

**FSAE Foundation 2009 Think Tank
White Paper**

**SurThrival:
A Guide to Post-Recession Opportunities, Threats & Possibilities**

September 9-11, 2009

Casa Marina Resort & Beach Club, Key West



The 2009 FSAE Foundation Think Tank

“The art of progress is to preserve order amid change and to preserve change amid order.”

– Alfred North Whitehead

The 35 association executives who participated in the 2009 FSAE Foundation Think Tank arrived at the event seeking guidance for navigating the white water rapids of this challenging economy. Together, we identified, discussed, reasoned and sought to understand what we need to do now to help our organizations not only survive, but thrive in these difficult times. This White Paper is meant to add to the body of knowledge on this topic, to benefit the association management profession, and share our findings with other association executives who were unable to attend.

We approached the topic by identifying the most important dimensions of an association leader’s job and discussing the challenges and opportunities in each of those. After two days of animated discussion, information sharing, anecdotal stories of personal experiences, creative exercises, summaries of related outside resources, and independent thinking, we emerged with the following ideas which we hope you find useful. We’ve also included valuable and relevant excerpts from experts that we discovered in preparing for the Think Tank. Our facilitator was Jay Gubrud. (www.jaygubrud.com)

Please note: In this electronic version posted on www.fsaefoundation.org website, you can click on the linked resources and examples in blue to be taken to the applicable website for more information.

SurThrival: A Guide to Post-Recession Opportunities, Threats & Possibilities

Introduction

The financial crisis of 2008/2009 has had enormous impacts on corporations, businesses and individuals, and has subsequently impacted professional and trade associations and their members. Association CEOs have struggled with budget shortfalls, flat or dropping membership renewal rates, member inability to pay dues and reductions in non-dues revenues from sponsorships and exhibitors. In spite of all those factors, all is not doom and gloom. When we look to our members for insight, we find that within every problem, there is an opportunity waiting to be mined. Associations empathize and *sympathize* because we feel every hard knock our members’ experience. Strategies borne of insight of what members need empower you to look ahead with informed foresight, and create a plan for coming out the other side, alive and well.

Associations today can leverage the opportunity that current economic conditions present to reorganize, restructure and recommit to ensuring value-added benefits for their membership and to not only survive, but thrive. With so much that was once familiar and reliable in flux, the door is open to consider changes to the rules of engagement in association management. For associations to remain relevant, they need to question everything, recommit to the basics of association management when that is the best option, and be courageously creative about implementing dramatic change when that is the best option.

In order to succeed as a vibrant association in today’s dynamic and global environment, association executives must question everything. From member relations to governance, streamlined budgets to return on investment, dues and non-dues revenue, staffing to facilities, meetings and events, mission and vision, and the list goes on.

Additionally, the questions must be asked more frequently as associations restructure and reinvent themselves more often in response to environmental change. Hardest of all may be deciding when to stop a particular program or activity. The tough decisions will involve deciding: What isn't working anymore? What should be let go? Who should be let go?

A fundamental shift has occurred in much of the association world with a move away from being content providers to being content flow facilitators and distributors. Associations were once the source of knowledge, information, connections and access to resources for members. The role for associations is increasing as the attractor and conduit of information for specific industries. Now, member value comes from vetting, screening, processing and digesting the flood of available information to make it useful to members. This yin and yang proposition requires some releasing of control and yet gaining control at the same time because members can get what they want and need from varied sources but have limited time or inclination to do so. This is an opportunity for the association to be the *arbiter and facilitator of connections* to information. That brings high value to members experiencing time poverty and information overload.

Considerations for Managing and Budgeting Differently When Money and Time are Scarce

Managing change in an evolving economic climate can be difficult. This is especially true in organizations that haven't experienced significant change. Resistance should be expected, at least initially, from the Board, members, committees and staff. The CEO or Executive Director must drive some of the changes and may also need to partner with the Board and other volunteer leaders to help the organization respond and adapt to change. In some cases, it may require enlisting an outside resource like a consultant, facilitator or trainer.

Budgeting, always a key consideration, is especially important when the economic climate is poor and will require increased attention. It is essential to review financial outcomes as compared to budget more frequently than once a year and to include a multi-year review. It is also important to include staff in creating and reviewing budgets; they are a great resource, and including them will help motivate buy-in. Include a monthly review of year-to-date expenses versus budget in your staff meetings. If cuts are required, make them strategically--not just a percentage reduction across the board. Planned revenue should be examined for balance and reality. Is there a healthy ratio or balance of dues vs. non-dues revenue? Is there a need to rebalance? Maintaining a yearly trend sheet of revenue can be a useful tool in determining if it is time to cancel an affinity program with outdated or less relevant services or is generating less revenue than it once was.

Adopting a more business-based approach to running an association can help focus efforts and resources on performance and results. With tighter budgets, there is pressure to move toward electronic communication because it is considered less expensive. However, the cheapest method may not yield the best results. The choice will depend on the membership. Ask your members what method they prefer.

Staffing is an area that offers opportunities to make changes. Consider cross-training, restructuring and outsourcing. Independent contractors are available from www.craigslist.com, www.elance.com or www.guru.com. [Click here](#) to read *Does your Staff Structure Need an Overhaul?* An Association Management Company (AMC) may be an appropriate smart option for handling single or multiple tasks. Many AMCs will provide a la carte services that complement existing association staff. Try this with a small project and then expand based on results.

Tom Lehman, founder of Lehman Associates, offers the following suggestions:

Invest in your people. In good times, many organizations find it challenging to carve out time for employees to participate in education and training. Racing teams see yellow flag conditions as opportunities to refuel and replace tires without losing their position in the field. When the green flag comes back, these teams are in peak

condition to compete. Likewise, organizations that view slowed economic conditions as an opportunity to rebuild, retool, and sharpen employee skills are likely to emerge stronger when the economy improves.

Cut back with extreme care. It is common to talk about the wisdom of not building capacity to meet peak demand. What is less well recognized is an equally important rule of not adjusting too quickly or too severely to reductions in demand. When staffing and other capacity cuts are matched to the lowest point in the demand trough, there will be insufficient capacity to accommodate even a modest recovery in demand. Unless the downturn lasts a long time, the cost to rebuild capacity – such as hiring and training new employees, negotiating new services agreements, and restarting suspended operations – is likely to exceed the anticipated savings.

Invest idle resources. In labor-intensive service businesses, a slow down means that staff are less than fully utilized. Look for ways to invest that resource that offers at least an opportunity for a future return. A local furniture refinishing company, for example, is experiencing a slow down as people choose to put off projects. At the same time, antique sellers are also experiencing a down market with lower prices for all but pieces in the best condition. Sellers are reluctant to risk tying up resources to refinish pieces that might or might not sell. Working together, it may be possible for the refinishing company to invest some of its idle workers time to refinish selected pieces in exchange for a portion of the proceeds if and when the piece sells.

For example, architects have been providing pro bono services in record numbers.

The 1%, a program of Public Architecture, connects nonprofits with architecture and design firms willing to give of their time pro bono. If every architecture professional in the U.S. committed 1% of their time to pro bono service, it would add up to 5,000,000 hours annually - the equivalent of a 2,500-person firm, working full-time for the public good. 1% of an 8-hour work day is 4.8 minutes. Over the course of a traditional 2,080-hour work year, it amounts to just 20 hours per person. Many architects have the time to devote during the economic downturn and this altruistic endeavor allows them to keep their skills honed while helping those that need help the most.

The program works by architectural firms registering and pledging their time on line through the Public Architecture web site. They are then connected to or can select from non-profits seeking specific services. Services include: Facilities Needs Assessment, Capital Campaign Materials, Building & Space Identification, Interior Design & Brand Integration, Accessibility & Code Compliance, Healthy & Sustainable Environments, and Facilities Renovation.

AIA Florida members have pledged 9,000 hours to the program. The AIA Florida staff took the idea and ran with it. They are allowed to commit 1% of their work week to other local charitable endeavors. Contact the Florida Association of the American Institute of Architects for more information.

Communicate higher value rather than lower prices. Lowering prices may seem like a good way to boost revenue, but it is not likely to be a good strategy for long-term success. A better strategy is to find ways to make your product or service more affordable and carry a higher value. Free upgrades to a premium service or bundling normally extra-cost items enhance the value to the customer without changing the basic price. Receiving a second free job listing with each paid one similarly does not change the price. A special 15-month association membership retains the value of the annual membership, but increases the value for the member. It is also critical how you communicate the offer. Preserving your price points and strategy during a downturn is critical to your future success.

Considerations for Communicating with Members and Other Stakeholders

Communication is more complex than ever, so it is imperative that the right message get to the right people, through the right channels. Most likely, multi-media methods will be required to reach a variety of members. If

possible, keep communication with members conversational and two-way even when communication is technology-based.

FSAE created a Marketing Communications Timeline to schedule the dates for all communications to our members for each of our events/initiatives. All events/products (like Member Benefits) to be marketed are listed on the left margin of the spreadsheet. The column headings across the top of the spreadsheet include Date of Event; Name of Event; Staff Assigned; Registration Form Ready; Registration Open; First Notice to members; Second Notice to Members; Dedicated E-mail; E-zine; Magazine; Website; Social Media Sites; Press Release; Photos. Starting with the date of the event and working backwards, dates are assigned in all relevant categories for each event. Plot all of those dates on a yearly calendar. Step back and see where you've overloaded your members with information, and adjust the marketing schedule accordingly. Use of this spreadsheet assures all of your events and programs are marketed at the ideal time through a variety of communication vehicles.

While some people love technology, others struggle with it and may feel imposed upon by technology and being forced to use it. The human side of technology focuses on the benefits and is based on the question, "What is in it for the member?" Offer information in both traditional and newer technologies to reach the broad spectrum of members. You do want your organization to be respected in your industry as a bellwether for integrating new technologies and ideas. Walking the talk is the way to earn that reputation.

There are ways to overcome resistance to new technologies from staff, volunteer leadership and members. Try rolling out new technology in segments instead of all at once. By introducing new technologies to the Board, for example, then rolling it out to committees, the incremental changes are easier to swallow, and the bugs can be worked out. By introducing only one method of social networking at an annual conference, for example, rather than rolling out Twitter, Facebook, Linked In, blogging, texting and YouTube, it is easier for members who are slower to adopt new methods to see the value in using them. Click [here](#) to read *Build Conference Buzz with Social Media*. Instead of introducing "a new social networking platform," try using simpler more obvious wording such as "when you click on this button you will be immediately connected with a network of 60 other professionals." Regarding websites, consider having a "click here" to speak with a live agent" option to request more information. Selecting the right software and the right software vendor is essential. Some options include: www.nfstudios.com, www.higherlogic.com, www.socius1.com. Or use integrated partners with Associated Management Systems, www.avectra.com or www.affiniscap.com, and combine those applications with social networking software to expand communication options.

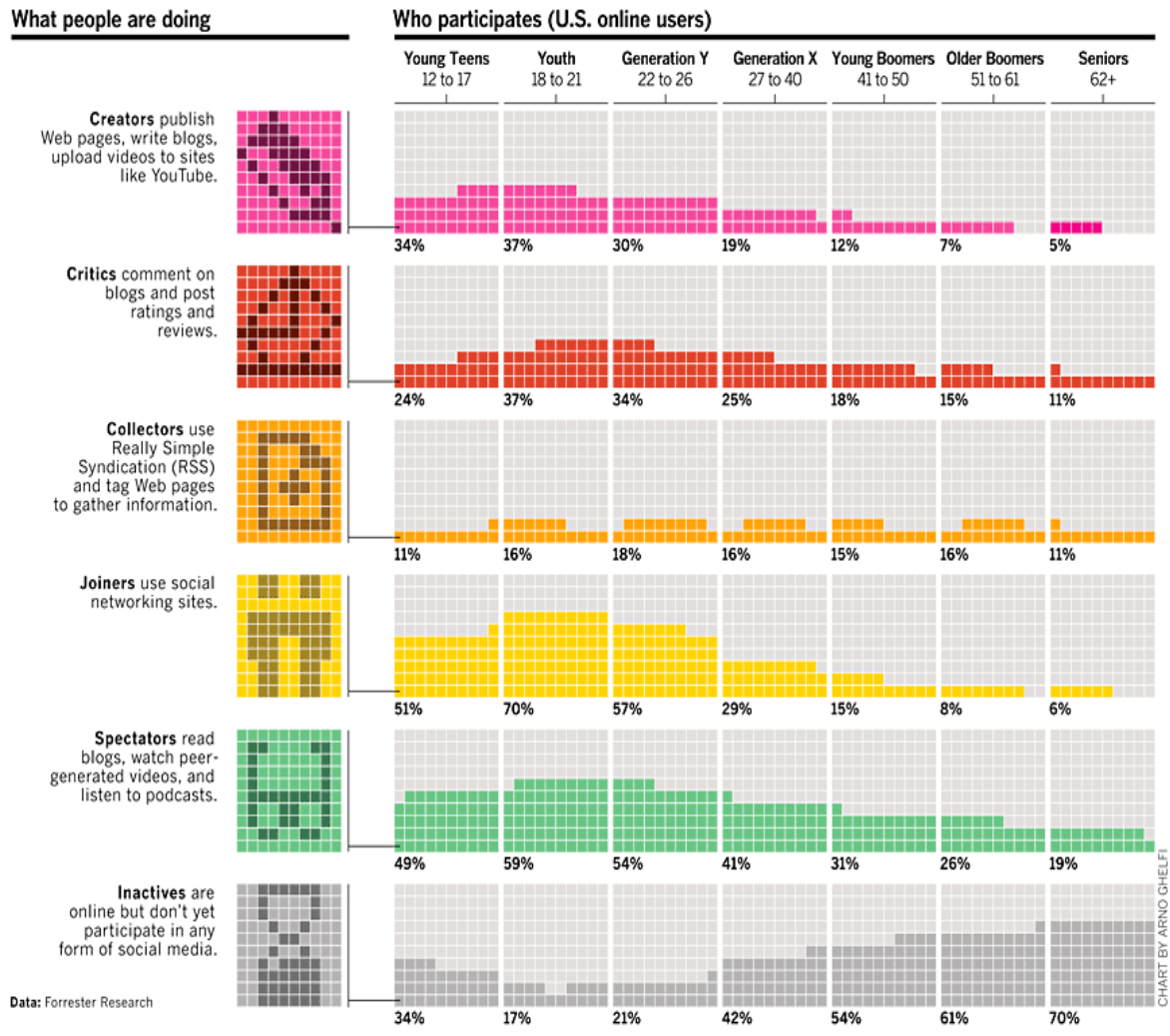
Electronic communication has put some people on overload and that can interfere with getting your message read. In other applications, it cannot be beat. Many people don't have 9-5 schedules anymore; they are working at all times in all different places. Once a member realizes technology allows the creation of "virtual associations" that members can access 24/7, persuading them to try something new is much easier. Technology ensures they can get what they want when they need it.

Remember, that as technology is implemented, it becomes important to develop policies that address the new issues it brings, and guidelines for staff, leaders and members must be established and agreed upon by all participants. The policies should differentiate between personal and business social media activity, should address what is allowed and is not allowed and should help prevent misunderstandings.

External communications can also benefit from adopting new technology. Use video and viral resources to reach members, non-members, associate organizations and the media via website or Facebook. Click on this link for an example: (www.callmti.com). Member interviews on video can be an entertaining and intriguing way to spread information on behalf of the association. Members like to see themselves and each other. Change the videos frequently to keep the site fresh.

Create an online video library of resources such as CE offerings, association logo materials, books tapes, etc. ([iTunes](#) store). Use five minute technical tips, marketing tips, ideas, etc., or brief promotional videos tagged to upcoming events. Set up RSS feeds for video, and tag them so they can be sent immediately to those who subscribe.

The chart below, by Forrester Research, shows how different age groups use the internet and social media. It illustrates how different generations behave and can help association executives determine how to connect with each generation, and identify their needs and preferences.



Considerations for the Need for Rebranding

To effectively reach all of the age groups in your membership, brands should be reevaluated. Does your current brand express what the association does now? Is it in alignment with members’ needs? Does it reflect the changing demographics of your association’s membership and potential membership? The National Solid Wastes Management Association recently developed a new brand, www.environmentalistseveryday.org. Once considered simply “garbage men,” they and their image have now evolved into being environmentalists. Rebranding or modernization of the brand helped present the organization in a new, more professional light that better encompassed its emerging member base.

Branding should be continuously reinforced through the association website, clothing, letterhead, pens, jump drives and other items. One Florida association found inexpensive software that allowed them to include their logo on customized postage stamps to reinforce and promote the brand.

Build customer loyalty. Remember that your members are having a tough time too. Small gestures today to help them through this period will reap loyalty rewards in the future. It is not the scale that matters as much as your acknowledgement of their situation and willingness to do what you can to help.

Considerations for Making Strategic Alliances to Maximize Resources

Joint ventures require shared responsibilities, risks and rewards. When done well, collaboration and strategic partnering in education or services pay off for many associations. The following are examples of successful collaboration and strategic partnering that illustrate the way collaborating can enhance success.

10 years ago the Metal Treating Institute collaborated with the Industrial Heating Magazine to develop the top trade show and conference in the heat treating industry. The two entities were able to take advantage of MTI's strengths in building world class educational and business events and Industrial Heating's strengths in marketing and promotions. The synergy between the two has worked incredibly with the 2008 Expo and Conference hosting 42% more members than any show in its history.

In another example, the Florida Water Alliance joined forces with the environmental community, local governments and water management districts to promote funding for alternative water supply programs. It's ironic but true that competing entities can come together on specific issues for the betterment of all.

Strategic alliances have many benefits including expanding staff capacity. For example, in celebration of Arbor Day, several municipalities in a county were holding public events with information booths from community organizations. Although the local Farm Bureau tries to take advantage of all opportunities to educate the public about agriculture, they found it to be ineffective to purchase and staff information booths to leave literature and giveaways. The local chapter of the Audubon Society was in the same situation and agreed to pool staffing resources. The groups met and arranged for side-by-side booths at the events to enable one person from each organization to oversee both booths. They have done this successfully at other events by partnering with different organizations that share similar philosophies. Collaboration + innovation = smart options!

Take advantage of market dynamics. According to some fundraising consultants, major donors may continue to contribute in down economies but are likely to narrow the donation focus. They may even increase their donations to organizations on the shortened list. Fundraisers are well advised to work closely with existing donors to keep the organization on the donor's short list and possibly even secure a larger donation. While it is important to continue to engage in broader marketing to build the base of supporters, securing new major donors during a downturn may be difficult.

Fundraising can also present innovative opportunities for collaboration and is an excellent way to use technology to benefit the association. Technology can greatly expand the network of potential fundraisers and donors. In one association a young "GenXer" committee member suggested a social media software tool to raise funds, and increase income for a fundraising event. It increased the number of people raising funds by 500% and the budgeted receipts by nearly 800%!

Include a social media fundraising tool like www.firstgiving.com. It can also enhance fundraising efforts. For a nominal one-time fee (\$250 a year for unlimited events), and a small percentage of the donation (5-7%), this kind of online software tool offers:

- A separate fundraising oriented website the association controls for its event(s) or activities. The company provides an address like www.firstgiving.com/fsaefoundation, but for a few dollars more, associations can register a separate domain name for ease of marketing.
- The ability for donors or volunteers to help the association raise funds by creating their own fundraising page with their own personal message(s) about why they support the cause, their email and a thank you.
- The ability for donors to link to their Facebook, MySpace, Twitter, etc. accounts.
- The processing of all online donations and credit cards fees are all included in the fee.
- An immediate email thank you is sent to the donor, and the association is notified of each donation to satisfy the IRS requirements.
- Provides a back-office with many reports per event, by fundraiser, by donor, and the ability to relate to QuickBooks, etc. It creates a donor database and collects all the data.

Such programs increase the number of people raising funds for a cause, gives them an online presence, and an online software system that does much of the tedious work that used to require staffing. Instead of just having a committee raising funds for the organization, the program opens the opportunity to help to anyone.

For charitable organizations (501(c)3), “philanthropic marketing” can increase community awareness, branding, and marketing for little or no cost. Many associations raise funds on behalf of these charitable causes. It’s ideal when the association and the charity can both receive benefit from the outreach that the association is doing on behalf of the charity. Conversely, association members can contribute to the charitable cause, and benefit from the team building experience. Also, people like to do business with members of an organization that is doing something for their community or a cause they believe in. The question becomes, “Is there something appropriate the charity can be doing in return for the assistance the association is giving?” In actuality, such partnerships are a business relationship. As such, the savvy association exec should interview those charitable causes and ask, “What can they contribute... staffing, public relations, event support or onsite help?”

Don’t forget, even if built on long term relationships, establishing an understanding with a contract or Memorandum of Understanding (MOU) between the association and charity are critical to clarifying roles and responsibilities.

Considerations for Serving Members in This New Environment

To survive and thrive in the current economic environment, CEOs and staff must have their fingers on the pulse of the member. Conducting frequent surveys and environmental scans covering socio-demographics, technology economics, environment and politics that impact both the association and the membership will help keep up with changing conditions. By identifying “change drivers,” CEOs can be ahead of the curve in providing pertinent services and support – thus value – to their members. Don’t forget the important step of providing feedback to the members based on improvements made because of the survey results.

For example, early recognition of “disruptive technologies” that can create competition for the membership is invaluable. *QuickBooks* tax simplification technologies have changed the model for accountants and CPAs and created quite a “disruptive technology” for their association members. It is important to be aware of new technologies to ensure the association can react appropriately.

We know of no one who will have more free time and less work, so let your organization and your staff become known for starting and ending on time; for being well-prepared and for staying focused; for having action items and accountability for results in between meetings. Assume each of your members has to account for every 15 minutes of their time. Are you respecting that when you plan your meetings and conference calls? Send an agenda in advance with the time allotted for each item shown, so people can tell how long each discussion will take. It will help the group stay on target. Virtual meetings may be a more time saving and less expensive way to accomplish meeting goals. Resources like www.webex.com, www.megameeting.com, www.skype.com and www.gotowebinar.com are available for associations of all sizes and budgets. Let members connect the way they want to connect. For them, Facebook or Linked In may have more value than some in-person meetings. Meet your members where they are instead of thinking that if you offer it, they will come.

Rethink how to use volunteer manpower. Use members who want to volunteer by asking them first to complete specific and meaningful tasks rather than those requiring a long term commitment. Talk to them about their interests, then align those interests with the appropriate role to best utilize their skill sets. In tough times, many volunteers are receiving direction from their employers to get involved in an effort that will result in generating more business and higher awareness of their products and services while being of benefit to an organization. Everybody wins.

Nearly all committees and task forces should be considered “ad hoc.” Committees shouldn’t continue indefinitely unless required by bylaws, such as finance, audit. Consider sunseting committees, or asking each year whether that committee is needed. Determine with the Board and staff whether longstanding committees, events or functions are needed yearly or at all.

Diversity is required for effective leadership at all levels of staff, board and committees. Strive for diversity in ethnicity, values, gender, industry and generations. Perform a demographic profile analysis of your membership. Does your leadership reflect your membership? If there is disparity, take measures to correct it.

Allow members options for paying dues, (i.e., monthly, quarterly or semi-annual payments instead of an annual charge). Allow members to sponsor other members or non-members to increase participation during tough economic times. Some associations are trading membership for products and services needed. Others have created a temporary hardship waiver for dues.

Un-bundling of membership services allows for basic service with a la carte access to higher services. Offering different levels of membership give members and prospective members a choice. This is also the preferred method of Millennials. Start by determining core services and their value in order to bundle or un-bundle successfully. Visit www.afsmi.com, www.ifma.org or www.IGDA.com to see examples of a la carte membership.

Your database may have a feature that allows you to constantly monitor and review your members’ involvement for feedback needed for decision making about the value and popularity of events and services. Consider assigning points to participation in meetings, seminars, conferences, online training and non-dues revenue producing programs. Include attendance and absences of committee members in notes or minutes from each meeting. Peer pressure can assist with encouraging member involvement.

All members appreciate thanks and positive reinforcement. Make sure the organization shows gratitude toward volunteer involvement and contributions. This is an opportunity to give positive feedback and at the same time collect feedback. This can be as simple as a conversation at a meeting or regular interaction on a scheduled basis. Or draft a note for your chair to personalize and send to loyal volunteers.

Stuart K. Meyer, Marketing, Membership and Communications Officer for the Emergency Nurses Association, offers *Four Strategies for Recession-Proofing Your Membership Base*: “The economy is affecting your association’s members in a many different ways. To keep them from cutting their memberships, employ this mix of short-term

and long-term strategies. Regardless of how prepared or unprepared your association was for this calamity, there are fundamental ways in which the negative effects of recession can be countered in fortifying your membership base. While navigating the short term, bear in mind the importance of retaining clarity and vision for the long-term.

To jumpstart your efforts, below are four strategies to get you on the road toward recession-proofing your membership base:

Short-Term Strategies

Implement a "call-to-action" messaging strategy at all levels. ASAE & The Center's Decision to Join <http://www.asaecenter.org/PublicationsResources/decisiontojoin.cfm?navItemNumber=27752>> study revealed that association members place a higher importance on "good-of-the-order" association activities, which support and advance the profession, compared to personal benefit. At the end of the day, if your association is not there to advance your members' professional and industry-based interests, then who will?

Learn More

In turbulent times, multiple pressure points are threatening all industries and professions. Further, competition for attention and influence at the local, state, and national level is fierce. As a call-to-action for member support, be certain to continually reinforce and communicate your association's advocacy and public relations agenda and accomplishments to members as well as the challenges that will be facing them in the future.

Place strong emphasis on the value of membership networks and resources. Whether the individual member need is monitoring up-to-the-minute trends, identifying industry-specific strategies for weathering the recession or conducting a job hunt, there is no better time to promote the value of the resources, information, and human connection your association provides. Be certain to position your association accordingly, placing a strong emphasis on the specific ways in which membership is your member's best ally during recessionary times. ASAE & The Center recently surveyed more than 8,500 members of various trade and professional associations to gauge their thoughts and behaviors during the recession. For more information, see "Beliefs, Behaviors, and Attitudes in Response to the Economy <http://www.asaecenter.org/files/economyresources/econostudy.pdf>>".

Also check out ASAE & The Center's new economic resources center <<http://www.asaecenter.org/economy>> for the latest in news, trends, and advice for associations navigating the economic downturn.

Long-Term Strategies

Master the art of the emotional value proposition. Behavioral economics (http://en.wikipedia.org/wiki/Behavioral_economics) teaches us that the majority of economic decisions people make are based more on emotion even when rational facts are available. The degree to which a member is emotionally engaged in your association may be the difference in determining whether or not she writes that check during tough economic times.

Simply put, we want our members to develop an emotional connection with our associations. Often, the difference is made not by what you give members, but in how you make them "feel" about themselves and their professional calling.

Beyond the practical value proposition of membership, cultivate an Emotional Value Proposition (EVP) which speaks to the heart of each member. If you're not sure where to start, here are some ideas to consider:

* Cultivate a deep understanding of the psychological motivation of your members in their professional pursuits as well as the impact of their profession/trade.

- * Cultivate pride by telling compelling stories about your association's history, its accomplishments, and the crucial role that each member plays.
- * Highlight and reinforce the importance of your members' profession/trade in society.
- * Gather testimonials of people whose lives have been touched by your members' profession/trade and develop emotive ways to present these stories.
- * Help your members become re-inspired in reconnecting them with their original calling to their profession/trade as well as highlighting the difference they make on a daily basis.
- * Demonstrate how your association brings together the collective emotional energy and potential of each and every member to achieve a higher common purpose.

Leverage volunteerism as a recession-proofing strategy. Regardless of the scope or duration of the opportunity, volunteering represents both a personal and emotional investment in your association. Positive volunteer experiences strengthen a sense of belonging and ownership between member and association.

The Decision to Join study not only illustrates the correlation between volunteer involvement and member loyalty but also shows how involved members are more likely to be promoters of the association. Having a strong membership base of loyal promoters can make a significant difference during difficult economic times.”

Considerations about Events, Products and Services

When providing member products, services or meetings, it’s logical to provide members with what they say they want. It is important to ask what they want from your organization. ***Is it saving money, saving time, helping members do business better, increased profits, political power, license protection?*** It is important to know and quantify the answers to these questions to create value that attracts and retains them.

Survey members to find out what they want and how they want it. Give them options on how to participate, like phone, email or website. Consider surveying past and prospective members as well. Incentives for participating in surveys may increase response rates. Surveys can be an important ingredient in fact finding for decision making. Instinct and gut will only go so far and are dicey when making consequential decisions.

While technology has received a lot of attention lately, events hosted by your association are still the main connector of people. They are an opportunity to reunite, meet new people, participate in professional development sessions and find out about new products and services. In the near future, more and more members will want to attend your events virtually. This might include real time viewing or taped footage via website in the near term. In the long term, people will access your sessions from their cellular phones. Are you getting ready?

Association gatherings are a great opportunity to engage spouses too, which leads to the spouse encouraging the member to attend your events every year. Consider setting up a secondary social network that allows spouses to communicate before, during and after the event. Meet & Greet events for the spouses provide great networking opportunities for the spouses while their husbands or wives participate in the conference. This creates valuable connections and relationships with more than just the members themselves.

Help members sell attendance to their bosses. Here is an example of copy from <http://www.MIMA.org>. **“Need Some Sales Help?** It may be that the only way some members can come to the conference is if they do a presentation to the other staff or their sales team afterwards? After the big day, visit the conference site to download speakers’ power points and Keynote templates, then customize as needed for your organization.

Look for innovative ways to offer services to members and to others outside your membership. What unique offering does the organization provide to others outside the membership that would have value and mutual benefit? One large association in Florida regularly conducts polls statewide. Members of the association include

questions specific to their members for \$1,000 per question and may “purchase” up to three questions. This is an affordable way to obtain statewide feedback for policy direction.

Take Care of Yourself so You Can Take Care of Others

With the influx of layoffs and cutbacks, many employees are getting nervous, and your organization's leaders are feeling the heat. Carol Kinsey Goman, PhD, president of Kinsey Consulting Services in Berkeley, CA, offers *Four Tips for Leaders during Challenging Times*. Here's how to help yourself and your team stay motivated and focused during uneasy times.

“Employees are nervous and rightfully so. The economic crisis and its resulting layoffs, consolidations, and organizational restructuring have people worried and distracted. Motivation is down. Absenteeism is up. Everyone wants to know, "What's going to happen to me?" Rumors are running wild.

In the midst of all this uncertainty and fear, it's your job to help your team (or department or organization) stay engaged and focused on the business at hand. And for that, the "soft skills" of compassion, encouragement, and motivation become crucial. People are looking to you for comfort and reassurance—and, most of all, for leadership by example.

Here are four recommendations to help you lead in challenging times:

Take Care of Yourself

In times of uncertainty, people need leaders who are steady and reliable. You can't be a stabilizing force for others unless you have developed a sense of personal stability. For that, you need to take good care of yourself.

Now is the time to compensate for the demands and pressures of the workplace by developing counterbalancing activities in other areas of your life. Engage in exercise programs and healthful eating habits, cultivate interests outside of the workplace—sports, hobbies, art, music, etc.—that are personally fulfilling, and develop/nurture external sources of emotional support.

Understand that the reasons for disruption may be logical (even inevitable), but your reaction to change is primarily emotional. Being aware of your emotional responses and staying responsive to the emotional reactions of others is a prerequisite for effective leadership in chaotic times. So find a safe place to vent, to be heard, to mourn—and then offer a similar "emotional safety net" to others.

Communicate Like Crazy!

Whenever the situation is ambiguous or uncertain, you can expect the rumor mill to kick into high gear. A lack of formal communication only compounds the problem. Believe me, false rumors are already flying. Don't let the grapevine take over the communication function. You need to be the one to keep your people informed.

Respected change managers are candid communicators who don't ignore or sugarcoat negativity. Instead, they help people make sense of it. The most motivational leaders are those trusted by their team to share knowledge and ‘tell it like it is.’ Not everyone will appreciate such honesty, but few will tolerate anything less.

Today, people are looking for honest answers to the following questions:

- Where is the organization heading?
- How secure is my job?
- What will the work priorities be for my team?

- What are the organization's new core competencies?
- What are the new job skills and accountabilities?
- How will we measure success?
- What are the consequences/rewards for the organization and for me?

Get Out of Your Office and Meet with Employees Face to Face

For global organizations, technology has been a wonderful tool for reaching geographically dispersed employees. But when dealing with fear and uncertainty, it is not the time to rely on email or intranets. People need to meet with you face-to-face.

If they can't see their leaders in person, employees want to view the next best thing. Consider the case with one Fortune 25 company, where teleconferences provided an ongoing opportunity for small groups of employees to get up close and personal with the CEO. Time after time, employees would ask questions that had already been communicated in various company publications and through dozens of email announcements.

After the sessions, the beleaguered CEO asked his communication manager, 'How many times have we told them about that? Why don't they *know* that?'

'Oh, they know it,' the communications manager replied. 'They just want to hear it from *you*. More importantly, they want to be able to *look* at you when you say it.'

Harness the Power of Collaboration

A company's competitiveness is a combination of the potential of its people, the quality of the information that people possess, and a willingness to share knowledge with others. The leadership mandate in challenging times is to link these components as tightly as possible. But knowledge can only be volunteered. Leaders can't force people to collaborate. It is all a matter of trust:

Trust in yourself and in the value of your contribution.

To be a vital contributor, you must believe that your opinions and insights matter, and that your knowledge and experience (regardless of job title) are valuable to someone else. Unless you trust the innate wisdom and creativity of your ideas, there is little impetus to offer them to others.

Trust between team members.

Even in good times, people are reluctant to share information with others when they don't know them well enough to evaluate their trustworthiness. Effective teams have learned that the time to get to know one another and to build valuable 'social capital' develops the kinds of trusting relationships that pay off in increased collaboration and productivity.

Trust in leadership.

Regardless of the overall corporate culture, individual managers and team leaders can create mini-cultures of trust within their work group or staff. The best of these leaders do so by taking the time and effort necessary to make people feel valued. They emphasize people's strengths while encouraging the sharing of mistakes and lessons learned. They share the credit and the recognition. And, most of all, they encourage and respect everyone's input.

Leadership's trust in others.

People learn what is important to leadership by the actions they see modeled by those leaders. Too often, employees hear leaders *saying* that knowledge sharing is essential but still regularly withholding information they deem unsuitable or inappropriate for employees. Employees also see leadership giving lip service encouragement to the idea of collaborative input, when what it's really seeking is a rubber stamp for decisions already made.

The most effective managers in challenging times are catalysts, creating synergy in their organizations. They delegate responsibility and authority. They encourage and protect their teams. They model attitudes and behaviors they want to see reflected back. Most of all, they realize that thriving in today's erratic business environment takes emotional literacy. It is no longer enough to appeal solely to people's logic. Leaders also have to touch people's hearts. And the best of today's leaders do so by revealing their passion for the future success of the organization and for the individuals in that organization who face the tough job of transforming *themselves* in order to collectively create that future.“

Adopting a New Mindset

In a recent Fast Company magazine article, Ravi Sawhney, founder and CEO of RKS, a global leader in strategy, innovation and design, offered a *Roadmap for Recovery: Five Ways to Come Out on Top*. He suggests that once you've weathered the worst of the economic storms, it's time to plan for the future. To survive and thrive into the next upturn, you must innovate now. Innovation fueled by consumer insight will propel your company into the future, empowering you to rocket past your competition.

Here are five ways you can position your organization to thrive as the economy recovers.

1. **Reduce Costs and Fortify Branding Through Design:** Structural engineering can be used to maintain or increase strength while reducing material costs. Smart badge redesign can decrease costs while increasing perceived value. Intelligent engineering and design that ensures a common design language across product lines can increase the use of common parts in a way that both minimizes tooling costs and fortifies your brand.
2. **Make Every Shot Count:** When resources are limited, you can't afford a shotgun approach to innovation. Instead of developing a half-dozen new initiatives, you have to focus on one or two. This makes it even more essential to laser-focus the development process. Design thinking can crystallize insights from research and develop strategies that minimize risks and maximize returns.
3. **Collaborate:** Don't have the cash to launch an entire design program? Shop around. In this climate, companies must think creatively about partnerships and royalty deals. And if fees are even partially royalty-based, your partners have that much more incentive to make sure your new product or brand strategy is a home run.
4. **Find the Greener Side of Green:** Some organizations look at environmental issues and see dollar signs--ones they'll have to spend to "go green." Others look to the increased demand for green products and properties and see opportunity. Our members look to us to do the right thing.
5. **Create Emotional Connections:** It may be possible for others to knock off the functions your organization serves, but you can hold your competitors at bay by creating an emotional connection. Creating a connection by fulfilling an emotional need is what gives your organization meaning and resonance. It's what makes people love your brand. This emotional bond between member and brand can't be counterfeit. Using design thinking to create this bond is the key to bulletproofing your brand and propelling your organization forward.

Just as steel comes out of the firing process tempered and stronger than before, design thinking will empower you to guide your company through the recession to emerge stronger than it was pre-downturn. And when you show members you're part of the solution, they'll not only support you, they'll evangelize your brand.

185 Cutback Strategies

The authors of the following article offered this checklist as a thinking tool and as a route to direct action. A more in-depth list is in the book, *Coping with Cutbacks: The Nonprofit Guide to Success When Times Are Tight*. We hope that you can use this list to help you think creatively about your organization, its culture, mission, its future response to immediate financial crises, and long-term preparation for the changing culture.

Use these suggestions as a starting point for your own brainstorming, and use the categories to help you organize your thinking and analyze your current approach to fulfilling your mission. But don't get locked into any one strategy--cut them up, pull them out of a hat, mix and match them. Do whatever helps you spur new ideas that fit your specific situation.

Financial Strategies A: Cut or Control Costs

Analyze purchasing

1. Improve purchasing procedures
2. Seek in-kind contributions
3. Network to get better prices on supplies
4. Seek new competitive bids and new suppliers
5. Analyze purchases to see if they are necessary
6. Simplify paperwork and forms; use electronic files
7. Refurbish and reuse supplies

Adjust payables

1. Consolidate or restructure debt
2. Negotiate delayed or reduced payments
3. Barter for needed services

Evaluate facilities and infrastructure

1. Share space or maintenance costs
2. Delay maintenance
3. Save space by moving, reducing size, using home offices, or using split shifts
4. Negotiate a decreased rent with your landlord
5. Find a cheaper phone system; eliminate toll-free lines
6. Eliminate or consolidate newsletters and brochures
7. Eliminate vehicles or shift to less costly vehicles
8. Save energy

Modify staffing and related costs

1. Reduce hours or work week
2. Cut, freeze, or delay wages
3. Lay off staff; offer voluntary separation; offer unpaid leave; remove poor performers
4. Freeze hiring
5. Share jobs, consolidate staff, increase workload
6. Use volunteers and graduate interns
7. Hire temporary staff or consultants

8. Remove management layers; don't funnel high performers into management merely to reward them
9. Reduce benefits, staff training, and staff development
10. Limit or eliminate travel
11. Cancel subscriptions; use the Internet and libraries
12. Cancel professional association memberships
13. Switch to a direct reimbursement status for unemployment compensation
14. Ask board not to submit expenses for reimbursement
15. Convert some paid staff to volunteers
16. Share staff with other organizations

Reduce services

1. Analyze your programs and services against your mission and financial goals
2. Reduce or eliminate non-core programs
3. Limit eligibility for programs; reduce the number of clients served
4. Reduce or eliminate core programs
5. Temporarily shut down some or all services
6. Plan to go out of business humanely

Financial Strategies B: Increase Revenues

Manage money differently

1. Speed the inflow of cash by invoicing promptly or offering incentives
2. Try to get grants in the door earlier than the promised date
3. Change management of cash reserves to improve unearned income
4. Sell assets
5. Spend down reserves
6. Borrow money
7. Diversify your sources of income

Increase fees

1. Analyze all the costs of providing a service
2. Change fee structure to result in increased income

Initiate or accelerate fund-raising

1. Research the larger community and current donors to improve response
2. Hire development director or staff
3. Add special events, fund drives, charitable gambling
4. Increase board involvement in fund-raising
5. Increase planned giving
6. Build an endowment
7. Find new donors and diversify funding base
8. Reach out to under-asked populations
9. Collaborate on fund drives; join a federated fund drive
10. Mobilize everyone in the search for new resources
11. Link with a business or credit card company to receive a percentage of sales
12. Seek in-kind contributions that can be converted to cash

13. Increase the search for foundation and government grants

Expand or add services

1. Boost enrollment in or expand offerings of successful services
2. Sell staff expertise and time
3. Add income-generating product or service that fulfills mission
4. Rent office space or equipment to others
5. Sell valuable information that others need
6. Seek related niche markets
7. Charge others for a service you also use (for example, maintenance)
8. Develop a catalog of products used by your organization and other nonprofits
9. Charge a fee to serve as the fiscal agent for other organizations

Increase productivity

1. Provide incentives for productive staff
2. Simplify production or service without loss of quality
3. Invest in an educated staff; provide training as needed
4. Research and implement "best practice" in all functions
5. Upgrade staff while cutting back
6. Invest in technology that improves productivity

Structural Strategies

Modify the mission

1. Reexamine the mission and realign the organization accordingly
2. Modify the mission to build clients' capacity to solve their own problems
3. Change the mission to enable the organization to respond to rapidly changing conditions
4. Move out of direct support services and into prevention services
5. Be a pilot site for some foundation, academic, or government program

Modify the organization's structure

1. Eliminate programs that are redundant with those of other organizations or combine them to improve services
2. Position yourself higher in the "food chain" when intense competition accompanies a changing environment
3. Respond to a changing environment by changing programs
4. Spin off a struggling or "orphan" program to another organization where it has a better chance to thrive
5. Merge with or acquire a competitor's or an ally's program
6. Relocate with a group of related organizations to form a one-stop shop
7. Become a for-profit; add a for-profit subsidiary; be acquired by a for-profit

Modify the organization's culture

1. Enlist the support of potential funders as you modify your programs, and then request funds to support changes
2. Share resources and expenses with other organizations that have similar needs

3. Make your services more culturally sensitive
4. Educate the board of directors to make them more effective
5. Mobilize everyone in the organization to help market its mission, message, services, and needs
6. Tear down bureaucracies that interfere with the creative flow of ideas
7. Replicate rather than reinvent
8. Link with a complementary but different organization to bring resources into the organization
9. Take a more entrepreneurial approach to accomplishing your mission

Engagement Strategies

Engage other nonprofits

1. Work with state and national nonprofit associations
2. Form associations to negotiate with contracting agencies as a block
3. Establish cooperative programs with other nonprofits to increase the number of stakeholders in each other's organization
4. Collaborate with like-minded nonprofits; seek funding to support collaboration
5. Develop a bartering resource system among nonprofits
6. Create a nonprofit organization to insure nonprofits; return surplus income to policyholders
7. Pool funds with other nonprofits to get a better return on the investment of capital
8. Acquire or merge with another nonprofit whose services complement yours
9. Establish national goals and standards for nonprofits to increase sector quality, public awareness, and public support
10. Form a consortium with other nonprofits to take advantage of federal block grants
11. Facilitate networks and collaboration by making your space available for such activities
12. Find ways to work with local providers of educational services at all levels

Engage the community

1. Seek funding to help those constituents least able to represent themselves have a voice
2. Involve all members of the community in teaching children the value of community involvement and philanthropy
3. Connect with local media to inform the community about issues related to your mission
4. Show the community that your crisis is a community crisis
5. Hold community issues forums; discuss community goals

Engage the business community

1. Form partnerships with businesses; find a host that will provide space, staff, funds, resources, or technical assistance
2. Advocate for your organization's values and goals while seeking business involvement
3. Know the people, values, and goals of the businesses you are engaging
4. Share your vision of the future with businesses so they can see how they and their community will benefit
5. Link with businesses that will benefit from the positive public relations your organization's cause will generate
6. Network with small and midsize businesses with a personal stake in the local community
7. Show businesses how to get involved in community issues that affect them
8. Collaborate with businesses and other nonprofits to create "incubators" for new, innovative organizations
9. Form nonprofit/for-profit partnerships to advocate for common interests

Engage the public/government sector

1. Advocate for tax incentives that encourage businesses to be involved in community efforts
 2. Use the public schools to teach philanthropy; set up student-operated philanthropies at schools and universities
 3. Seek ways to work with educational institutions at all grade levels, public and private, nonprofit and for-profit
 4. Advocate for a nonprofit contribution check off on tax forms
 5. Advocate for making charitable giving a tax credit rather than a deduction
 6. Use publicly owned facilities as a site for delivering nonprofit community services
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"Change is never easy, and there are always people who have a vested interest in the status quo. You have to remain mission focused, don't take your eyes off the horizon, and don't worry about your detractors."

-Rob Dingman, President, American Motorcyclist Association (AMA)