



ASSOCIATION AGILITY IN TODAY'S COMPETITIVE ENVIRONMENT

--- Staying Nimble, Aligned and Alive

PART TWO (of two)

This white paper presents a model for examining your association's agility to continually re-align priorities and resources with your members' evolving outcome objectives --- especially as you face competitive threats to your association.

In case you missed it, in Part One we presented:

- *The relationship of agility to alignment with member objectives*
- *A 4-part model for an association's competitive positioning, with underlying concepts*
- *Common characteristics and observations about each part of the model*
- *Implications for strategic member engagement*

Part Two builds upon the concepts presented in Part One, which we highly recommend you read first

HOW IS YOUR ASSOCIATION POSITIONED TODAY?

While reading PART ONE, you likely began to reflect upon where your association fits in the presented model. The current state of your association is likely the result of numerous interacting dynamics (e.g. the members' operating environment, the association's competition, organizational culture and leadership, etc.). These differ from one association to another. And, as you can imagine, the type of situational leadership needed for each of the four positions within our model is dramatically different (*a topic for another day*).

Frankly, most association executives just run as hard as they can every day; focusing on execution. Reacting to the challenges of the day, they try to perfect what the association is already doing. Like most of us, they become proud and even possessive about what they have built. These factors make it extremely difficult to have a clear perspective of how the organization is changing over time. We are all biased by our experience or lack thereof. Until challenged, we seldom step back and ask ourselves: are we just "doing things right", versus "doing the right things"?

YOUR COMPETITIVE LANDSCAPE --- You are not alone

We conducted a survey of over 300 association executives in 2013, and asked: *“How would you characterize the level of competition your association faces from other organizations (associations, non-profits, and/or for-profit) for each of the following (traditional) offerings?”*

Given the rating options of “extremely high”, “high”, “moderate”, “low” and “unsure”, here are **the percent of respondents who combined said: “Extremely High” and “High”:**

Traditional Offerings & Revenue Generators	Professional Society	Trade Association
Education programming (including online)	59%	28%
Content publications (including online)	54%	39%
E-communications (alerts, newsletters)	48%	46%
Suppliers’ financial support (ads, sponsorships, exhibits, etc.)	46%	47%
Membership	46%	35%
Knowledge repository & access	35%	18%
Research reports	35%	26%
General networking	35%	29%
Industry/Profession “voice”	28%	27%
Small peer groups	27%	14%
Career center/job board	23%	12%
Advocacy and Regulatory efforts	17%	20%

These findings were reinforced in a 2016 survey we conducted for the **NAM – Council of Manufacturing Associations** in which the CEO’s of these manufacturing associations were asked to characterize the level of competition their association faces. They reported the following sources as providing a level of competition characterized as: “Moderate” to “Extremely High”:

- 68% said from online information sources/knowledge-sharing communities
- 57% said from U.S./North American Associations
- 39% said from research companies
- 39% said from publishing companies
- 38% said from their own core members

In this same survey, we asked them to indicate their members’ primary source for several traditional association offerings. Standing out were offerings for which they reported that either another association or a non-association source was their members’ Primary Source:

- 43% said Marketplace and industry research and information
- 43% said Employee education/professional development

ORGANIZATIONAL CHARACTERISTICS --- ASSESSING YOUR COMPETITIVE POSITIONING

In the chart below, we compare agile/member-aligned associations, to the more traditional thinking associations that tend to populate the Expert or Victim segments of the model.

The New Norm in Competitive Positioning

Traditional Thinking	Agile, Aligned & Member Connected
Only Track Member Satisfaction with Association Offerings	Also Assess the Association’s Impact on Member “Up At Night” Issues & Business Outcomes
How to perfect Association “Outputs” (products, services)	Focus: Achieve Member Business Outcomes (ROI is mandatory)
Promote Member Benefits	Discuss & Address Members Challenges
Culture of “what we do for you”	Culture of “What we do together”; requires nimble Association
Focus Volunteer Leaders & Staff on the Association’s Success	Focus Volunteer Leaders & Staff on the Members’ Success
Differentiate from other associations & service providers by “Outputs”	Differentiate by Member “Experience”; incl. information on demand
Treat All Members Equally	Understand unique needs/preferences by Member Segment

PARTNERS AND FRENEMIES

In Part One of this white paper, we referenced our e-book: *“Accelerating Strategic Member Engagement”*. Leading associations are now taking these concepts and applying them to closely related stakeholders. For trade associations this usually involves companies that are upstream or downstream in the value chain from their core members. For professional societies, this usually means partnering with associations whose members (e.g. physicians and therapists) tend to share the same customers, or with companies that employ large numbers of the society’s core members (e.g. engineers).

Successful partnering requires identifying selection criteria and carefully managing the relationship over time; not merely jumping into an agreement and hoping for a good outcome. The important point for this white paper is that Boards are often quick to recommend partnering with other associations. And, too often this is done without understanding the potential impact on their association’s brand, credibility and business model. An alternative opportunity may be helping their association to better differentiate itself in the marketplace. In addition to clarifying your association’s value premise, assessing the association landscape for your industry or society will help you determine the most synergistic alliances, potential “frenemy” relationships, and those to merely track for their strategy changes.

ORGANIZATIONAL LIFECYCLE PERSPECTIVE

For those of you familiar with the writings of Ichak Adizes and others who have studied organizational lifecycles, you will be able to envision how organizational theory overlays the model we are presenting. The three stages described below have to do with organizational culture, leadership, member alignment and the level of competition your association faces. They are not necessarily indicative of how old the association is. Some 50-year old associations operate like they are early stage, while some much younger associations have “prematurely aged” and operate like a late-stage organization. Stereotypically:

- **Early-stage associations** --- are most always member-connected, aligned and nimble. They were founded by a small number of stakeholders who came together to generate better solutions. Everyone is clear about what drives member value. As the association grows, it often becomes a struggle to deliver upon promises. Appropriately, they begin to add additional structure, infrastructure, policies and procedures to support the association’s growth and delivery capabilities.
- **Mid-stage associations** – having added structure, infrastructure and process (and **if** the association has kept an outside-in focus and has an appropriate leadership style for this stage) --- the mid-stage association enjoys the ability to reach optimal levels of impact and market share for their industry or profession. “Push” solutions are appropriately balanced with “Pull” engagement solutions. Reaching and maintaining this peak of the lifecycle curve is what every organization seeks.

However, associations at this stage must be vigilant not to lapse into an inside-out focus that fuels a decline into the next stage.

- **Late-stage/aging associations** – Having continually added structure, policies, process, infrastructure, and more specialized staff, far too many associations become bureaucratic and staff-driven. Well-meaning staff and volunteer leaders get caught up in perfecting internal activities and additional ways to avoid risk and conflict. Perfect becomes the enemy of good. Some even create a policy for how to draft and implement a policy. When they do look outside themselves, it’s often to see if there are any *best practices* about how to operate an association. Naturally, this merely fuels the “inside-out” dynamic. They become so focused on internal operations, they assume they already know what keeps members up at night. Committees focusing on the association’s outputs, begin to stagnate.

This stage is characterized by:

- Internal deadlines become more important than achieving member outcomes
- A decline in committee productivity
- A culture of: “that’s how we do things here”
- Risk aversion replaces innovation
- Unproductive meetings consume most days

Consciously or not, most of these associations have taken on the role of the **Expert**. They assume that traditional outputs are still relevant and only need occasional tweaking and better marketing. This is generally when the competition (from other associations and for-profit entities) steps-in and begins usurping your members’ mind-share, and eventually eroding your market share.

Late in this stage, and with significant competition, too many associations take on the **Victim** role in our model. When there is finally recognition of the growing competition, they are pretty much left with 4 options:

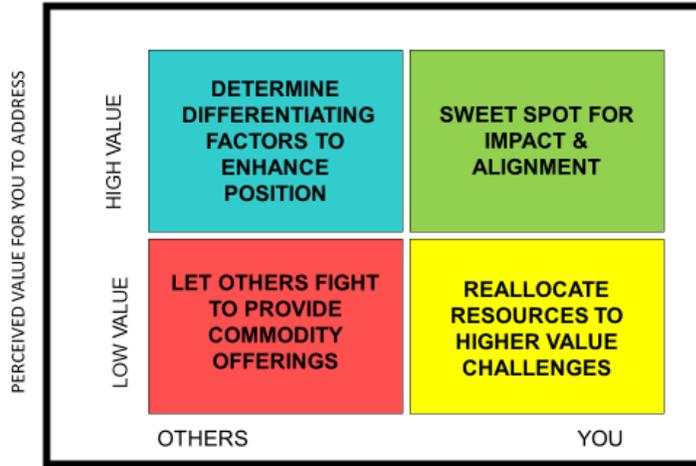
- Plan for the association's demise or merger
- Ride it out and hope the competition fails
- Consciously move toward the member connectedness/aligned position in the model, and hope there's time for a cautious, long-term repositioning
- Become the **Disruptor Association** seeking short-term, high-impact repositioning

GETTING STARTED: THE JOURNEY TO AGILITY AND ALIGNMENT

If your intuitive assessment has resulted in feeling your association will need to evolve to become more agile and competitive, here are a few considerations:

- 1) Hold a carefully designed staff retreat (with pre-work) to discuss:
 - Member challenges and their industry/profession disruptors
 - Staff perceptions of the organization's current impact
 - The association's competitive positioning
 - The association's agility at both the staff and volunteer leader levels
- 2) Determine next steps, which will likely include:
 - Gathering additional data (competitive analysis, etc.)
- 3) Consider conducting a Member Impact Survey (as different from a satisfaction survey) --- see: <http://verticaleapconsulting.com/research-articles/10-the-power-of-conducting-a-member-impact-survey.html>
- 4) Conduct a second, carefully designed staff retreat (with pre-work) to discuss:
 - Results of # 2 and 3
- 5) The agile association is continually assessing opportunities to enhance their position. Using the following framework, discuss repositioning your organization relative to your competition. Of the many challenges your members face, it's important to understand the value they perceive in having your association assist them. In the following framework, we've placed perceived value on the vertical axis (low to high). From your competitive analysis, identify the marketplace solution leader(s) --- see the horizontal axis.

**UNDERSTANDING SWEET SPOT FOR IMPACT & ALIGNMENT
WITHIN CONTEXT OF COMPETITIVE LANDSCAPE**



MARKETPLACE LEADER FOR HIGH IMPACT SOLUTIONS

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- 6) Conduct an assessment of current activities that no longer provide sufficient relative value compared to higher priorities and members' unmet needs, and/or the association's competitive opportunities. We use a simple exercise with a different 4-box matrix framework to flesh this out. Stopping the all-u-can-eat buffet of offerings is critical to becoming more agile.

- 7) Conduct a follow-up meeting to discuss how the most critical work is being conducted today. Are there opportunities to utilize cross-functional task forces? Are you leveraging internal strengths? Consider utilizing the Strengths Finder instrument and a facilitated discussion about how your critical new initiatives might be handled differently. Determine if new competencies will be required, and how best to acquire or develop them.

For related information and resources, please visit us at: www.VerticalLeapConsulting.com

As always, we'd love to get your feedback on the concepts provided in this white paper.

About the Author

Steve Lane



Steve is the President of Vertical Leap Consulting, LLC having founded the firm in 2002. Previously, Steve spent 25 years on executive teams in publicly and privately held corporations and not-for-profit organizations. As an operations and organizational strategy executive, Steve worked in diverse industries including: hospitals, a publicly held printing corporation, electric and telephone utility financing, mortgage banking, and a mobile communications trade association.

A common thread throughout Steve's career has been his impact on organizations entering periods of strategic transition (deregulation, rapid growth, restructuring, IPO, technology conversion, and competitive re-positioning). Some were rapid-growth companies needing scalable practices and infrastructure, while others were mature organizations seeking to re-position in the marketplace and regain the external focus and innovation that drove their early success.

Described by various business leaders as a high-level strategic thinker and a trusted advisor, Steve's extensive experience in leading change initiatives, provides a blend of leading-edge theory and practical applications. Steve excels in helping associations assess their market opportunities and competitive positioning; developing strategies aligned with members' business and professional objectives, and creating organizational and stakeholder alignment with the association's vision and strategies.



Steve is an established thought leader and collaborator in the Association community. He is a co-author of the 2014 e-book *"Accelerating Strategic Member Engagement"*, and author of a number of white papers available at: www.VerticalLeapConsulting.com/Defyinggravity including:

- *"The Power of Conducting a Member Impact Survey"* (and how they differ from satisfaction surveys)
- *"Strategic GPS: The Missing Link for Associations in Strategy Execution"* which describes the importance of translating vision and strategy into a multi-year action plan (roadmap)
- *"New CEO's, Beware of the Fast-Drying Cement"* which looks at executive transitions from the perspective on the incoming executive

Steve is active in, and a frequent speaker at, a wide variety of association and executive forums. Steve has served on the Board of the Maryland Society of Association Executives. He also hosts and facilitates several association executive forums including: The Healthcare Association CEO Forum, the CEO Growth Strategies Forum, and the NAM – Council of Manufacturing Associations (CMA). To learn more about Steve and Vertical Leap Consulting, see www.verticalleapconsulting.com.