their responses. The best results come not from asking people for their opinions, but from observing their behavior, because people might say a product looks great, but will they buy it?

05 Choose metrics for measuring success

When you outline what a successful project looks like, make sure your metrics for gauging this success are true indicators for the goal you are trying to achieve. Vanity metrics may deliver big numbers, such as the reach of a free publication delivered by email, but these often reflect publicity efforts more than anything else. Innovation metrics give a picture of the true usefulness of a product or service, and relate back to your desired impact rather than usage of the solution itself.

06 Pivot, persevere, or abandon

Are you running out of ideas to try, but far off the metrics necessary to achieve your goal? If you reach this point of diminishing returns, make the tough call to pivot. This doesn't always indicate failure, but put the project aside for now and reconsider the solutions or the goal.

From the Chat:

The five-whys technique is asking the question "why?" five or more times to get to the real root of a problem facing your members. By getting out of the building and having these conversations with stakeholders, you can learn from your potential users where the problem starts. Then you solve that problem. It's enlightening!

- Cindy Norcross -



MINIMUM VIABLE PRODUCTS

*Part of implementing Lean thinking involves creating of a mock-up test product, or a Minimum Viable Product (MVP), based on the big idea. **Elizabeth Weaver Engel** talks us through an MVP success story.*

In the younger days of the Internet, I worked at an association where I created one of my favourite MVPs. We had the idea that our members might want to join or renew online. However, this was twenty years ago, so programming a real system to enable this was going to be complex and expensive.

Instead of investing in that right away, **I decided to do what's known as a 'Wizard of Oz' test.** I created an online form that people could fill out, but it just dumped all that information into an email that we processed by hand. From the members' perspective, it looked like they were joining or renewing online, but behind the scenes it was a simple, old school process.

What we learned was that many people did want to join or renew online. We knew it was worth the investment to build a fully-fledged automated version, so we did. **Every membership is different and only a test can show you what they really want and will use.** After our MVP's success, one of our sister associations tried the very same thing. Few of their members used the mock-up form they created, so unlike us, they opted not to create online join and renew options at that time.

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.

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EMBEDDING LEAN INTO OPERATIONS

Mike Moss tells us how his association made Lean part of their process and routine.



In my leadership role at SCUP, I'm a strategist and a Lean practitioner. As a strategist, I implement the vision of the board through a strategic plan, based on processes embedded in operations that allow us to be responsive to change, drive innovation, and create member value. Whether it's entering new markets or putting a new suite of services together for members, all strategic plans are designed to drive some sort of change. We take a Lean Thinking approach to achieve the best results.

We had to encourage and enable staff to do it right. Inherent in all positions at SCUP is ownership of the responsibilities of the process, including finding its efficiencies and making sure that everything drives member value. It's embedded in the quarterly review process and in our personal, professional and organizational goals. **Be efficient. Be effective. Drive value.**

We have a process excellence team called PX, staffed by two people: our IT professional and our operations analyst. Their expertise encompasses systems, software and the mechanisms of Lean project management. They take opportunities presented to them by staff and put together a process in four-hour

increments over the course of a couple of weeks, because we don't have the capacity to do peer implementations. They start by asking two questions: what problem are you trying to solve? How do you know? Once they know what the problem is and use metrics and measurements to verify it, they put together a process. **They dive into the problem, solve it, incrementally improve, and make things more efficient for staff, freeing up their time for innovative thought and entrepreneurial thinking.**

For example: we brought a problem to the PX team. **What problem were we trying to solve?** Costs creeping into our IT area. **How did we know?** From metrics from the finance department. Soon, PX identified the root cause as a licensing issue - we were oversubscribed. With a couple of calls to vendors, we saved \$21,000. Those savings allowed us to give back to our staff some of the time they were spending on inefficient software. After being onboarded with it, they kept using it, but it wasn't best serving their needs, so we managed a new subscription process.

Lean Thinking is a core competency of our organization and I'm very proud that our staff have embraced it, yielding dividends for our members. I encourage all organizations to dive into Lean Thinking. Remember, **value = happy members = happy staff.**

From the Chat:

Metrics to measure success should be included from the beginning. If you can't measure it, you won't know if you are successful. Easier said than done sometimes, but it's a critical step in the process.

- Cynthia Simpson -

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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CASE STUDY: BEFORE AND AFTER ADOPTING LEAN

Guillermo Ortiz de Zarate used Lean to create meaningful change at his association. How did he do it?

Since reading Eric Ries' book in 2013, I've been implementing Lean methodology with my team at NCARB, leading the modernization of the organization through the implementation of technology. To convey the impact it had on my workplace, I have set out examples of two projects and how we approached them before and after adopting a lean mindset.

Example One: Before

We were creating a set of tools for architectural licensure candidates to report their experience, so that a supervisor could approve their hours and they could fulfil the requirement necessary to gain a license. We launched a simple version of an app designed to let people record their hours in blocks, specifying a date range and the total hours by category during that time period. We received feedback that most people working in an architecture firm already report their hours once a week, to track their billable time. Early users suggested we transform the app to allow them to report in timesheet mode, mimicking their current practice.

It seemed like a good idea, and we spent six months developing this update to the tool. Other projects were put on the backburner. I can see why we jumped into the plan without considering the risks. Many members of NCARB staff work on outreach to understand what architects need from us. In these conversations, some people indicated they would prefer to use a timesheet, and this anecdotal evidence fell into the hands of leadership. **Once leadership wants to pursue an idea it can be hard to push them into experimental mode instead of execution, so we jumped right in.**

The results didn't vindicate the project. A few months after launching, the adoption of the time sheet mode was at 2-3%, and three years later it still sits at under 15%. The vast majority of people still use the original tool. What else could the team have achieved in the time they spent working on this feature?

Example Two: After

Fast forward a few years to an opportunity to use the core principles from The Lean Startup. NCARB develops the registration exam for architects, required by all states to get their license. However, we do not train people to pass the exam, so third parties put out test preparation materials to help candidates study. The Examination department asked if we could develop a tool that would allow candidates to research test preparation materials based on comments and reviews from peers, in the style of Yelp.

The suggestion would typically be dismissed due to lack of time or jumped into feet first. Instead, I proposed we experiment with the idea. They were willing to give it a shot, so we laid out the assumptions: candidates don't know what test preparation materials to choose, and the price of materials and the urgency of exams add to the problem. We know that peer reviews are valuable in decision making, but a review engine only works if people are willing to help others and leave detailed comments.

Our goal was to help people make decisions about exam preparation. Early on we established metrics for measuring success, including how many people would use it and recommend it to a friend, and how many people were willing to leave reviews. We conducted a survey among recent test candidates to find out the materials they used and their opinion on them. As the exam body, we

knew who had passed and who had failed, which proved valuable. We created a simple report based on this information and circulated it in an email marketing campaign to people who were set to take the test in the following months. None of this took much time.

We recorded who opened the email, clicked on the link and downloaded the packet, as well as who took part in the survey in the document designed to find out if it was valuable. The results were not promising. Of 99% who opened the email only half clicked on the link, a fifth downloaded the document, and only a few told us it was valuable. At this point the question was: should we persevere, pivot to do something else, or abandon the project? We decided to abandon the project to focus on more pressing initiatives. Lean thinking helped us to dodge the bullet of wasting further time.

As Eric Ries says in his book, don't sell what you can make, but make what you can sell. Always ask, is this a real problem worth solving for our membership? The rest will follow.

From the Chat:

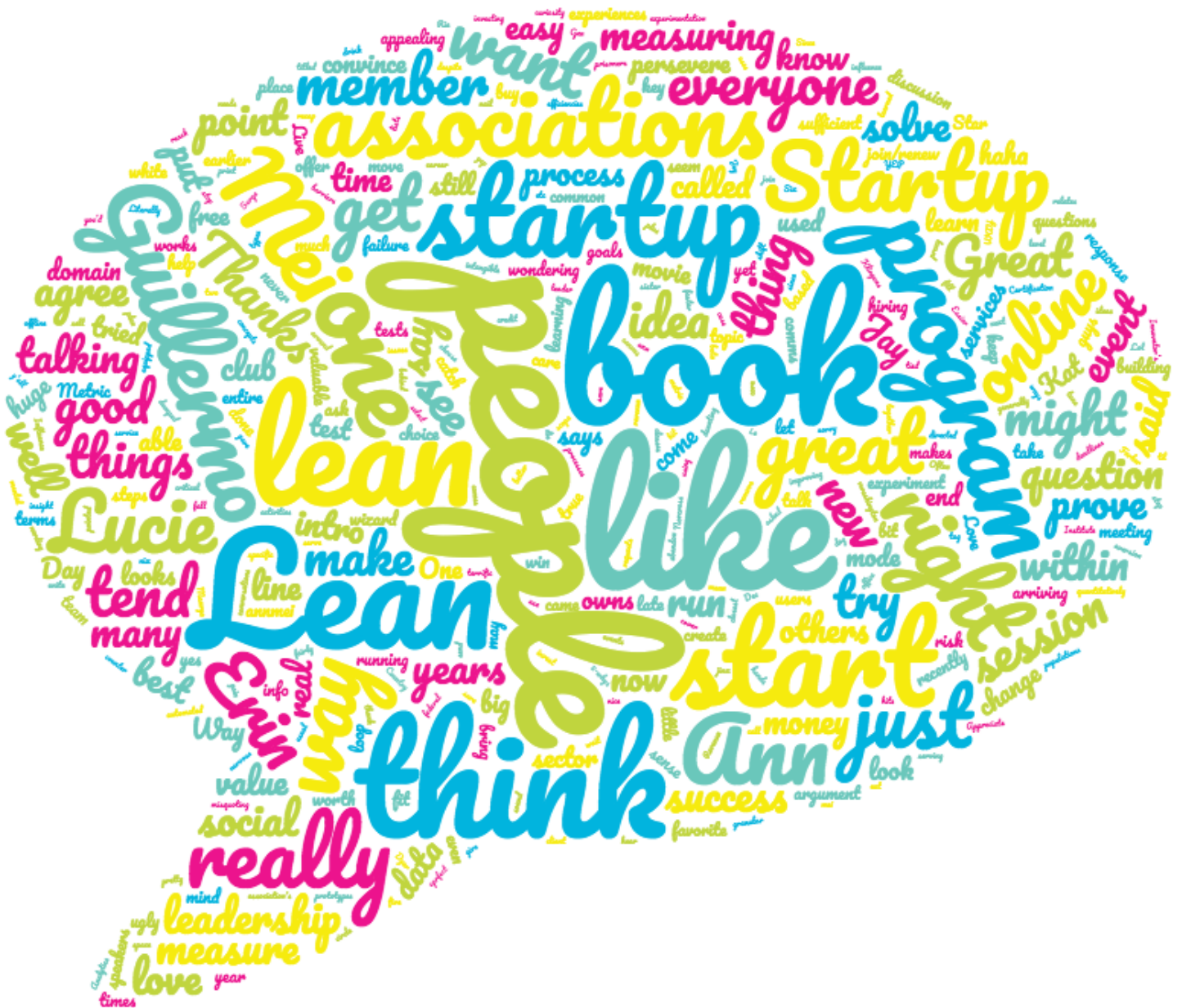
It is easy to say some members benefit from a service so we should keep it even when it doesn't meet targets, but as the needs of members change, the need to pivot to serve the most members gets stronger.

- Allen Lloyd -



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!

- [White Paper: Applying Lean to Associations](#)
- [Book: The Lean Startup](#)
- [Tools: IDEO.org Design Kit](#)
- [Courses: +Acumen](#)
- [Book: The Startup Way](#)
- [Book: The Innovator's Method](#)
- [Blog: Lean Canvas Model](#)
- [Book: Lean Analytics](#)
- [Article: Why we are Creating an Innovation Center](#)
- [Article: Lean Impact in Action](#)
- [Blog: Agile Thinking, Habits, and Strategic Initiative Leadership](#)

