

## Association Leadership 2020 Phase 2 Executive Summary

Association Leadership 2020 is a grassroots research project seeking to identify what the future CEO will look like and how we will find her. Phase 1 surveyed 600 association executives and volunteer leaders with the results highlighted in May 2014.

Phase 2 followed in August 2014 with three interconnected work streams of emerging leaders, current CEOs, and volunteer leaders who interpreted the results of the initial survey (Phase 1) research and re-imaged association leadership competencies to support a more diverse, connected and dynamic future. The following insights have emerged from the workstreams.

### Key Discussion Themes

#### Emerging Leaders

- Boards are becoming increasingly reliant on CEOs to provide strategic leadership and, accordingly, they are paying more attention to their development and succession. This is uncharted territory for many groups and places new demands on relationships, norms, policies, and practices that support the current way of doing things. This also adds a new dynamic to roles and increases the importance of models, training, and communication to achieve clarity and understanding.
- Associations lack developed frameworks, practices, and tools for identifying and developing future CEOs; this is complicated by the fact that the vast majority of associations are very small (by corporate standards), may not have staff with the requisite potential and that the marketplace is opaque, and development tends to be siloed within each organization.

- The future holds potential for substantial disruption of traditional revenue streams and value propositions (outside of relationships and other more difficult to replicate/monetize activities).

#### Volunteer Leadership

- Expectations for CEOs are changing. Once considered by elected leaders as “the implementers,” at least in progressive organizations, they are expected to become full strategic partners – able to assess and communicate trends, understand and articulate the impact on members and constituents, motivate boards to discuss and respond, and suggest innovative strategies. Critical competencies include scanning, communication, and business planning. CEO perspective (regardless of association geography) is becoming increasingly international. They also scan the environment for events in other sectors that may prove “disruptive” for their industries and professions.

#### Principals

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#### Advisory Group

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#### Volunteer Leadership

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#### Emerging Leaders

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## Volunteer Leadership Continued

- The future holds potential for substantial disruption of traditional revenue streams and value propositions (outside of relationships and other more difficult to replicate/monetize activities). CEOs are expected to help facilitate with elected leadership the tough strategic choices (using Michael Porter's model) of what the association will and will not do. The CEO will have the courage and political acumen to lead this strategy through both volunteer and staff structures.
- This is uncharted territory for many groups and places new demands on relationships, norms, policies, and practices that support the current way of doing things.
- CEOs are expected to navigate the larger world that volunteers and staff cannot. This includes the virtual crossing of geographic, cultural, technological, and generational boundaries. In particular, they need to be comfortable with how technology is transforming all business sectors.
- Talent management and development is co-equal with strategy as a key responsibility and competency. One of the main responsibilities for CEOs is the development of their team, themselves, and their volunteers. Boards are paying more attention to CEO development and succession. Associations lack developed frameworks, practices, and tools for identifying and developing future CEOs; this is complicated by the fact that the vast majority of associations are very small (by corporate standards), may not have staff with the requisite potential, and that the marketplace is opaque and development tends to be siloed within each organization.

## CEOs

- The future CEO is expected to be relevant in the context of the organization, balancing technical/business, political astuteness, and human capital

- management to successfully help shape and execute strategies in a changing environment. Whether or not "competency" is the best term is ripe for debate as is the degree to which skills trump "cultural fit" (noting that a CEO's tenure can be association with demonstrable business and mission success but be underappreciated by the elected leadership). Validating foundational research, the group proposed that business acumen will continue to remain a critical competency, while "patterned" leadership may give way to "fluidity" along with a greater emphasis on outcomes and deliverables (versus strategy). Also noted is the potential for the CEO to evolve from merely being "politically astute" to being a "politically aware" change agent.
- It is believed that societal shifts related to work-life integration, entrepreneurialism, team versus individual work practices, shortening attention spans, and distrust of institutions will drive change in expectations of and demands on future CEOs. Perhaps even more so than their corporate counterparts, association executives will be challenged to align the needs of diverse stakeholders with the mission and business and to act quickly to ensure relevance. The possibility of organizational underperformance/failure due to governance inertia was also noted as a major new risk factor that future CEOs will need to mitigate.
  - Despite the oft stated belief that the future for associations and their members and stakeholders will be more volatile, uncertain, complex and ambiguous, there is some skepticism that the CEO position and its fundamental character and complexity will change greatly. For example, will there be a "correction" to the current frenetic pace of work, and will the marketplace gradually adapt in an organic way to produce the executives it needs?

## Additional input was gathered from digitalNow (May 2015) CEOs and emerging leaders (plenary session and executive roundtables)

- There is emerging evidence of boards (both trade and professional) looking for CEO candidates who can set the organization's vision (as opposed to managing execution or serving as an "equal partner" with them in strategy work). While this is not a large sample it bears monitoring.
- The future CEO will need to be an entrepreneur (in the fullest sense of the word) with business acumen and passion for the profession/trade/cause.
- Sitting CEOs must increase internal understanding and engagement by broadening the strategic conversation to staff and other key internal stakeholders. This supports performance as well as growth and development of future leaders.
- Core values must align with the culture throughout the organization.
- The CEO must support and encourage development and bold, informed risk taking.
- The U.S. Department of Labor has some new resources that may provide additional insight to future CEO competencies: [www.careeronestop.org/CompetencyModel](http://www.careeronestop.org/CompetencyModel).

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## What breakthrough would you like to see as a result of the Association Leadership 2020 research?

- Better definition of the role of the Board and CEO
- A new business model for associations (not just the CEO)
- An effective means of sharing research with boards and volunteer leaders (e.g. digital channels including but not limited to webinars)
- Paid talent (e.g. former CEOs) contributing in volunteer roles such as public board members
- A redesign of association governance model for 21st century

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## Next Steps (2015/16):

The following areas are being pursued by the team and advisors.

- Based on the findings/issues outlined from the Phase two (2) summarized above, we will work with our advisory group to identify relevant issues and how to address them. Some of these may feed into the broader research project.
- A common theme (Phase 2) from all 3 work streams is that the accelerating pace of change, global inter-connectivity, social collaboration, and digital transformation of value creation is driving a need to better understand what models will need to be created or redefined to enable the future leadership team (CEO and elected leaders) to remain relevant in a changing future. The Association Leadership 2020 team will be preparing a brief to engage potential research thought-leaders for further exploration.