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SURGE co-creation

# KICKIN' @$$ AND TAKING NON DUES REVENUE

A Collection of Insights from
**SURGE Co-Creation**

*The Kickin' @$$ and Taking Non Dues Revenue* session is sponsored by Naylor Association Solutions!

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Celebrating 50 years in the association community, Naylor builds strong associations by delivering solutions that engage members and generate non-dues revenue. We offer a comprehensive set of solutions, including communications strategy, print and digital communications, full service event management, advertising, sponsorships and exhibit sales, career centers, online learning, association management, and association management software (AMS). Our expertise and breadth of services help us see opportunities others miss, and our commitment to excellent customer service fuels our passion to help associations achieve more success.

Learn more and get in touch here!

Thanks to our partners, who convene to further the association profession!

# INTRODUCTION

The following pages house the results of an industry-wide virtual collaboration.

**SURGE Co-Creation** assembled association professionals from across the globe to harness collective knowledge, through a virtual conference focused on transformative ideas and designed to maximize social learning.

Attendees could not only hear from speakers, but converse with them in real time and contribute their own thoughts. 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 eleven-part SURGE series, delves into the session, *Kickin' @$$ and Taking Non Dues Revenue*. It includes themes from the speakers' conversation, snapshots of ideas from guest speakers, contributions from attendees, links to further resources, and more.

Thank you to all who participated – and if you missed it, go to the **SURGE Co-Creation** event page to watch all the sessions for free, at your leisure!

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# FEATURED SPEAKERS

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## Laura Taylor

*Vice President of Digital Operations and Development, Naylor Association Solutions*

**Laura Taylor** is the VP of Digital Operations and Development at Naylor Association Solutions. Laura has been servicing associations since 2008 at Naylor. Starting in advertising sales in print and online communications generating non-dues revenue for associations, Laura moved to the operational side of the business supporting Naylor's online solutions in 2011. Today, Laura manages the overall operations of our online product, customer and sales support for our associations' online communications platforms including digital magazines, online directories and buyers' guides, newsletters, conference apps and website ad sales. In addition, Laura researches emerging digital technologies to ensure Naylor consistently offers the best member communication and non-dues revenue generating tools to its client family. Most recently, Laura led the development and launch of Naylor's programmatic advertising solution.

# Tamela Blalock

*Executive Director, Section on Women's Health (SoWH)*

**Tamela Blalock** is a Principal at Blalock Consulting where she serves as a consultant for associations and DMOs in the areas of next-gen governance, revenue generation strategies, and equity/diversity/inclusion strategic management.

Most recently Tamela also served as the Executive Director of the Section on Women's Health of the APTA (SoWH), a medical association where she evolved the governance structure, business development operations, and the strategic plan to ensure relevancy with millennial and Gen Z practitioner communities. Highlights also include a successful membership vote to change the name to the Academy of Pelvic Health Physical Therapy.

Prior to joining SoWH, Tamela was the Senior Director of Membership Services at the National Association of Wholesaler-Distributors (NAW), where she had a solid track record of increasing non-dues revenue margins across nine portfolios of corporate targets. Earlier in her career, she was recruited to the Central Intelligence Agency (CIA) as a college sophomore; served as a Sales Specialist for the Washington, DC NFL Football Team; served as Assistant Director of Sales and Marketing for GWU Conference Housing; served as National Sales Manager for San Jose Convention & Visitors Bureau; and as Manager of Consulting Business Development at SmithBucklin.

Tamela earned a bachelor's of science degree in Marketing from Georgetown University and a master's in business administration in tourism administration from the George Washington University.

## Kelly Turner

*President & CEO, Michigan Society of Association Executives*

**Kelly** loves to connect people and build new relationships. Kelly is the CEO and President of MSAE, the leading educator for association leaders working to invest in their career by taking the CAE exam.  Kelly Turner holds a Master Degree from Central Michigan University in Administration and is currently working on her doctoral degree in Organizational Leadership and Development.

## Arianna Rehak

*CEO & Co-Founder, Matchbox Virtual Media*

When I was 7-years-old I lugged my toys and art supplies onto my front lawn with a sign bearing the title of my new venture: Rent-It. For a small price, my neighbours could rent out anything from a fairy stencil to a red marker. I made $1.15 in one day's work, but I attribute that to bad price pointing! From that day on, my entrepreneurial rigor only got stronger, but more significantly, it became more pointed.

I am a student of human nature, which has guided both my channels of learning and my career direction. The more I started to understand my fellow citizens, the more I wanted to become actively involved in improving their lives. This is why I studied both commerce and international development in university; I want to take my business acumen and apply it to the non-profit world. I have learned that good intentions are not enough to get things done, and it is my ultimate goal to use both critical and creative thinking to achieve maximum impact.

# 02

## GUEST SPEAKERS

ASSOCIATION SUCCESS.ORG

# Jeff Curwen

*Executive Director, Washington State Chiropractic Association*

**Jeff Curwen** CAE has worked with associations all over the western United States for more than 15 years. Like many association professionals, he has filled a variety of roles throughout his career, to include development, membership, communications, policy/legislative advocacy, finance, and management. He has worked with associations representing many different professions ranging from attorneys and judges to law enforcement and public health officials; election officials and tax collectors to commercial real estate brokers and builders; and both traditional and alternative  healthcare fields, as well as having been an association management consultant. He is currently theExecutive Director of the Washington State Chiropractic Association.

Jeff attended the University of Idaho where he earned his BS in Justice Studies, and Arizona StateUniversitywhere he earned his MA in Applied Ethics and the Professions (with a nonprofit management concentration). He also attended Whittier Law School in California and Bar-IlanUniversity School of Law in Israel. Jeff has served in leadership positions on numerous boards, including Pasado's Safe Haven, where he is vice president of the largest animal rescue and sanctuary in the Pacific Northwest.

Jeff lives in Tacoma, Washington with his wife, Beth, an intellectual property and privacy attorney

## Bruce Rosenthal

*Principal, Bruce Rosenthal Associates, LLC*

**Bruce Rosenthal** has been involved with advancing corporate partnership programs for 20+ years. He is currently Principal of Bruce Rosenthal Associates, LLC, serving as a strategic advisor and consultant to associations, not-for-profit organizations and charities, creating successful corporate partnership programs that increase revenue and add membership/constituent value. He helps organizations engage their staff leadership and board of directors to convert from traditional conference sponsorships to contemporary organizational partnerships.

Previously, as Vice President of Corporate Partnerships at LeadingAge, a national association, he directed a successful corporate partnership program, launching the program in 2009 and revamping it twice to keep pace with changes in the economy and marketplace. He applied a wealth of ideas, techniques and proven strategies from an extensive consultation with IEG, the largest sponsorship consulting firm, and engagements with a leading marketing firm. He innovated the program by revising the positioning, benefits, packaging, collateral, etc.

Earlier in his career, he worked with Fortune 100 corporate sponsors of the Cen ter for Women's Business Research to attain extensive national, local and trade press visibility.

Rosenthal demonstrates leadership in identifying and fostering corporate sponsorship and sponsorship best practices, opportunities, and solutions as Convener of the Partnership Professionals Network (PPN), an organization of executives representing associations and organizations.

# 03

# 4 STEPS TO IDENTIFYING NON-DUES REVENUE OPPORTUNITIES

By Laura Taylor

As someone who works in the digital communications business, I work on many different channels of communication every day. Determining the best ways to effectively communicate with members, drive engagement and grow non-dues revenue is a constant focus for associations.

When assisting associations in this process, we often take these four steps:

## 1. Evaluate your current state of operations

Are your current operations and communication products efficient and effective? Look at the impact of your communication channels through readership analysis, operational cost and revenue generation to determine which are successful. Sometimes, you might have a product your members love but doesn't generate revenue due to poor advertising options. If you don't have expertise inside your organization to determine why it isn't generating the revenue you think it should, seek out a partner who can assist in the evaluation and provide recommendations to grow ad revenue. Conversely, you may have a product that generates a lot of revenue, but the resources it requires to produce are too intensive or the member engagement is low. These are the products on which you need to focus product improvement or your revenue will eventually suffer.

## 2. Look at what's trending

You'll want to look at digital trends to understand how to better communicate online to get your voice out to more people in this digital age. There are more channels and tools to communicate with your members than ever before. This provides associations with the ability to stay relevant by delivering content in multiple ways, expanding reach to members and industry professionals through the mediums they prefer most.

## 3. Break down your communication plan

After evaluating your operations and looking at the latest trends, you need to determine areas of improvement to see what type of communication channels are most effective for your association. At this point, you understand your audience better and are able to use that knowledge to adjust your communications. Break down your communication plan fully-What is working, what isn't and what new channels you want to add in to drive engagement and grow revenue.

## 4. Assess your corporate partnerships

This is a tricky subject, but, in brief, not everybody can be a corporate partner. You have an existing partnership program that likely generates a good amount of revenue for you. However, you want to offer opportunity and value to all, as well as grow revenue. If you don't fully assess your corporate partner programs, adding new opportunities or changing their partner benefits could cause you to lose revenue instead of grow it. It is important to talk with your current partners so you know what part of their program is most important to them. The goal is to enrich your current programs to maintain revenue and important relationships, while expanding the opportunities for all to market to your members through your communication channels.

Through these four evaluation steps, you should have a good grasp of what works, what doesn't and what needs tweaking. You'll see the opportunities that lie within reach.

The ultimate goal is to strike a balance so your association, your members and your advertisers achieve increased ROI, whether through valuable resources as part of membership, increased branding and client base or more members and revenue.

Remember, if it's not high impact for your association members, it's probably not high impact for those wanting to invest in it. Focus on the quality of your communication plan to further your association's mission with increased member satisfaction and non-dues revenue growth.

# FROM **THE CHAT**

"If it is not a long term viable program, it is a waste of time, money, and energy."

***- Kelly Turner -***

"Don't just ask corporate partners what they want... LISTEN to what they want. We recently had industry partner meetings, but I cringed at how much my BOARD talked rather than letting them talk. What I wished we had done was draw up a list ahead of time to ask insightful questions, such as, 'Where is your business focused this next year?' or 'What type of disruptions is your company preparing for in the coming years?' that would have gotten us to a place where we could find common ground to work on, but without being lead by what the Board thought the priority should be."

***- Nikki Golden -***

"Corporate partnerships must #1 align with the association's mission and #2 add value for the association's members."

***- Bruce Rosenthal -***

"The corporate partners that can't develop relationships with members leave the organization. The ones that forge good relationships with members stay on and keep contributing to the organization."

***- Jeffrey Curwen -***

# 04

# IF YOU PROVE YOUR VALUE, MEMBERS WILL INVEST

ASSOCIATION SUCCESS.ORG

By Tamela Blalock

When I was a sophomore in college, I was recruited by a little known agency to work full-time. To this day, I give that agency credit for giving me the best sales training I could ever have in my life.

My job involved doing thorough research. I learned to really look at so many different, unique and innovative ways to research people and organizations. What do they value? What motivates them? These were the questions I had to answer, and they're still the questions I ask myself today. People spend money on things they value, so if you don't prove that value, you won't see any investment.

## Identifying motivation to prove value

My favorite example comes from when I was selling premium tickets for a losing football team. I worked in the NFL, and the team I sold tickets for is still not doing well now but was even worse back then. I discovered that to sell, you have to sell fantasy. Otherwise, how could I sell very expensive, long-term contracts to watch a team lose?

It came down to what motivates people. It's less about the reality of what I was selling and more about looking to expand your client base, showing you have influence and access, and making your clients feel special. How would having a suite make them feel? How does that represent their business and your brand? What's it like to have parking passes? They all give clients a sense of value. It was more the attitudes and feelings around having suite seats that motivated the buyer — not necessarily the product.

## Tying money to strategy

Everyone always wants more revenue, but we need to ask ourselves, what is sustainable?

Money and mission are intimately tied, but they're not at odds. Actually, they're intimate friends. You need to key into a person's needs or the value area they're unable to express. Do that, and you'll find not only a dedicated buyer, but a dedicated partner in such a way that the renewal process, and the partner, customer or member acquisition becomes solid.

In some associations I've worked with, I've noticed them not having a member retention process. This is one of my tricks; it's a way to buy yourself time, particularly if you're in a new membership role or marketing role. Look into it, because the organization may not spend a whole lot of time focusing on membership retention.

## Here are a few tips:

1. Start fixing what you can in the process, even if you hit bumps. You will get to see what's not being addressed, and it'll buy you time to look deeply into what value non-dues revenue will bring.

2. The member retention process should start the day after a member joins. If you're really good, it should start three months before they even sign up.

3. Look closely at the member onboarding process. You want new members to have that wonderful feeling inside and they feel connected to the community.

4. Create a rockstar experience, because they will remember how it made them feel. There are so many ways you can create that, and it will be a solid revenue generator for you. This works particularly well for members whose professions aren't generally seen as the rockstars in their field. I'm talking about nurses and physical therapists, for example, who do not get the spotlight with surgeons around.

Once you get the ball rolling, you'll identify areas to focus on to build strong revenue generators.

# FROM **THE CHAT**

“There are some great apps out there. However, most often you see them focusing around conferences. There are a few year round app vendors, but adoption and engagement can be a challenge. With the robust option for mobile websites now, some choose to invest in that over an app.”

***- Laura Taylor -***

“When your members make it clear they don’t want a sales pitch, the commercial members get it really quickly. My members police it for me in sessions.”

***- Candi Rawlins -***

“Just because an idea aligns with the mission doesn’t mean it’s good for the long term health of the organization.  Nor does it mean it has a good shot of being successful.”

***- Holly Wells -***

# 05

# HOW TO TELL IF YOUR NON-DUES REVENUE PROGRAMS ARE WORTH IT

ASSOCIATION SUCCESS.ORG

By Kelly Turner

When it comes to non-dues sources of revenue, not all are worth the time, energy and effort. Organization leaders need to understand the total value of the revenue source, which means more than the return on investment; it also means looking at how much mission impact is perceived to be achieved by board members, staff, and members.

So, how can you measure the revenue source's total value?

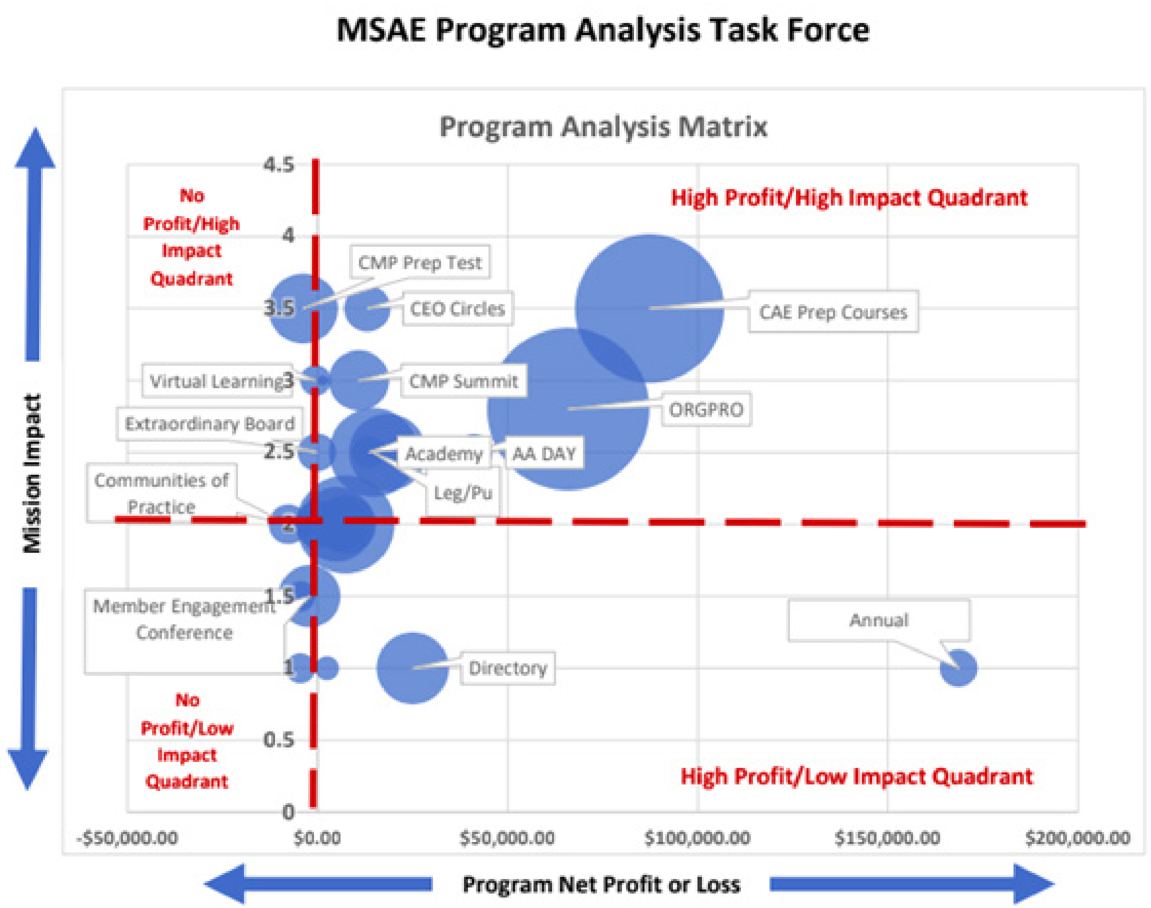
## MEASURING IMPACT ON MISSION

When I first started at Michigan Society of Association Executives (MSAE), we took some time to put together a matrix to break down our programs and services into four quadrants. Looking at each program through the matrix lens **allows organization leaders to get a sense of how much revenue is generated, the amount of risk undertaken by the organization and the degree of mission impact for each program and service.**

There are many books that discuss the same principle. However, I used "Nonprofit Sustainability: Making Strategic Decisions for Financial Viability," which walks through the steps and information necessary to create the matrix.

In order to construct the matrix, you need expense and revenue information. It is best to include staff time in the expenses for each program to get a true sense of the total cost. It is also necessary to have a mission impact measurement for each program. At MSAE, the impact on mission data was gathered through a survey that used Likert scales to assess each member's perception. There was also an option to not rate the program or service if they had no experience with it. This allowed us to keep the ranking clean so a program's weight was not lowered from people who had not attended or experienced it answering the survey.

# MEASURING THE VALUE OF EACH NON-DUES SOURCE OF REVENUE




## How to Read the Matrix

The Matrix Map is a model that visually shows how each business line contributes to the business model of the association.

The X-axis represents net profit or loss for each program while the Y-axis plots the mission impact* rating of each program.

The size of the circle represents the relative financial expense for the association and includes staff time expenses but does not include indirect costs such as mortgage, electricity, etc.

As more responses are gathered, some programs may shift on the matrix map.

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*The mission impact rating was derived by using the Survey Monkey tool to gather the impact rating from 107 randomly selected members across each membership category and 6 CEO Circle members between November 19, 2018 and November 26, 2018. To date, 17 members have responded to the survey. Efforts will continue to gather more input from a larger percentage of members.

The matrix itself consists of four quadrants. Programs that fell into the lower left quadrant had low or no profit to the organization and a low impact on mission. Therefore, these programs don't carry a lot of weight with members, and the organization money by providing them. The organization **should discontinue or divest** from these programs and services because they drain resources without providing mission value.

The lower right quadrant, on the other hand, shows the highly profitable but low impact programs. The lower right quadrant is referred to as the money quadrant and shows programs or services that don't have a high mission impact but bring in a lot of revenue. This includes, for example, programs like a directory, which provide advertising revenue. This quadrant is also where sponsorships fall because there isn't a high impact directly on the mission despite the high financial source for the organization. These in the lower right quadrant programs are important because the revenue **can add to mission impact** by subsidizing other programs.

The upper left quadrant is known as the heart quadrant, and it shows programs and services with a high mission impact but which barely break even or lose money for the organization. Programs here are those that members really love but are either hard to monetize or too expensive to get a good return on investment. Examples include community service projects that directly impact the organization's mission.

Lastly, the upper right quadrant has high mission value coupled with high income. Programs that appear here are usually items such as educational courses or annual meetings in which members get really excited about attending and are willing and able to pay for them.

At any point in time, when we look at non-dues revenue, it's effective to put programs and services into this kind of matrix because some non-dues revenues don't bring in enough money to cover the expense, but the program or service helps the organization achieve its mission.

Some programs and services may seem like they bring in a little bit of money, but **after analysis, in reality, the program is taking valuable staff time away from the focus of the mission.** Organization leaders can use the matrix model to determine which programs and services move the organization forward.

# FROM **THE CHAT**

"To avoid sponsors doing "commercials", explain they will engage more members by EDUCATING, not SELLING."

***- Bruce Rosenthal -***

"Innovation and experimentation are encouraged; but spending months, years, and tens of thousands of dollars on projects without evaluating the market or considering ROI is foolish. But I've seen it done regularly."

***- Holly Wells -***

"Influencing people by providing content (business) and treating them as equals is a very powerful partnership (associations)."

***- Julie Stelter -***

# 06

# NICKEL AND DIMING YOUR WAY TO A RAISE

By Jeff Curwen

Association work can be rewarding in a number of ways—professionally, socially, intellectually, and even monetarily.  That last one is a bit rarer, especially if you're in a small to mid-sized association and if you're not either in the latter stages of your career. But it can happen, and you can do something to speed it along.

It's important to remember that your boss most likely wants to pay you better, but they face constraints in doing so. Most import among them are two factors: **merit and money**. You either deserve a raise or you don't. If you do, there's either money for it or there isn't. But you're not entirely helpless in influencing your employer's compensation decisions. In fact, many of the variables that people think are beyond their control actually aren't. If you're trying to get a raise—or more accurately, you're not succeeding in getting one—then you have to change the way your employer views you through the lenses of merit and money.

First, let's look at merit. Our work revolves around our members, so it reasonably follows that most of us have a strong customer service ethos. With that comes the tendency to defer praise and share credit. These traits are great for team building, but you aren't paid as a team. Blending into the crowd just makes it more difficult for management to see how much great work you're doing.

In a very broad sense, you have to ask yourself if what you're doing is worth more money. Does it move the association forward in its mission? Is it distinguishable from your peers' work? If so, **you have to own it.**  Don't get me wrong, I'm not telling you to brag—just be proud of your good work and remind management of it.

Let's say there's a subset of membership that your association has trouble retaining, but you figured out a way to reverse that trend. When it works, you need to resist the urge to say "it was a team effort." Your boss will be grateful that the retention numbers are up, but you'll get much farther **if you solidify in their mind your contributions.** Try something along the lines of "I saw this trend we've been struggling with and after giving it a lot of thought, I came up with this idea. Jane and I tested it and found positive results. If the whole team gives it a shot, I think overall retention will increase." When you put it this way, you include your team in your successes; but you leave no doubt that the idea originated with you and you're the one that implemented it.

Once you've established this, your next step is helping find the resources for your raise. Ideally, your work will directly increase revenues. If that's the case, it's easy to demonstrate that your total compensation should reflect a reasonable portion of the revenues you created. If that isn't clear though, you're not out of options. Many association staffers think that they don't have any influence on the budget. This is simply not true. **You influence the budget every day.** Your decisions increase or decrease the cost of doing business. They're not all substantial impacts, but they add up.

As association professionals, we find cheaper ways to do things, then we do them better than they were done before. The trick is **tracking those little savings** and then **illustrating their connection to your work**. Your boss notices when operating costs go down and they're especially interested when it happens over successive months. It's easy for them to chalk it up to collective improvements, but not if you're gently reminding them who's responsible. If you consistently find savings in your department, include that in your pitch at review time.

If you're the irreplaceable part of your association's increasingly cost-efficient machine, you can nickel and dime your way to a raise. You won't overshadow your team by doing so, but it will differentiate you as its most valuable component. You advocate for your members every day; but **if you advocate for yourself too, tangible rewards will soon follow.**

# 07

## HOW CAN ASSOCIATIONS PROVIDE ROI VALUE TO THEIR CORPORATE PARTNERS?

By Bruce Rosenthal

Many association sponsorships are transactional – with low visibility and recognition, banner ads and logos placed on websites and podiums at conferences. These are of minimal value to many companies.

What sponsors and partners are really looking for is Return on Investment (ROI) value from associations. In fact, some companies are now increasing their sponsorship spending with associations that provide ROI and terminating sponsorships with associations that don't offer ROI.

What does ROI looks like? Well, it doesn't look the same for every partner. ROI varies depending on each company's business goals. Examples include: access to a certain demographic of the association's membership; making members aware of a new product or service; repositioning from a regional to a national company; knowledge leadership on topics of interest to members; and brand differentiation. Ultimately, it's often about increasing sales.

## HOW CAN ASSOCIATIONS PROVIDE ROI VALUE?

For starters, position corporate partners as knowledge leaders; these companies have a wealth of information about your members, their challenges, what they buy, and what their changing needs are. Companies are conducting Research and Development on the future needs of your members. Their customers are your members.

Here are five ways to position corporate partners as knowledge leaders:

01. **Invite your corporate partners to your office to do a briefing for your staff.** Membership, research, education, marketing and policy staff would all benefit from knowing what corporate partners know about your members.

02. **Similarly, invite your corporate partners to meet with your board and talk about strategy and major challenges affecting members**. This will be mutually beneficial to your partners and your organization.

03. **Publish or co-publish with your corporate partners research** based on the trends that your corporate partners are seeing in your industry, profession or trade.

04. **Encourage your CEO to meet with your corporate partners**, ideally at the corporate partners' office with their executive team.

05. **Set up a task force of your corporate partners and some of your members** to wrestle with the major issues affecting your members and your industry or profession.

The benefits to your association of this strategy are higher value corporate partnerships, which result in better recruitment and retention of corporate partners. Plus, there is the added benefit that your members are receiving this wealth of content produced for them.

The goal is for associations to move from **traditional transactional corporate sponsorship programs to transformational corporate partnership programs** with companies.

# 08

# FURTHER RESOURCES

During the live chat, speakers and attendees alike chipped in with their tips for further reading and resources about non-dues revenue. We've compiled them into a list here.

- Webinar: They unearth some important, not-so-obvious revenue generators to help your association reach its financial goals.
- Article: Content Can Be King When It Comes To Corporate Partnerships
- Matrix: A modified MacMillan Matrix is an extraordinarily valuable tool that was specifically designed to help nonprofits assess their programs in that light.
- Book: Nonprofit Sustainability: Making Strategic Decisions for Financial Viability Paperback by Jeanne Bell
- Matrix: Evaluate Member Programs to Determine What to Cut and What to Keep

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