



## *Summary Report*

# **2009 STRATEGIC PLANNING CONFERENCE**

**February 10 - 11, 2009  
Orlando, Florida**

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## **LIST OF PARTICIPANTS**

### **AMC Institute Board of Directors**

John Francis, President

Steve Drake, President-Elect

John Dee, Vice President

Francine Butler, Treasurer/Secretary

Robert Waller, Immediate Past President

Susan Cabrera

Richard Cristol

Richard Green

Jay Hauck

Michael LoBue

Jaime Nolan

Gregg Talley

George Valenzuela

### **AMC Institute Headquarters**

Taylor Fernley, Management Liaison

Andrea Bower, Executive Director

Jennifer Miller, Associate Director

Vince Powers, Marketing Consultant

## **REVIEW OF PAST PLANNING CYCLE**

Participants evaluated progress and lessons learned from implementation of its 2006 strategic plan, and reviewed results of a recently conducted membership survey.

### **PROGRESS & LESSONS LEARNED SINCE 2006**

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1. Keys to success have been maintaining focus on highest priorities, measuring results and providing adequate resources to implement strategies.
2. Internal work has been a priority and resulted in establishment of a solid organizational structure and processes as well as growth in membership engagement.
3. There is still no consensus on the definition and value of AMCI's "international presence."
4. AMC's are doing more marketing which aids and reinforces the Institute's efforts.
5. The cooperative relationship with ASAE and agreement to consolidate accreditation into one program has been beneficial.
6. The growth of the internet has boosted progress.
7. The Institute met its Accreditation goals, but the purpose of the program has not been clearly defined or understood (i.e. Does it stand for higher quality, or a commitment to high process standards, or compliance with minimum standards?)
8. A grievance procedure for clients has been established.
9. Efforts to market the value of accreditation are just beginning.
10. We learned the value of staff who know the industry, can help lead the organization, and connect all of the key organizations and individuals. Currently, we are heavily reliant on volunteers; need to develop alignment between staffing needs and available budget.

## **ASSESSMENT OF CURRENT SITUATION**

Participants assessed various aspects of AMCI's current status and operational functions in order to establish a common foundation for planning.

### **CORE PURPOSE**

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Participants reviewed the stated Mission of AMCI which is "to advance the business interests of member association management companies and the AMC industry." Business interests were defined as:

- Profitability of AMC members
- Ability to grow / develop new business for AMC members
- Improving quality client services of AMC member and accredited firms to enhance the AMC industry image

Promotion of the AMC model was discussed and defined as eliminating the perception of AMC's as a "low-cost alternative" to independent management, and building an image of AMC's as respected managers and thought leaders in the association community.

The **Core Purpose** of AMCI was stated as:

- Enhancing the professional service level of AMCI members through education and promotion of best practices, including accreditation; and
- Expanding market opportunities and profitability for AMCI members.

Core Strategies for accomplishing this purpose are:

1. Defining and promoting best practice standards
2. Marketing the value of the AMC business model
3. Offering the best business knowledge and resources
4. Leveraging collective economic power for member benefit

### **MEMBERSHIP PROFILE AND POTENTIAL**

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#### **WHO ARE WE NOW?**

1. Currently, membership is open to companies that meet minimum eligibility standards and serve 2 or more association clients.
2. Staff size is the most commonly used differentiating factor among member companies and current membership breaks down roughly as follows:
  - 71% Small (14 or fewer staff)
  - 16% Medium (16 – 30 staff)
  - 7% Large (31 – 50 staff)
  - 9% Extra-Large (51 or more staff)
3. Approx. 93% of current members are U.S.-based, with 6.8% international.

4. Approx. 66% of member clients are 501 (c)(6) organizations. Approx. 30% are (c)(3) organizations, and the balance are donor organizations or others.
5. Approx. one-third (34.6%) of the current membership is accredited. Another 11% are in the pipeline.”
6. Although members primarily offer full-service management, there has been growth in providing specific outsourced services.
7. Currently, there are 73 Associate members. Generally, growth in this category mirrors growth trends in regular membership. Associate members join AMCI for access to their market.

### **WHO COULD WE BE? (Potential changes to membership criteria)**

1. No change – Status Quo
2. AMCI-accredited firms only
3. All AMC’s – no eligibility requirements
4. Hybrid – distinct classes of membership with distinct services/benefits
5. Open membership to consultants who offer limited management services
6. Open membership to associations that offer management services
7. Defined geographic scope (e.g. U.S. only; North American; Global)

### **FINANCES**

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1. AMCI is in generally good health financially, historically generating a modest operational surplus.
2. Reserves are approx. \$300,000, equaling about 6 months’ operating expense.
3. Dues account for approx. 60% of total revenue.
4. Overhead costs equal approx. 50% of total expense.
5. In the past 2 years, spending has increased for marketing of the AMC model and accreditation.

## **PRE-PLANNING ISSUES**

Based on the foregoing assessment and survey input, participants identified several issues that required resolution before they could effectively plan for the future.

### **I. GEOGRAPHIC SCOPE**

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**ISSUE:** Should AMCI devote “significant resources” to development at the international level?

**KEY CONSIDERATIONS:**

- AMCI has limited financial and human resources (not enough funding or international knowledge at this point to be an effective global organization.)
- This has been a perennial question for AMCI and needs resolution so we can move on.
- As a practical matter, most benefits are restricted to U.S. members (e.g. accreditation, market expansion, etc.)
- AMCI is not strategically positioned to effectively, fully serve the international AMC community.
- Interaction and communications between U.S. and international AMC’s offers mutual benefit, but is not of indispensable value to either.
- The universe of potential true AMC international members is small

**STATEMENT OF AMCI POLICY ON GEOGRAPHIC SCOPE**

By consensus, the group adopted the following policy:

AMCI is a U.S. centric trade association that welcomes international members.

1. AMCI will continue to welcome the membership and participation of international AMC’s and to offer a reduced dues category to reflect its limited accessibility and value to them.
2. AMCI will focus on the U.S. industry and U.S.-based companies.
3. AMCI will consider undertaking international activity that supports the Institute’s core purpose and strategies if a business case can be made for it.

## II. MEMBERSHIP ELIGIBILITY

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**ISSUE:** Should AMCI require accreditation for full membership, with a provisional category for non-accredited companies?

CASE FOR...	CASE AGAINST...
<ul style="list-style-type: none"> <li>• “Raises the bar” by establishing minimum standards.</li> </ul>	<ul style="list-style-type: none"> <li>• Accreditation does not guarantee quality.</li> </ul>
<ul style="list-style-type: none"> <li>• Provides baseline for branding AMC’s.</li> </ul>	<ul style="list-style-type: none"> <li>• AMCI membership improves quality; members have a stake in improving all AMC’s.</li> </ul>
<ul style="list-style-type: none"> <li>• Marketing efficiency – simplifies message and saves money by marketing both the AMC model and accreditation.</li> </ul>	<ul style="list-style-type: none"> <li>• Splits industry and confuses marketplace.</li> </ul>
<ul style="list-style-type: none"> <li>• Accredited members want more value from accreditation (marketing.)</li> </ul>	<ul style="list-style-type: none"> <li>• The value of accreditation is reduced if everyone has it.</li> </ul>
	<ul style="list-style-type: none"> <li>• AMCI would no longer represent the entire AMC industry.</li> </ul>
	<ul style="list-style-type: none"> <li>• The cost of membership would increase.</li> </ul>

**OTHER POSSIBLE CONSEQUENCES:**

- Separate organizations might develop for accredited AMC’s and for the industry generally, or non-accredited AMC’s might return to ASAE for services.
- AMCI will lose dues revenue.

**STATEMENT OF AMCI POLICY ON MEMBERSHIP ELIGIBILITY**

By consensus, the group adopted the following policy:

**AMCI’s Strategic Intent**

Expand AMCI’s emphasis on accreditation to the marketplace by ...

- a) Increasing funding to market accreditation to the association community ... and ...
  - b) Enhancing value to accredited AMCs.
1. AMCI will continue its current membership eligibility requirements and classifications.
  2. AMCI will add value for accredited members by:
    - Offering some educational programs exclusively for accredited members
    - Allocating the same percentage of the overall marketing budget for accreditation as the percentage of dues revenue generated by accredited members
    - Giving associations the option of sending RFPs only to accredited AMCs.
    - Affording accredited members the opportunity to meet to discuss services

### III. STAFF – VOLUNTEER ROLES AND RESPONSIBILITIES

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**ISSUE:** How can AMCI most effectively utilize staff and volunteer time and talent within budget constraints?

**PROBLEMS:**

- AMCI is currently exceeding contracted staff hours
- Volunteers are assuming staff work in addition to leadership responsibilities

**ACTION PLAN**

<i><b>ACTION</b></i>	<i><b>RESPONSIBILITY</b></i>	<i><b>TIMELINE</b></i>	<i><b>RESOURCES</b></i>
<ul style="list-style-type: none"> <li>• Examine the current allocation of staff time &amp; evaluate assigned responsibilities</li> <li>• Evaluate technology / tools to determine if they are adequate</li> <li>• Clarify lines of communication between Staff, Board, Committees &amp; Task Forces</li> <li>• Evaluate processes and infrastructure (Board, Committees, Task Forces &amp; Staff) and recommend streamlining where possible</li> <li>• Define roles and responsibilities of staff and volunteers and communicate them (orientation program?)</li> <li>• Review the management contract and adjust as needed</li> </ul>	<i>Ad Hoc Task Group:</i> Taylor Fernley Andrea Bower New EVP Rick Cristol Bob Waller Francine Butler	Report and Recommendations to Board at May 2009 meeting	Input from Committees and Task Forces

## **ASSESSMENT OF THE FUTURE**

Participants identified and considered trends and developments likely to impact the future of AMCI and the industry in the coming 2 – 3 years.

### **ASSUMPTIONS ABOUT THE FUTURE**

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1. Volunteerism will continue to decline. Volunteers will expect their time to be used well and to yield value to themselves and the organization.
2. Economic pressures will cause continued consolidation and shrinking membership bases among associations. A concomitant decline in dues and sponsorship revenues, whether actual or feared, will impact association decisions.
3. Associations and AMC's must adapt to new technologies, including social media, or suffer negative consequences such as loss of younger members.
4. The cost of keeping up with technology (equipment and training) will increase.
5. Meaning/social responsibility will matter more to association members and staff.
6. Recruiting and retaining younger members will challenge associations and staff.
7. The impending retirement of many "baby boomer" executives will create opportunities for AMC's and a more competitive management environment.
8. Until the economy rebounds, travel and meeting expenses may be cut.
9. Flexibility will be required to adapt to the changing environment; we have to expect the unexpected.
10. Health insurance reform is likely, but costs may not decrease as a result.
11. Members and staff will place a premium on balancing work and personal lives.
12. Communication overload and increasing competition for attention will continue to be a challenge.
13. Time management will be a priority to prevent being overwhelmed by communications / information.
14. The trend toward globalization will continue.
15. Cultural and ethnic diversity will grow.
16. Managing generational differences, particularly the ability to get 4 generations to work together effectively, will be a challenge.
17. There will be expanded outsourcing opportunities for AMC's.

### **DESCRIPTION OF LONG-TERM SUCCESS**

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Based on prior analysis and discussion, participants described what a successful AMC Institute would look like three years into the future, or by the year 2012:

1. AMCI leaders will be on the leading edge by constantly scanning the environment and assessing important trends and developments including technology.
2. AMCI will have a minimum of 175 active members, 75% of whom will be accredited.
3. AMCI will be the indispensable resource for members and potential AMC clients for AMC-related information and access to AMC services (e.g. RFP program.)
4. Potential clients who contact the Institute will be better educated about AMC's, resulting in higher quality RFP's. The number of RFP's will double, and 50% of them will be directed to accredited firms.
5. ASAE will respect and support AMCI.
6. Educational programs will be expanded and accessible in all electronic formats.
7. AMCI will maintain a "ruthless," disciplined focus on its core purpose and strategic objectives.
8. AMCI will teach members how to increase profitability. Data tracking AMC profitability will indicate increased profit margins.
9. AMCI will leverage technology to maintain an effective, 2-way communications system / mechanism for members, Board, Task Forces, Committees and staff.
10. AMCI members' share of the market (TAM) will rise from the current 3% to at least 6%; at least 2,200 associations will be managed by AMC's.
11. Accreditation will be recognized in our market as holding distinctive, high value.
12. AMCI research will be an expanded, relevant resource for members.
13. AMCI will be data-driven – decisions will be based on reliable data.

# **STRATEGIC OBJECTIVES 2009 - 2011**

## **Who Are We?**

AMCI is a U.S. centric trade association that welcomes international members.

### **AMCI's Strategic Intent**

Expand AMCI's emphasis on accreditation to the marketplace. This includes enhancing value to accredited AMCs and increasing funding to market accreditation to the association community to a level at least equal to dues paid by accredited AMCs

### **STRATEGIC FOCUS #1: Market Expansion**

Expand business opportunities for AMCI members by effectively marketing the value of the AMC model and of accreditation.

### **STRATEGIC FOCUS #2: Best Practices**

Enhance the professional service level of all AMCI members through education and promotion of best practices including accreditation.

### **STRATEGIC OBJECTIVES IN PRIORITY ORDER**

1. The average number of association clients per AMCI member will grow from the current 10 to 13 per member. (14)
2. AMCI educational programs will meet the needs of accredited and more experienced members, as well as the needs of new, evolving firms. (13)
3. AMCI will offer a current (at least annual) scan of the AMC and Association environment gaining it recognition and respect as a "thought leader" in the industry. (7)
4. Significantly increase the quality and quantity of RFP's. (6)
5. Reduce AMCI staff hours to 4,800 per year. (3)
6. AMCI will increase representation and leverage its participation for member benefit in industry groups such as CIC organizations. (1)
7. Maintain or increase AMCI sponsorships. (0)
8. Collect and analyze data regarding AMC-managed organizations on a regular basis. (0)

### **SUGGESTED METRICS TO BE INCLUDED IN ACTION PLANS**

- Increase active AMCI membership to a minimum of 175 by 2012.
- 75% of active AMCI members will be accredited by 2012.

## **NEXT STEPS**

1. During the Annual Conference, Steve Drake will provide a brief strategic planning report, including announcement of policy decisions. Structural alignment with the Plan will also be discussed with Committees and Task Forces, and their input will be invited before any decisions are made. **[DONE]**
2. The facilitator will provide a draft Report of the planning conference to AMCI (Taylor Fernley & Andrea Bower) by February 25, 2009. A template for action planning will also be provided. **[DONE]**
3. The Report will be distributed to participants for review, and a final draft prepared. **[DONE]**
4. The Executive Committee will assign the appropriate Committees or Task Forces the task of drafting action plans for priority objectives to be submitted for review and approval by the Board at its May 2009 meeting.
5. Action plans will be factored into the 2010 budget.
6. A summary of the Planning Report will be made available to members.