A HANDBOOK FOR IMPROVING ASSOCIATIONS

Guidelines and Tools

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ABBREVIATIONS AND ACRONYMS

AD	Association Development
BPI	Business Plus Initiative Project
KPIs	Key Performance Indicators
SME	Small and medium enterprises
SWOT	Strengths, Weaknesses, Opportunities and Threats
USAID	United States Agency for International Development

TABLE OF CONTENT

SECTION I: OVERVIEW & INTRODUCTION

1.1 THE PURPOSE OF THE GUIDELINES AND TOOLS

Business or professional associations are important for modern economies. Although their origins are the craftsmen guilds that existed hundreds of years ago, modern business associations came into being in the 20th century. They are characterized by being legal, membership-based, democratic bodies that strive for the betterment of their members by enhancing their know-how and supporting the introduction of changes leading to stronger industries and professions. A famous French aristocrat and philosopher Alexis De Tocqueville who had spent considerable time in the USA, observed that whenever there is a new undertaking in the USA there is sure to be an association behind it. Business associations in emerging markets and developing countries are also playing a fundamental role in strengthening industries and professions and lobbying for the removal of business barriers to make economies more competitive.

Experiences of development professionals show that in many emerging markets, including *Mongoli*a, associations struggle to maintain sustainability not through lack of financial resources but rather due to the lack of viable and marketable services to members, as well as through difficulties including weak governance and ineffective management. This leads to member dissatisfaction and reduces the growth and potential of associations. Moreover, even well run associations in any part of the world continually seek ways to improve to adapt to changes within and outside their organizations.

This **Institutional Strengthening Handbook** is produced by the USAID BPI Project for use by management consultants in Mongolia. Its purpose is to provide local business consultants with instructions on a standard method leading to the identification of performance issues/gaps, improvement opportunities, and the development of strategic action plans for achieving enhanced performance amongst associations and organizations.

Seven core or strategic areas essential to organizational strengthening are highlighted for assessment, evaluation and inclusion in action planning. These are touched upon in following sections.

This Handbook offers **guidelines, tools, checklists and reporting templates** to be used at each step of the process.

Included *Checklists* are critical to provide examples of key and leading questions to be used in situational analysis. The analysis, planning and reporting *Tools* range from simple analytical models to a PC-based reporting tool for logging association data and observing trends.

The tools and checklists are applied to analyzing a simplified association model, the ‘Ger AD Model’ as described in the following subsection(s).

The output of the analysis is used to develop **Strategic Action Plans**, which address all the areas considered. The strategic action plan is a final product and improvement tool in itself, used to plan and implement actions, and review progress in reaching organizational goals.

Though the tools and templates help the consultant in the improvement process, there is no substitute to the skills and experience of the consultant in the interpretation and application of information and data applied. Thus, it is assumed that the user of this handbook has knowledge and experience of management consulting and is familiar with the ideas presented herein.

1.2 THE 'GER AD' MODEL OF DEVELOPMENT

Institutional strengthening of organizations including associations can only be attained via a holistic approach to improvement. As indicated earlier, Handbook users have access to a significant range of guidelines, tools, checklists, and templates.

The most important among these for local business consultants is the **Strategic Action Plan**.

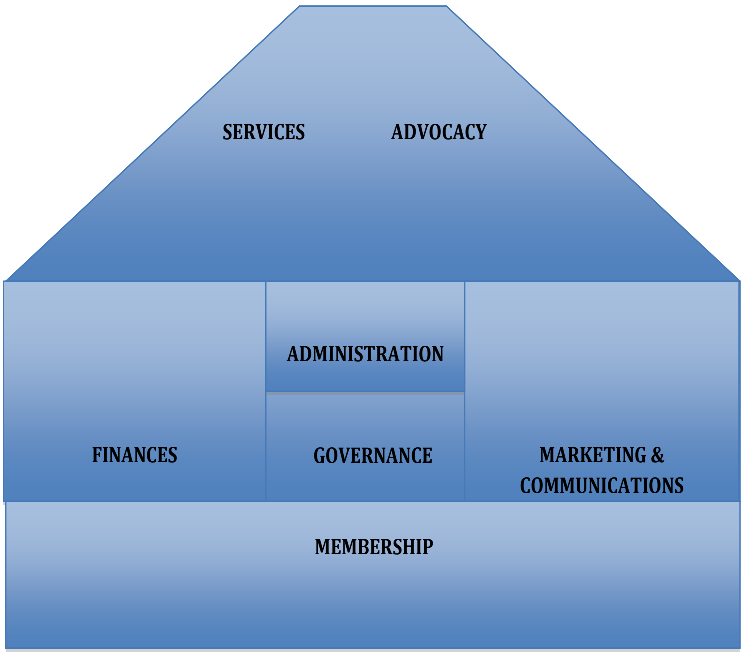
Looking at strategy provides answers to key questions such as:

i. Where does the association want to go and what goals does it hope to achieve?
ii. Where is association now in terms of level of success and sophistication?
iii. How will the organization achieve what it sets out to do?

Strategy is multi-faceted. Consultants advising associations can apply a recognizable framework (i.e. '**Ger AD model'**) in Mongolia, which portrays 7 areas fundamental to strategy assessment, development and success.

Without properly accounting for each of these complementary areas, the framework or model is incomplete.

What does the Ger AD Model truly reflect?



Simply put, the Ger AD Model represents the framework, or overarching goals and corresponding strategies of an association.

In associations, there is traditionally an aim to achieve key results such as membership growth and services. These are considered under the area titled **Membership.**

The processes made distinct in this model are **Finance**, **Marketing & Communications**, **Service Delivery** and **Advocacy**. Any remaining processes are considered under the heading **Organization**, which includes governance, leadership and general management, and administration.

The last of the 7 areas are **Stakeholders**. Stakeholders are not seen on this diagram above, as are an external resource which a good association can apply to help it achieve goals.

Each of these given areas are highlighted in greater detail in the following Section 2, along with a standardized approach to strategic area assessment, implementing strategy incorporating each of the activity areas, and monitoring results.

7 STRATEGIC AREAS AND THEIR IMPORTANCE

1. **Membership**. Members are the foundation of an association, without which it has no legitimacy or reason to exist. This area largely represents the overall strategy for association development, and the results achieved. The over-arching strategy of a successful association is member-driven, and leads to a strong membership base. Furthermore, members themselves are a resource upon which the association can draw in the implementation of its activities.

2. **Organization.** This area covers governance, leadership and administration. It looks at the processes, procedures, people resources and technology applied by the association in the management of its activities. It focuses on all support processes except for marketing and finance, which are covered separately given their importance. Successful associations are effectively led, efficiently managed and governed in ways that promote transparency and earn the members' full trust in the organization's officers and staff.

3. **Marketing & Communications.** This is one of the most important strategic action areas. Marketing resources and processes are applied to manage the marketing mix and achieve membership goals in terms of market penetration and provision of services with needed benefits. It aims to identify service benefits for target markets, provides market input on pricing, determines effective ways for distribution, and develops targeted methods of promotion & communications.

4. **Finance.** Most of an association's activities are linked to finances in one way or another. A financially sustainable association manages its finances in a way to balance incomes and costs whilst generating a surplus for reinvestment in member activities. This area is primarily concerned with financial resources and processes in place to ensure that targeted financial results are achieved.

5. **Services.** The delivery of member services that meet or exceed expectations ensures member retention and membership growth. Whereas marketing is focused on identifying the types of needed services, their promotion and distribution, the Services area focuses on service delivery processes. If the analogy is made with manufacturing, this is the production side of the association's business combined with the sales side. Pure marketing does not widen the base of satisfied members though it helps the cause; however, effective and efficient services do. This is a crucial area because no matter how good the marketing, if the delivery mechanisms fail, members will be disappointed and goals will not be met. This area is primarily concerned with the resources and processes and results for members.

6. **Advocacy**. Though some might argue that advocacy is also a member service, it is unique in many ways. Advocacy is about engaging with government and public sector bodies for the purpose of changing laws, regulations, and policies that obstruct association member goals. When associations advocate, they do so for a cause that unites members. Some member services can be sourced from alternative providers, i.e. training can be provided by an array of outside parties. With advocacy it is different. Advocacy is not an outsourced service. Effective advocacy requires the engagement of members to fight for their cause.

7. **Stakeholders**. Although listed last, stakeholders are a crucial area for associations. Stakeholders are influential individuals, experts and organizations external to an association. Modern associations cannot function effectively without working with allies and coalitions that help them achieve their goals. Therefore effective stakeholder identification and engagement is strategic. Stakeholders also engage for a purpose and have separate objectives that need to be satisfied on a quid pro quo basis. Therefore, this area is concerned with external people and organizational resources that can be organized by the association.

1.3 STEPS FOR ASSESSING, EVALUATING AND IMPROVING STRATEGIC AREAS

The ‘Ger AD’ model lays out seven strategic areas essential to a functional and effective association. As consultants, it is necessary to assess and address considerations constituting each of these areas within the organization. This requires looking independently within each of the seven areas at (i) strategy, (ii) resources, (iii) processes and (iv) results. Simply put:

- Resources are the people, funding and assets (such as technologies) that are applied for the achievement of goals.
- Processes and projects are systematically planned actions that are carried out to implement the strategies. They involve the application of resources.
- Results are the outcomes of strategies. If strategies are successful results are the achievement of the prescribed goals. If strategies are unsuccessful and there is underperformance, this is reflected in gaps between the results and the goals.

The method described hereunder involves an analysis of an existing situation (“situational analysis”), which is an examination of goals, strategies and results, and determination of the causes for any performance gaps/issues arising.

Situational analysis determines whether performance gaps are the result of incorrect or unrealistic goals, poor strategies, or ineffective resources and processes, or a combination of all of the above.

Situational analysis is converted into new strategies, with new goals for improvement, and a new action plan directing the association and its activities.

Further details about the improvement process are described in the following section and elaborated in Section 2.

Step 1: Situational analysis and improvement objective setting

A situational analysis is carried out for each strategic area 1 -7 described above.

The input for the analysis is information and data provided by the association. The output of the analysis is:

- The performance gaps, obtained by comparing intentions versus achievements. For example, membership growth targets with actual achievement, or services delivered (quantity, quality) compared with that achieved;
- Causes of performance gaps. The reasons for underperformance, obtained from analysis and determination of the root causes;
- Actions for improvement, to reverse the cause and achieve a positive effect, and;
- Objectives for improvement

Each strategic area is analyzed with the help of an area-specific checklist consisting of important questions and guidelines for issues that should be explored by the consultant.

In addition to the checklist, each of the 7 strategic areas have tools that can be used to assist in situational analysis.

Section 2 of the Handbook, and specifically subsections 2.1 – 2.7, include strategic area checklists and tools, with instructions on how to use the tools.

Additionally, each strategic area includes a ***Diagnostics Summary Sheet***, meant to capture findings from the situational analysis undertaken. A SWOT analysis is updated as further knowledge is gained about the association and its challenges. The information, data, and analysis findings are set out in the diagnostic summary sheet, whereas the SWOT summarizes the key pluses and minuses identified during discussions with association stakeholders.

New area specific objectives and improvement actions are set out in a planning template described in Section 3.

Step 2: Integration of the improvement actions for areas 1 – 7 into a strategic action plan.

The output of situational analysis is a set of objectives and actions addressing issues addressed in each of the strategic areas.

This output is subsequently cascaded on integrated into a master plan that includes the actions for all strategic areas. The master plan for strategic actions will include:

Overarching goals will be devised for Membership achievement with Service delivery, Advocacy, Marketing & Communications, Financial, Organization, and Stakeholder strategies and specific objectives. Each of these strategic activities will have their own area-specific objectives, which drive actions in the area-specific plans.

To illustrate this: whereas the over-arching Membership goal may be to increase membership by 30% within the following 12 months, this goal will be linked to:

- Marketing & Communications objectives such as: All members to identify at least one prospective member within the next 3 months; Improved association brochure to be issued within next 3 months; and others
- Stakeholders: Collaborate with XYZ Foundation to promote membership to prospective members.

The other strategic area objectives should also align with the over-arching Membership goals.

The structure of the master strategic action plan is described in Section 3.

In assembling the separate strategic area actions into the master plan, the following checks must be carried out.

- Checking for consistency of the objectives set during area-specific situational analyses, see in Step 1
- Compatibility of actions, resources availability (people and funding) to cover all envisaged actions, and duplication of actions. Note, some actions will be common to different strategic areas though helping to achieve different objectives, and need only be included in the action plan once.

The final product is an action plan that indicates objectives, corresponding activities and task breakdowns. It also provides resources allocated to a given activity, outputs, start and end dates, performance indicators and identifies the person or function responsible for implementation.

Section 3 of the handbook provides further guidance on strategic action planning and includes a tool for integrating all of the actions into a single document.

Step 3: Implementation of monitoring and evaluation.

Although strategic action planning is a key output from the improvement process, the most important is the achievement of objectives.

Thus the strategic action plan becomes a tool and is a road-map to the achievement of objectives. It is important to periodically check the outputs against performance indicators, and to introduce any corrective actions necessary. Regular reporting is crucial and this handbook includes a software-based reporting tool that can be used to integrate management information on progress.

Furthermore, the overall improvement of the association can also be tracked through a self-evaluation internal benchmarking tool that provides a visual report on the association’s development. Visual reports of this type are a useful informational and motivational tool.

Section 4 provides further guidance on implementation monitoring & evaluation, and provides instruction on the use of select tools for this purpose.

1.4 WORKING WITH THE ASSOCIATION TO IMPLEMENT THE IMPROVEMENT PROCESS

The consultant's role

A consultant's role in the process described in section 1.3 is to act as advisor, mentor and facilitator to an association's management and membership. The consultant's task is to extract information and data, analyze it together with association representatives to help them reach conclusions on main issues, formulate new objectives and identify strategies and actions for association improvement.

Thus, the consultant's role is to lead discussions and ask the right questions to ensure a smooth and effective process. The checklists in the toolkit provide guidance on the line of investigation, and templates/tools can be effectively utilized to capture findings of such investigation. Participating association representatives should be encouraged to take note of the findings and carry out analyses under the consultant's guidance so that the association can feel "ownership" of the process.

So how should the work be organized?

Establish a working group

The consultant should request the association to establish a working group for the purpose of improvement and strategic action planning. Ideally this group should consist of board members, chief executive and association staff, and a few members of the association, ideally from any relevant special committees set up to deal with specific issues. A group in the region of 5-10 people is sufficient, as otherwise it will be difficult to hold efficient discussions.

Hold several workshops

The improvement process should be carried out over several working group sessions. It is unlikely that it would take less than about 3-4 meetings, each several hours long. Allow for sufficient intervals between each session for the collection of additional data and analysis. Again, utilization of tools, i.e. Checklists, will enable the group to focus from early stages.

Ensure the right people are present for each meeting

Though it may be impractical for all to attend each session, meetings with the consultant should at least include individuals with first-hand knowledge of the strategic area under consideration.

KEY TIPS on who should attend:

Membership and Organization: Board members, Chief Executive and staff, since discussions would revolve around the association's over-arching strategies for membership, as well as governance and management.

Marketing & Communications: Board members involved in this area; Marketing expert/staff, Chief Executive.

Services: Board members; Marketing expert, Chief Executive and/or responsible party.

Finances: Board members; Chief Executive; Finance staff incl. accountant or financial manager.

Advocacy: Board member involvement is essential and it is advisable to have representatives from membership, ideally from the advocacy committee, if such exists.

Stakeholders: Board of Directors; Chief Executive Communications and PR staff. If the association has a major stakeholder that is intimately involved in the association's development, it would be worth considering including the representative.

Hold meetings without disruption

Meetings should take place without disruption for best results. Solid progress is unlikely if there are constant disruptions that the chief executive and staff might need to deal with. If possible, organize the meeting outside the association's office.

Set up the venue for the workshop

It is good to have whiteboard, flipchart, PC and projector on hand to aid the investigation, assessment and planning process.

Complete each session with notes and conclusions, and set "homework" for the next session

Each session should end with something accomplished eg, completion of an area of analysis utilizing Checklists, Tools including Diagnostic Summary Sheets, etc. "Homework" or outside work should be agreed to in order to collect data for the next meeting or to complete some part of the work that was not finished during the working group session.

The final session

The final session is focused on the integration of all the elements of the analysis and the output strategic area actions into an overall strategic action plan.

Before completing the workshop the consultant should discuss implementation support and monitoring of results since the final product is just a tool for improvement and the starting point of the road map to improvement.

SECTION II: STRENGTHENING THE 7 STRATEGIC AREAS

Section 2 of the Handbook represents the crux of a standardized analytical approach with efforts to organizational assessment and assistance to strengthen or enhance operational effectiveness.

Introduced in section 1 was the need to think about an organization and its operations according to 7 fundamental or strategic areas. Together as a whole, these 7 areas represent the overall framework or strategy for the association.

The intent of Section 2 of this Handbook is to enable Users to begin to feel comfortable in working with associations, by asking the right questions, beginning to formulate and offer up insights, solutions and value-add to clients, and to utilize some proven tools that will help them throughout this process.

SECTION BREAKDOWN, PER STRATEGIC AREA (7)

- **1 Page Snapshot Overview**
  The one-page overview is meant to serve as an introduction to the listed strategic area, as well as provide the reader understanding as to the relevance of the area for an organization's overall development.

- **Area Checklist: Guiding the Process**
  Perhaps most beneficial to the User will be the given Checklists per strategic area provided; these Checklists are foreseen to serve as guiding principles and questions in performing situational analysis in each respective area.

- **Diagnostics Summary Sheet(s)**
  The summary sheets will allow the User to capture and document key findings, assessments and recommendations per strategic area as identified with the guiding Checklists presented.

- **Key Tool Identification and Description**
  Various area-specific tools generated and supplied to the User are described in detail, along with short explanations on effective usage.

2.1 STRATEGIC AREA 1: MEMBERSHIP

The area of **Membership** serves as an introduction to the main goals and strategies of an association and looks at the differences between what is planned versus achieved. It provides the Consultant with an overview and understanding of the association, and forms the basis for further exploration under remaining strategic areas.

Whereas each functional area will have its own specific goals and area-specific strategies, so should the Membership area. Membership goals should focus upon the association's desire to increase membership services and perception, thus adding or creating additional value within industry and/or profession. Goals for the association in relation to membership will likely include:

- Number of members relative to the size of a target market;
- Rate of membership growth year-on-year;
- Services provided and the benefits they bring;
- Financial sustainability.

For associations in emerging markets and developing countries, the timely achievement of financial sustainability is a key goal. Member fees must cover the costs of services and, in particular, the expenditure on developing core services expected by members as a return on their investment of paying fees and dedicating their time and effort to collaboration in a group.

Commence work with the association by discussing its key goals, the strategies for achieving them and the achievements to date. The following Checklist provides guidance on the types of leading questions to consider. Build upon this checklist by supplementing it with your questions because no checklist can be exhaustive and associations may have issues that are not covered by what is included herein.

Having identified gaps and discussed the possible underlying causes, complete the Membership Results diagnostic sheet, and summarize your initial findings of your analysis in the SWOT.

The SWOT is best prepared by distinguishing internal pluses and minuses (those that are largely under the association's managerial control) under the titles *Strengths & Weaknesses* and external (those that are largely outside the association's managerial control) under *Opportunities and Threats*. This is the first step in the analysis and you will refine your knowledge about the situation as you progress through the remaining strategic areas 2 – 7, updating the SWOT as you move through the strategic areas and learn about the association in greater detail. The Membership strategic area only requires the setting of new over-arching goals since the strategies/activities to achieve it are developed under the remaining strategic areas 2 – 7.

Note that some of the diagnostics sheet includes suggestions for possible causes in underperformance. These are given in *italic*s, *for your guidance*, to help you understand how to use the diagnostics templates. Again, they are not exhaustive and are only put there to develop the consultant's knowledge and awareness. As the user of this handbook gains experience, they will become unnecessary. You should rely on your own analysis of the situation and diagnostic skills to complete the diagnostic sheets.

MEMBERSHIP CHECKLIST

MEMBERSHIP GOALS

- *What is the association's mission and vision? Why do members join?*
- *What is the image the association aims to project to its members, stakeholders and society?*
- *When was it formed and under what circumstances? What were the key milestones in its development to date?*
- *What are its short, medium and long-term goals for developing membership? Does the association envisage any significant changes in their operating environment that would require change of strategy?*

In particular, discuss the following. At this stage, do not get into too much detail!

- ***Target members:** Who are the target members and why? What is the size of membership the association aims at?*
- *What is the potential size of the target market, and what proportion of it does the association aim to represent? What is the critical number of members for it to be a significant force for change and the development of its industry and profession?*
- ***Qualifications**: What are the qualification criteria for membership?*
- ***Structure:** What is the current size and structure of membership?*
- ***Membership growth:** What is the plan for membership growth? What is the potential size of membership?*
- ***Location:** From where will it draw its membership?*
- *Are there any plans for geographical expansion? What would this entail?*
- ***Services and Benefits?** What range of services does the association aim to deliver to its members? How do they relate to its mission and goals?*
- *What are the goals regarding **membership fees and dues**?*
- ***Communications**: What are the goals for effective communication with members? What are the goals for promoting the association?*
- ***Knowledge:** What objectives are there for strengthening member capacity in their trades and professions?*
- ***Public advocacy**: Are there any goals related to public advocacy, i.e. removal of barriers obstructing the development of the trade or profession?*
- ***Stakeholders**: What goals are there for development of relations with stakeholders?*
- ***Volunteerism**: What goals are set for encouraging and rewarding member volunteerism?*

MEMBERSHIP STRATEGY, PLANNING AND IMPLEMENTATION

- *What are the key strategies for developing membership?*
- *Is there a formal written action plan? Or are the strategies talked about but have never been formalized in a document? (obtain a copy of the plan)*
- *What is the plan for achieving its goals? Are the methods of implementation included in the plan?*
- *Is the **organization** structure of the association designed to achieve the goals?*
- *What **marketing & communications** strategies are applied to achieve goals? How are members' needs established? How are services distributed?*
- *What **service delivery strategies** are applied? What is done to ensure quality service delivery, and to monitor satisfaction levels?*
- *What **advocacy** strategies are applied?*
- *What **financial strategies** are applied? How does the association plan to resources for its activities? How will it fund them? What will be done to ensure long-term sustainability?*
- *How does the association work with **stakeholders** to achieve goals?*
- *Is the action the action plan used for the purpose of measuring achievement of membership goals? Are there any quality criteria for judging satisfactory achievement?*

ACHIEVEMENTS & GAPS

- *What has the association achieved to date in comparison with its plan?*
- *Where are the performance gaps? For example:*
- *What is the membership growth rate compared with the plan?*
- *Has membership structure and geographical location evolved as planned?*
- *Have services developed in accordance with the plan? Are they meeting expectations and delivering benefits?*
- *Are core member services sustainable when funded with member dues?*

CAUSES OF PERFORMANCE GAPS OR DEVIATIONS FROM PLAN

- *What are the underlying causes of any deviations or gaps resulting in under-performance? What are the key outcomes for members? What are the most likely strategic errors?*
- *Is the problem connected with goals, strategies, implementation, or a combination? Were goals unrealistic? Were the strategies wrong? Did something go wrong with implementation?*
- *Possible causes of or declining membership may include one or more of the following: poor marketing resulting in weak targeting of members, lack of understanding of needs, ineffective distribution etc; inadequate communications with target markets; poor service delivery resulting in member dissatisfaction; weak leadership and management for the planning and implementation of strategies; poor governance resulting in member mistrust of the association; insufficient funds to invest in membership development.*
- *Are there any external factors, outside the control of the association, which may have contributed to poor performance? For example, political, economic, social, technological, legal or environmental?*

DIAGNOSTICS SHEET AND ASSOCIATION SWOT

USE THIS FORMAT TO CREATE YOUR OWN DIAGNOSTIC SHEET.

Key goals (examples)	**Goal****	**Results to date**
No. of members		
Market penetration*		
Geographic penetration		
Membership growth member % year on year		
No. of core services		
No. of fee based services		
Coverage of core services by member dues		
Other (please specify)		
Other		

***Relative to potential size of market i.e. No. members/Size of target market;
**Where possible, goal should be stated as a measurable quantity and timeline for achievement

STRATEGIC AREA	**POTENTIAL CAUSES OF GAPS BETWEEN GOAL AND RESULT ACHIEVED***
Organization	*Weak governance leads to membership mistrust; Poor leadership and supervision of staff; Obscure goals and strategy; Organizational roles not clearly assigned to the functions of member acquisition and market penetration; Poorly trained staff; Poor use of modern technologies.*
Service delivery & Advocacy	*Poor planning; Functional responsibilities not clearly assigned (see Organization); Inadequate understanding of benefits expected; Service design not reflecting needs; No service delivery processes and standards in place; Weak feedback member mechanisms; Member satisfaction not measured for making improvements; Skills of association staff (see Organization); Wrong choice of service providers (eg trainers).*
Marketing & Communications	*No plan for membership acquisition; Functional responsibility for marketing not clearly assigned; No surveying of members needs and improper identification of service needs; Ineffective methods of distributing services; Poor pricing of services; Weak promotion of membership benefits; Ineffective processes for communication between association and members; Poorly trained*
Finance	*Lack of financial management skills; Poor understanding of costs structures and weak allocation of funding to processes; Asynchronous timing of incomes and expenditure due to poor planning; Poor management of collections of membership dues and fees; Ineffective procurement practices resulting in high costs of supplies;*
Stakeholders	*Poor stakeholder identification; Insufficient effort in developing stakeholder relations; No leveraging of stakeholder support;*

***If there is no relevant strategy as opposed to an existing but faulty one, this in itself may be a contributing factor to the performance gaps. The causes given in italics above are for the purpose of illustration. Be sure to enter what you believe to be the correct cause.

ASSOCIATION SWOT (initiate following first interviews about Membership and modify or expand as you move through the strategic areas 2 – 7).

STRENGTHS	WEAKNESSES
- *Membership has achieved about 25% of the target market in first 12 months of operation;* - *Membership dues are currently balancing the expenditure on operating costs, with 98% members paid up;* - *Steady involvement of members to date in events (on average 40% of members take part)*	- *No membership increase during the last 8 months of the year since establishment of the association;* - *No penetration of markets other than in capital city;* - *Services poorly designed because they do not reflect properly research member needs;* - *Quality of service delivery has not been measured but is said to vary between poor and satisfactory;* - *Financial sustainability uncertain since office space is currently rented;*
OPPORTUNITIES	**THREATS**
- *Collaboration with aid donors (USAID, European, JICA) on building the association's capacity;* - *Cooperation with stakeholders;* - *Growing importance of sector in the developing economy may attract more members to the association;* - *Advocating to Government may strengthen the importance of the association;* - *Expansion of membership base into the provinces.*	- *Formation of alternative association that may meet needs*

Note: The SWOT has been completed with examples

2.2 STRATEGIC AREA 2: ORGANIZATION: GOVERNANCE, LEADERSHIP, MANAGEMENT SUPPORT

The strategic area Organization embodies a wide range of issues and is focused on the strategy for developing the institution.

The organizational structure of an association is dependent on the requirements of the Law as far as management structure is concerned, but the structure of departments or sections should depend on strategic objectives and processes required to deliver services and provide association support.

The legal form of the association is described in the charter, which normally states the name, purpose, eligible membership, governing body (the board), election of its officers, and method of dissolution. The bylaws expand on the charter and provide further detail on elections, term limits for board members, annual budget setting, annual meeting of members, standing committees, code of ethics, and methods for changing bylaws which are usually approved by a vote of approval by membership.

This section focuses on how the association is organized for governance of its affairs and management of its day-to-day operations. Poor governance leads to weak associations because they are mistrusted by members who do not believe their interests are being protected. Poor management results in inefficient and ineffective operations, in turn leading to loss of members.

Governance

Ultimately everyone is accountable i.e. board chairman and chief executive to the board, and the board to the membership. Regular reporting to the board is important to assure good governance. Decisions and actions taken should reflect the needs, wants and expectations of members. Membership should be surveyed for needs and opinions on important matters, and provided with opportunity to vote on major issues of the association other than office elections and bylaw changes. The capacity of the organization should be developed so that it is relevant for implementing decisions reflecting member needs. The board and committees have an obligation to have a deep understanding of the industry and association environment to make relevant decisions, and the ethical implications of choices need to be taken into account. Committees need to represent diversity of membership rather than being dominated by cliques with vested interest. Elected officer and committee appointments should be limited to provide opportunity for service by interested members.

Association Management

The association office is responsible for day-to-day operations and is managed by the chief executive. It is normally a full time job. Good governance and management efficiency requires that the chief executive has no other roles that could be interpreted as a conflict of interest. The chief executive is the person primarily responsible for staff operations and supports the policies and directives of the board. Typically the chief executive is responsible for:

- Hiring, development of staff, and staff performance
- Regular briefing of the Board Chairman
- Participation in board meetings
- Strategic Planning
- Maintains association records

The chief executive works with staff responsible for a number of functions including marketing, services delivery, finance, IT, and others, depending on the structure of the association's services and activities.

ORGANIZATION CHECKLIST

ORGANIZATION BASICS

- *Location: Is the location of the association's offices appropriate for its mission? Does the office provide the association with the right degree of independence?*
- *Structure: What is the organizational structure? (Obtain an organization chart, showing reporting relationships and numbers of staff in each organizational unit). Is the organizational structure adapted to the strategy and corresponding functional needs of the association?*
- *Governance: How many Board members? Is there a policy of rotating members? Are the duties of board members clearly defined? Are they required to disclose interests that may compromise their fiduciary duty? Does the governing body (the board) meet regularly? Are agenda of minutes distributed and minutes issued? Are members informed of board decisions? Have any concerns been raised by members regarding how the association is managed and supervised? Have bylaws been issued to all members? Is there a code of ethics? What types of ethical problems have been tackled in the past?*
- *Committees: What type of committees work with the organization? How frequently do they meet? How many members are involved? How do they report to the board and members?*
- *Leadership: Is leadership concentrated in one person or is it perceived as a shared function? What is the perception of the role of the president of the board? What is the perception of the role of the chief executive (or full time association director)? Are there any conflicts of interests between the roles of board members and chief executive in private business and in the role they play in the association? Does the prevailing culture in the association reflect consensus, trust and confidence? Do members feel they are listened to? Do the leaders become involved in expanding the association's networks, and engaging with stakeholders? Do leaders communicate effectively to the public and government on behalf of members? Are the leaders adapting to change and are the committed to progress? What does the association do to enable development of leadership?*
- *Reporting procedures: What are the reporting procedures in the association? Are regular reports produced for the board members? Do the members get an end-of-year report? Does the association use simple monthly reports to track progress on membership numbers, service performance, and financial performance?*
- *Management & Staff: Are the functional relationships clear from the structure? Do staff have job descriptions and are their areas of responsibility and authority properly defined? Is the size and experience of staff adequate? Are pay and rewards adequate? Are staff assessed on how they perform their duties as well as handling relationships with members? Is training provided to staff when they join or to reinforce their skills? Is cross-training of staff carried out?*
- *Policies and procedures: Are written policies and operational procedures in place? Are they updated or improved?*
- *Technology: How does the association apply technology in managing member relationships, delivery of services, communicating with stakeholders, data administration and record keeping? Are the IT systems adequate for the size of association? Does the association have an effective website? Does it monitor website metrics, and how are these used?*

ORGANIZATION DEVELOPMENT GOALS AND STRATEGIES

What are the organizational development goals for:

- *Developing the organizational structure for a better match to strategic needs?*
- *Establishing physical infrastructure for effective management?*
- *Ensuring good governance?*
- *Developing leadership and training staff?*
- *Reward and remuneration of staff?*
- *Development of effective reporting?*
- *Introduction of written procedures?*
- *Use of technology?*

What are the association's strategies with respect to organization development goals?

ORGANIZATIONAL DEVELOPMENT RESULTS TO DATE & PERFORMANCE GAPS

What are the gaps between goals and results? What are the underlying causes for deviations? For example:

- *Improvements in adapting the organizational structure to strategy, not achieved;*
- *Governance not revised to reflect criticism of members;*
- *Training of staff not introduced;*
- *Effective reporting procedure not introduced;*
- *Operating procedures not introduced and update.*

***The potential causes of the gaps in organizational development are likely to be connected to** poor strategy, know-how and resource deficiencies:*

Lack of strategic direction; Poor leadership; Wrong people on the board; Lack of funding for investing in staff development; Lack of know-how on how to create and introduce reporting and operating procedures.

*The following are examples of the possible **effects** of poor organizational strategy :*

Service or marketing processes ineffective because of unclear allocation of responsibilities, poor organizational structure, no written procedures, and insufficient application of technologies; Member mistrust because of poor governance resulting in abuse of fiduciary duties; Poor staff response to membership needs because of insufficient training; Board unaware of looming financial problem because of ineffective reporting; Lack of collaboration with stakeholders because leaders are not engaging with them.

ORGANIZATION DIAGNOSTIC SHEET

USE THIS FORMAT TO CREATE YOUR OWN DIAGNOSTIC SHEET. THE ANNEX CONTAINS A BLANK TEMPLATE. *NOTE: THE OBJECTIVES BELOW ARE EXAMPLES*.

Objective *(examples)*	Planned	Results to date
Organizational Structure & responsibilities		
Governance		
Staff and professional development of staff		
Reporting		
Procedures		
Technology		
Other (please specify)		
Other (please specify)		

STRATEGIC AREA	POTENTIAL CAUSES AND EFFECTS OF GAPS
Organization	*Determine the likely causes of the gaps, for example:* ***Poor selection of board*** *members lead to weak governance leads to membership mistrust which leads to members leaving and/or non-involved;* ***Poor leadership*** *leads to poor assignation of functional roles which leads to problems in executing processes which leads to member dissatisfaction with results which leads to members leaving;* ***Poor leadership*** *and* ***lack of know-how*** *leads to ineffective reporting of finances leads which leads to financial difficulties for the association which ultimately results in member dissatisfaction.* ***Lack of funding*** *leads to delays in introduction of technologies which leads to continued inefficiencies in process and service delivery which leads to member dissatisfaction.* *AFTER COMPLETING THIS UPDATE THE SWOT IN SECTION 1 WITH ANY NEW FINDINGS*

NEW OBJECTIVES FOR IMPROVEMENT *(examples)*
1. Training of all staff on functional areas (marketing, financial management, personal service, and IT solutions) to be completed within the next 6 months with each staff-member receiving no less than 80 hours training (65% classroom based, 35% home study) with exams
2. Introduction of written processes and procedures for all main business processes in the association within the next six months.
3. Establish WG to propose board selection criteria and present at the next annual general meeting
4.
5.

NEW STRATEGIES (HOW TO ACHIEVE OBJECTIVE)	OBJECTIVE SUPPORTED (indicate which of the above objectives are affected)
Work with consultants in the development of written processes and procedures for all main business processes	2
Develop and implement a training program for all staff	1
Review and implement measures to improve governance in the association	3

TOOL FOR ORGANIZATIONAL ANALYSIS: *FUNCTION – RESPONSIBILITY (F-R) GRID*

Why use this tool?

This tool is useful during situational analysis to assess how responsibilities are allocated for the execution of operational functions within the association. It can be used for the following purposes:

- Understanding which individuals are directly involved (with “hands-on participation) in operational functions such as service delivery, advocacy, marketing, finance and others;
- It can expose inefficient processes or inadequate resourcing of functions, where too many people are involved or, conversely, where insufficient people are involved;
- It can indicate whether there is a mismatch between the functional needs of the association and the actual association structure.

How to use this tool?

1. Identify participants. During the interviews of association staff, identify all the operational processes or functions they are involved in. Include those who have a hands-on involvement in the implementation of the process, rather than being in the reporting loop. For example, board members may receive reports about functional activities or the outputs of processes but they may not actually be involved. Do not include those not directly involved. The number of rows and columns has to be decided by the consultant. It is dependent on the number of people involved and the number of functions or processes.

2. Prepare a grid with the staff listed along one axis (for example, Y), and functions and/or processes along the other (say X). For each individual staff, board member, committee member, indicate the functions and processes in which they participate. Note, if a number of processes are grouped within a particular function, like marketing or finances, they should be put under this heading in the grid.

3. Assess the completed grid to: a) determine whether there are any missing functions that ought to be included; b) spot potential inefficiencies i.e. too many individuals involved or too few; c) decide whether there are any superfluous functions that can be combined with others or outsourced to achieve better efficiencies; d) see whether the processes are allocated to an inappropriate function or individual.

   Note, this grid can be supplemented by indicating what proportion of an individual’s working time is spent on the function. In the case of staff, this can be indicated as a proportion of their working time.

4. Discuss your findings with management to determine whether it is necessary to make efficiency improvements or to introduce missing functions. Alternatively, there may even be superfluous functions, which could be combined with others or even outsourced for better efficiency.

The F-R tool: *The following is an example. Titles of individuals and Processes or Functions will differ between associations.*

	Handling member queries	Member applications	Production of Member newsletter and magazine	Organization of networking events and conferences	Organization of trainings and seminars	Procurement of external services eg. advertising	Procurement office supplies	Payments and collection of dues and fees	Preparation of reports for the board	Organization of the annual conference and proceedings
Board members			X							
Chief Executive	X		X		X					X
Chief Executives' assistant	X	X	X		X	X	X			X
Association services manager	X	X		X	X				X	X
Association services manager's assistant	X	X		X	X				X	X
Accountant	X					X	X	X		

The above example raises the following questions amongst others:

- *Why is it necessary for 5 people included in member queries?*
- *Why are 3 people dealing with applications of new members?*
- *Why is it necessary to have 4 people necessary to organize trainings?*
- *Why doesn't the Chief Executive appear to be involved in procurement (spending association's money)?*
- *Why aren't the chief executive and accountant involved in the reporting for the board?*
- *Isn't there an Election committee that is involved in organizing the elections?*
- *Would it be possible to outsource accounting?*
- *What about the strategic planning function?*
- *Who is responsible for marketing in general?*
- *Why aren't there any processes or activities for developing stakeholder relationships?*

2.3 STRATEGIC AREA 3: MARKETING & COMMUNICATIONS

Marketing is the function of finding a need and filling it. It affects almost every activity of an association. It is essential to matching services and activities to priority needs. Marketing for non-profit associations differs from companies only in that associations are interested in serving their members whereas a company is producing a profit. However, note:

- Although an association does not produce profits in the same sense as a company, it should strive to achieve a cash surplus after costs are subtracted from income so that remaining funds can be invested in the development of the association.
- If allowed in bylaws, associations may also provide services to non-members as a way of marketing themselves to prospective non-members as well as to generate additional non-membership income for the purpose of improving the association.

Effective marketing not only results in "sales" of products and services, it may also change behaviors. Strong revenues can result in a higher level of service to members and accelerate progress towards mission, goals, and priority objectives of the association.

Marketing is carried out by staff with an understanding of the marketing process and how to manage it. Communications is linked to marketing since it is the process of conveying information, projecting image, receiving feedback to and from the membership and stakeholders. In a small association the communications processes will most likely be shared between the senior management and membership services. In a large association there will most likely be a Public Relations person responsible for managing this process, with marketing staff supporting the marketing efforts.

The Marketing Mix (5 Ps)

The Marketing Mix is a framework applied to marketing of companies' products and services, but it is equally applicable to association. There are many frameworks, the most famous being the 4 Ps. Hereunder we refer to an expanded version called the 5 Ps.:

1. Product (or **Service**): What is it? How will it benefit the user? What makes it special or unique? Note, whilst the text below refers to services, this also refers to products since associations may also provide products eg. clothing with the association's emblem.

2. Price (**Fee**). How much to charge? Should a modest net income be planned as well as a price capable of supporting a quality service?

3. **Place**: What is the best method of bringing the service to the members or other users? Is it convenient and easily accessible? Where are the markets? Note, with internet, geography is becoming less important and convenience of accessing is a greater priority. Convenience takes into account the ease of accessing the service, finding the service finding information about the service, and several other factors.

4. **Promotion** (and Communications): What media are to be used to promote the service and inform users about its benefits? Promotion and communication can include advertising, public relations, selling including viral selling through social networks. What will be the cost, and who will do the work and how?

5. **People**: The ability to select, recruit, hire and retain the proper people, with the skills and abilities to do the job you need to have done, is more important than everything else put together. It is important to think about the people inside and outside of your association who are responsible for every element of your marketing activities

MARKETING & COMMUNICATIONS CHECKLIST

MARKETING & COMMUNICATIONS BASICS

Organization of marketing

- *What does the association understand by marketing? What does it understand by communications?*
- *Who is responsible for marketing and communications? Are these functions together or separate?*
- *Are there marketing and communications procedures in place?*
- *Is there a marketing plan? Are marketing reports regularly issued to board members?*

Market location and segmentation

- *How does the association segment its market?*
- *Where are the association's markets? Is the market local, regional or wider?*
- *What data sources does it use to identify who its potential members are and where they are located? What kind of market research has been carried out?*
- *Does the association target non-members to offer its services?*

Services and revenues

- *How does the association determine the types of services required by members?*
- *How frequently is the service portfolio reviewed to determine whether there is need for change and updating?*
- *Which are the best selling services? Which members use them and why? Do you have data?*
- *What are the weaknesses in services? Provide examples of services that failed.*
- *What are the strengths in services? Provide examples of services that worked.*
- *How are basic services differentiated from additional fee based services?*
- *What are the specific benefits of the services provided? How had these been determined?*
- *Is the service experience one that reinforces the positive image the association aims to project? For example, in the case of training, does the association assess convenience of timing, travel and access to the service? The reception of trainees? The suitability and image conveyed by the venue? The timeliness of the start? The appearance of the presenter? The presentation aids and equipment? The training break and the quality of the hospitality? Post-training follow-up?*
- *Have there been any surveys carried out to determine details of member needs? If so, how frequently are they updated?*
- *Who designs these services? How are they tested? Are any surveys carried out to determine satisfaction levels? Is feedback obtained at trainings? How are surveys and feedback used to improve services? Provide examples.*
- *Are members involved in the design of services?*
- *How is demand and volume of delivery of services determined?*
- *What revenue targets are set for membership and fees based services?*
- *Have services been compared with alternative providers? How do they compare?*
- *Which services are provided to non-members?*
- *Does the association use external service providers?*

Membership dues and services fees (pricing)

- *How have membership dues and service fees changed over the recent years?*
- *How does the association determine the prices for membership dues and services? Are membership dues set to balance core services (available as a membership benefit)? Is there any cross-subsidizing between the core services and fee based services as a way of modulating prices?*
- *How has pricing affected membership and demand for services?*
- *How do the prices for benefits compare with alternative providers, for example training, as well as others?*
- *How do prices differ for non-member users of services?*

Distribution

- *How are services delivered to members for the different categories?*
- *Do the methods of distribution provide equitable coverage to all members? Are there any members who are out of reach of services, and why? What is their reaction to this?*
- *Does the association use technology to distribute services?*
- *To what extent does the association work with external service providers to distribute services?*
- *How effective is the distribution system? What are its weaknesses and failures?*

Promotion & Communications

- *What kind of methods are used to communicate with members and the target market?*
- *What kind of promotional methods are used to promote services? What type of communications methods does the association use to communicate messages to the markets and members, and how does it receive responses and feedback?*
- *Does the association have brochures? Do staff have business cards?*

- *Does the association leverage its members and stakeholders to promote itself?*
- *How are association benefits promoted to members?*
- *Does the association use technology for promotional purposes eg. website?*
- *Is data gathered about the results of promotional campaigns?*
- *How effective is promotion? Provide examples of successes and failures?*

People

- *Is association staff trained in handling members and stakeholders in a way that maintains a positive image and is consistent with the goals?*
- *Are there policies and procedures for this? Have they been issued to staff?*
- *Does this apply to all staff other than just member services staff?*
- *How is staff motivated to follow good member relationship practices?*

Competition

- *Who are the association's current or potential competitors? Are they for-profit or non-profit organizations? Are the association's members a target market for them?*
- *How do their services compare with respect to benefits, distribution, prices, they way in which they are promoted, the way in which their people deal with clients?*
- *What are the distinct features of their marketing & communications strategies compared? Do they have any competitive advantages over the association?*

MARKETING/COMMUNICATIONS GOALS AND STRATEGIES

What are the marketing & communications goals for:

- *Target market and member acquisition*
- *Services and Products*
- *Distribution of Services*
- *Pricing*
- *Promotion*
- *Communications*
- *Development of good people skills in marketing & communications*

What are the association's strategies with respect to marketing and communications?

MARKETING/COMMUNICATIONS RESULTS TO DATE & PERFORMANCE GAPS

What are the gaps between goals and results? What are the underlying causes for deviations? Examples of gaps:

- *New services and products not developed; or New services launch failed;*
- *Survey of members needs not carried out;*
- *Distribution channels not improved to ease access of services to members;*
- *Promotion of association to stakeholder associations did not result in acquisition of new members;*
- *Effective reporting procedure not introduced;*
- *Operating procedures not introduced and update.*

*The potential **causes** of the gaps in organizational development are likely to be connected to poor strategy, know-how and resource deficiencies, or a combination of all of these:*

Lack of strategic direction in marketing;
Poor marketing planning and implementation;
Poor leadership in marketing;
Wrong people in the marketing;
Lack of resources;
Poor implementation;
Lack of know-how;

*The following are examples are the possible **effects** of poor marketing & communications strategy :*

Services do not deliver the required member benefits because they were not researched by surveying members' needs;
Trainings participation is low because the pricing was set and too high a level compared with competitors prices;
Services are out of reach of a significant portion of members because the distribution channels are ineffective;
Members do not use certain types of services about them because the information provided to them is poor and does not describe benefits sufficiently well; etc

MARKETING & COMMUNICATIONS DIAGNOSTIC SHEET

USE THIS FORMAT TO CREATE YOUR OWN DIAGNOSTIC SHEET. NOTE: THE OBJECTIVES BELOW ARE EXAMPLES.

Objective (examples)	Planned	Results to date
No. prospective members targeted		
No members acquired		
Market share target (members/potential size)		
Geographic locations of member acquisition		
No. new services introduced		
Member dues targets		
Fee revenue targets		
New or improved methods of distribution		
Promotions		
Communications		
Pricing		
Other(please specify)		

STRATEGIC AREA	CAUSES AND EFFECTS OF GAPS
Marketing & Communications	*AFTER COMPLETING THIS UPDATE THE SWOT IN SECTION 1 WITH ANY NEW FINDINGS*

NEW OBJECTIVES FOR IMPROVEMENT
1.
2.
3.
4.
5.

NEW STRATEGIES (HOW TO ACHIEVE OBJECTIVE)	OBJECTIVE SUPPORTED (indicate which of the above objectives are affected)

MARKETING & COMMUNICATIONS TOOLS

TOOL 1: MARKETING WORK BOOK

Why use this tool?

Given the critical importance of Marketing, a separate plan or workbook has been devised which can be utilized by Marketing staff within or across the organization. The workbook is located in the Annex B following this Handbook.

Three Elements of Creating a Plan

1. Organization: The marketing plan should be an integrated part of the overall planning for the association.
2. Strategic objectives: Identify those activities and services that have the most significance to the mission of the association and represent a priority of the marketing plan. Note, the strategic action plan is the primary point of reference.
3. Market opportunities: Define those opportunities with most potential.

The Marketing Planning Process

1. Identify the members and service users and their characteristics
2. Identify the service and product needs of the target market, including any gaps in the services you provide.
3. Assess your association's products attributes compared with the competing alternative.
4. Determine how you are going to manage the marketing mix to achieve the targets. Use an appropriate tool eg. SWOT, to examine the obstacles you are likely to face and set your plans to overcome them.
5. Set income and market targets.
6. Formulate marketing actions for each of the areas you examine. Ensure the marketing plan is integrated into the overall association strategic action plan.

How to use this tool?

The tool consists of a number of sections into which you enter information and data. Each of the subsections of the marketing workbook has notes under the heading that explain what type of information you should enter. The subsections cover:

- Target markets
- Service and benefits and how they are distributed
- Competitor analysis that compares the association's services with the nearest competitor
- SWOT analysis covering a number of aspects of the marketing mix included in the 5 Ps
- Marketing budgeting
- Goal setting, strategies and action plans

Use the workbook in conjunction with the checklist to ensure that you fully cover all the issues that need to be addressed.

Once completed, the Marketing Workbook is a tool itself, and should be regularly reviewed (quarterly or at least bi-annually) and adjusted depending on developments.

TOOL 2: MARKET INFORMATION SURVEY

Why use this tool?

The survey tool is to help in preparing a market questionnaire**.** It should be used to carry out market evaluation of member needs and to obtain feedback on the quality of services (and is therefore of relevance to Service delivery too, see section 2.5). Market research should form the basis for decisions about development of new services and member targeting, and should be carried out to provide input data for the situational analysis.

There are primarily four methods for researching:

1. **Printed questionnaire.** This method is popular because it is inexpensive. Respondents can either answer by selecting options or through answering open-ended questions so that they can offer opinion. Some questionnaires are only mailed to a sample of the target market but this may skew the conclusions.

   Response rates will depend on how well the questionnaire is designed and whether the association already has a relationship with the respondent. A well-designed questionnaire can get returns from about a third of membership or more. A questionnaire aimed at potential members and users of services is likely to get a lower response, in the region of about a tenth.

   If at all practical, consider phoning or sending an email as a reminder if you do not receive a response in due time. Phoning may be a very realistic option if the number of members is not too high and you are able to identify who has not responded.

   Having the questions anonymous will not only protect confidentiality but may also enhance response rates. However, the downside is that no follow-up is possible if problems, complaints or even high satisfaction occurs. One solution is to offer respondents the choice in signing and identifying themselves.

   Surveys can also be carried out by putting the questionnaire on a website. Various services are available on the internet and some allow small surveys to be placed on the site for free. For example, see www.surveymonkey.com .

2. **Telephone interviews** will produce an immediate result but are an expensive method.

3. **Face to face interviews** will produce a high response rate but will be limited by the numbers that can be interviewed as well as costs.

4. **Group interviews** (focus groups) with small groups of 8-10 people led by a trained moderator can be useful in probing a need or discussing a specific issue.

How to use this tool?

Two “questionnaires” are provided in Annex C. One is for collecting market information about prospective members, and another focused on gathering feedback from existing members about their views on services and needs,

Rather than copying the questionnaire it is strongly advised to carefully choose relevant questions and only include those needed. Use these tools as lists of questions. Cut out the ones not required.

SURVEYING TECHNIQUES AND TIPS:

- People generally do not like questionnaires. The simpler it is, the more likely it will be completed.
- Prepare a short introductory letter or note to explain why the information is required and your appreciation for the responses. Provide a date by which you are requesting responses;
- Keep the questionnaire as short as possible, and only include requests for information that you need to do your work. Do not ask questions for information which you cannot use at this time;
- Use questions with pre-formulated multiple choice answers (the simplest being: YES/NO) or open ended questions inviting the respondent to write the response in his or her own words. The choice of question type depends on the information you require. If it is feedback on services, you can provide a number of grades and allow the respondent to select them. If you are looking for new ideas or feedback about personal experiences, you will need to use open questions;
- Especially with regard to members, follow up on your request for a response if you do not receive one within a reasonable time. People tend to be more motivated when approached directly for a response. Send a personalized email or even make a phone call. It is worth doing because the information you seek is valuable.

Satisfaction surveys

Here is a checklist for creating your satisfaction survey questions:

- Write a short introduction underscoring the importance of receiving the feedback.
- Contact & membership details. Note, consider providing the option for anonymous responses.
- Comprehensive list of services to members
- Information about frequency of usage or number of times used. Note, this is important to know since it can provide you with important information about interests & needs, service popularity.
- Satisfaction grading. Use a scale of numbers, letters or words to provide your members with a choice of satisfaction grade. Note, the 1 – 5 grading used in the appended "questionnaires" can be simplified, for example, to 1-3 if you prefer.
- Create a section for allowing feedback on specific experiences so that you have more detail on the problem areas.
- Include an overall satisfaction rating. If you prefer you can combine it with the services rating section.

Doing the satisfaction survey is a useful opportunity to combine the satisfaction survey with a review of needs.

- If you have not done this before, consider collecting information about how members rank services in terms of importance irrespective of whether they are satisfied with the service delivery or not. This could be added to the ratings table at the risk of making it complicated, or it could be presented as another table.
- Invite the member to provide ideas on new services or any other aspects of his experiences with the association. Use open-ended questions if you want original ideas and views. Alternatively, especially if you already have an idea of the demand for new services from previous encounters with members (for example, from a focus group) include a list of options from which the member can select.

Needs analysis and gathering information about new members

If you are conducting a needs analysis at the stage of establishing an association, you will need to gather more information about your target association members. You may also need to use this type of structure if setting out on a campaign to attract new members. Depending on the target market of the association being formed, you may need some of the following details:

- Covering letter explaining the purpose of the questionnaire in prospective member interest in joining an association. Write about why the association is being formed and what its goals would be.
- Specific area of business activities
- Company type, location, size (single trader/company, location of offices/factory, turnover incl. domestic sales & exports, no. employees & workforce structure)
- Geographical area of current operations (domestic, foreign); New target markets
- Customers/Buyers: Categories of customers (retail/wholesale; domestic; foreign etc)
- Procurement needs: Equipment & industrial inputs (by category and origin)
- Outsource services: Currently used and which the company may be interested in outsourcing eg. market research, advertising services, training (see below)
- Workforce development: Existing training programs, and planned training.
- Marketing & Communications: Participation Fairs & Exhibitions (domestic & international).

Whereas the information above provides you with a good understanding of the prospective member's background and also potential service areas (i.e. from the responses on outsourced services, training, marketing) the following queries address interest and allow the prospect to provide their views on their needs.

- Interest in joining an association
- Member Service: Choice from a list of potential services with indication of order of importance, or open question inviting suggestions.
- Barriers to business: Open questions on types of legal, regulatory and administrative barriers faced by the member. Invite to provide examples. If you already have a list of know barriers to business, consider using a list from which the respondent can select.
- Dues: You might consider including a question on the dues the member would be willing to pay by giving a number of bands to choose from. Whilst this may provide useful information on expectations, it is questionable as to whether the prospect can really judge value unless they are presented with an actual package of member services and benefits. There are other ways of evaluating what the market might take. Just as prospects may compare fees with other associations or service providers, so you can benchmark the size of fees you would like to propose against those benchmarks. .

2.4 STRATEGIC AREA 4: FINANCE

The key to financial sustainability is to deliver value-adding services to members so that they are willing to fund ("invest") the association with high enough dues to cover the costs of operations and service delivery. A sustainable association will be rarely short of funds to maintain operations.

One of the main goals of association management should be to ensure that the association builds and maintains financial sustainability. In other words, that it is able to operate unhampered by lack of financial resources.

At a minimum an association must generate sufficient income to provide core benefits for its members, without having to rely on grants or donations. This means covering the costs of association management and infrastructure, services delivery and all support services from the income derived from member dues.

An efficient association will do so whilst managing its finances in such as way that it is never without funds, even temporarily, and will manage its costs to ensure goals are met without wasting resources.

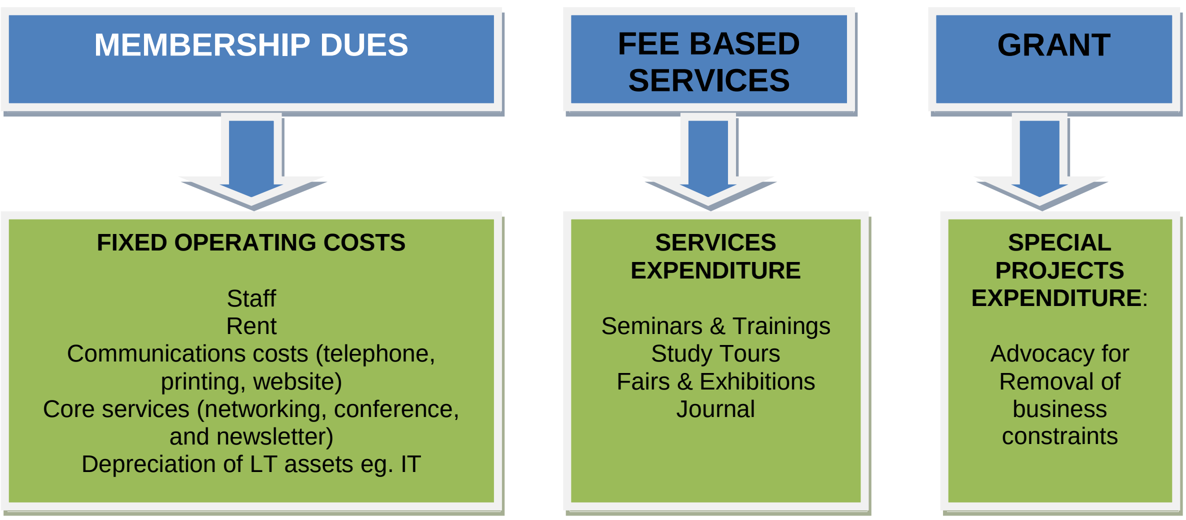
INCOME AND COST STRUCTURES

The costs structure of an association is not dissimilar to that of a company. Costs may be categorized as fixed costs and variable costs, or direct and indirect costs of operations.

Income and costs can be broken down into blocks as depicted in the diagram below and can be related to fixed running costs or specific services.

One way of organizing the cost management in the association is to turn the support service components into **cost centers** and those directly responsible for generating income as "**profit**" centers. For example, if it is the association's decision, fixed operating costs would be funded from membership dues, whereas expenditure for non-core services would be covered from fee based services. Grants might be used for special projects, such as advocacy.

Consider the block at the bottom left. These are mainly the "fixed" costs of an Association XYZ, namely those that are largely independent of the volume of services delivered. This group may be designated a cost center since it is not responsible for profit generation since we are assuming Association XYZ's policy is not to generate surpluses from core services but rather to rely on additional, fee-based services. Likewise advocacy is a cost center since advocacy processes is not – and should not - be set up as income generating projects. In the case of Association XYZ, this activity is being funded by a grant. However, all other services indicated have the potential of generating income and could be considered as profit centers.



FINANCE CHECKLIST

FINANCE BASICS

- *Is there a finance section? Who is responsible? What does it do?*
- *What kind of planning is carried out and when? Is there any forecasting of operating costs?*
- *What kind of reports does it produce and when? Who does the analysis? Does the association use financial ratios to monitor finances?*
- *How are decision made about funding of activities and services and by whom? On what basis are decisions made about withdrawal of services or further investment?*
- *What is the structure of income including revenues from members' dues, member service fees, advertising etc as well as income from donations, grants and loans?*
- *What is the structure of operating expenditures including office running costs (staffing, office, office consumables, depreciation of equipment and other long terms assets) and expenditure directly related to delivery of member services?*
- *Does the association take advantage of any free services that reduce costs and hide potential additional costs eg. free office, staffing donated by a member? What would the impact be if these costs were to be included in the cost structure?*
- *How has this varied since the association was founded?*
- *How is financial responsibility distributed between the association's functions? Does the association have cost centers? 1*
- *What is the current financial situation of the association? After covering costs, are surplus funds being utilized for new activities and capital investments? Is revenue covering operating costs? Is the association dependent on grants and donations?*
- *What is the association's financing policies? For example, regarding cross-subsidizing fee based services from dues or vice versa? Procurement of supplies and services? What are the seasonal variations in revenues and expenditures? Does the association have any problems in balancing these over time?*
- *Obtain a copy of the association's financial statements (income statement, balance sheet, and any others eg. Application of funds)*

FINANCE GOALS AND STRATEGIES

What are the financial objectives, for example:

- *Financial sustainability i.e. Reliance on dues and member fees to cover expenditures and investment;*
- *Budget targets for operating expenditures;*
- *Budget targets for investment;*
- *Cost reduction targets;*
- *Revenue or revenue increase targets;*
- *Improvement of working capital management eg. collection of overdue receivables; renegotiation of payables ;*
- *Sourcing funding eg. grants, sponsorship etc*

What are the strategies with respect to finance?

FINANCIAL RESULTS TO DATE & PERFORMANCE GAPS

What are the gaps between goals and results? What are the underlying causes for deviations? Examples of gaps:

- *Financial sustainability not achieved and association still dependent on grants and sponsorship;*
- *Budget targets overshoot;*
- *No investment as planned;*
- *Membership due payments overdue.*

*The potential **causes** of the gaps in financial performance are given below(though note these in turn may be the effects of other causes):*

Membership fees set too low; Poor control over receivables; Budget controls weak; Poor financial planning and reporting; Lack of coordination between finance section and other sections, marketing & service delivery.

FINANCE DIAGNOSTIC SHEET

USE THIS FORMAT TO CREATE YOUR OWN TEMPLATE. THE ANNEX CONTAINS A BLANK TEMPLATE. NOTE, THE OBJECTIVES BELOW ARE EXAMPLES.

Objective *(examples)*	**Planned**	**Results to date**
Sustainability		
Budget targets		
Cost reduction		
Investment		
Revenue increases		
Working capital management		
Other (please specify)		

STRATEGIC AREA	**CAUSES AND EFFECTS OF GAPS**
Finance	*AFTER COMPLETING THIS UPDATE THE SWOT IN SECTION 1 WITH ANY NEW FINDINGS*
NEW OBJECTIVES FOR IMPROVEMENT	
1.	
2.	
3.	
4.	
5.	
NEW STRATEGIES (HOW TO ACHIEVE OBJECTIVE)	OBJECTIVE SUPPORTED (indicate which of the above objectives are affected)

FINANCE TOOL

TOOL: Cash flow Planning and Analysis Tool

Why use this tool?
Cash-flow planning is an essential part of the financial management process. Even if the forecasted revenues balance the operating budget over the period of a year, problems can arise if income and expenditure is not analyzed over time, since cash-inflows from membership dues, fees for services and other sources of income will not always coincide with the need to make cash payments. Indeed, it is not unusual for associations to receive the vast majority of membership dues at the beginning of the year, whereas services income is likely to be low during the national vacation periods since trainings and events are unlikely to take place at that time. Expenditure on running the office (staff salaries, rent, office consumables) is most likely to be fixed on a monthly basis (with the exception of higher power costs in the winter months). Costs of setting up and delivering training services are likely to coincide more or less with the timing of their delivery. Forecasting the cash-flow over the upcoming year and revising it for each upcoming quarter is essential to maintain liquidity.

The tool is referenced in the Annex though it is provided separately in software form by BPI.

How to use this tool?
The tool consists of a simple cash-flow model in a spreadsheet format. It is provided in computer software form. See Annex D for further information.

The tool enables entry of office running expenditures on a monthly basis as well as expenditures related to specific services.

On the income side, it allows for entering membership fees, fees for services, and any other income such as grants.

The cash-flow tool calculates the difference between forecasted monthly cash inflows and outflows and shows where an imbalance occurs, thereby providing the user with the opportunity for planning adjustments to timing of payables and receivables and to source additional funding in order to achieve a balance.

2.5 STRATEGIC AREA 5: SERVICE DELIVERY

Whereas Marketing & Communications deal with what types of services are required by whom, how they should be distributed, and how they are promoted and priced to attract target markets, Service delivery has to do with the operations management of providing the service. Even if marketing does a good job in identifying the exact needs of the target members, the service can fail if it there is an operations management failure. This can occur for a variety of reasons. For example, there may be deficiencies in both the inputs to the service delivery process or the process itself may be deficient.

Consider the example of training. The first step is to determine training needs. If marketing do this correctly, the output will be a description of the type of training that is needed, the target trainees, the timing for when the training is needed, and most likely some indication of the price based on a combination of comparison with similar trainings as well as financial considerations.

The steps in the training delivery process may include:

- the identification of the trainer;
- announcement of trainings;
- recruitment of trainees;
- preparation and printing of training materials;
- organization of the venue;
- arrangement of the details connected with the training including reception of trainees and hospitality, audio-visual and presentation equipment;
- reception of the trainees on the day of training, training delivery, the satisfaction survey.

There may also be post-training steps such as contacting the participants to invite them to following trainings and possibly to obtain additional feedback useful for future trainings. If one or more of these steps go wrong, the ultimate result could be a failure in the training delivery coupled with lack of information on what went wrong if the process is not properly documented.

However, this is purely an example in relation to training and service delivery. Associations typically have other operational concerns of interest to membership – trade facilitation and assistance, networking and promotion opportunities via events and marketing avenues, and of course advocacy, which is highlighted in a separate section.

What is important to note, is that Service Delivery is all about the management of service processes and resources, the setting of goals to ensure member satisfaction and implementation of strategies to achieve them.

SERVICE DELIVERY CHECKLIST

SERVICE DELIVERY BASICS
• *Who is responsible for the design of services?* • *Who is responsible for services and products delivery? Are responsibilities within a single department or is it spread across several? What are the functions corresponding to service delivery?* • *What is the range of services provided?* • *Which services are organized internally and which provided by external service providers?* • *Have processes been developed for each of the services provided? Are there written procedure for the service delivery?* • *Would a new staff member easily understand how they work?* • *What data is collected to assess effectiveness and efficiency of service delivery?* • *How is the quality of the inputs established?* • *How are performance requirements established with external service providers?* • *Are member satisfaction surveys carried out? Are these coordinated with the marketing function? What have the recent findings been?* • *What is done to ensure that the entire service experience is satisfactory? For example, for trainings venue, reception, hospitality during breaks, equipment, post-training follow-up in addition to quality of training and training materials provided.* • *Are there any brochures or member information describing the services and their benefits?* • *Are there any income generating activities that tend to be one-off projects rather than regular and repeated services? How are they planned and how is service delivery managed?*

SERVICE GOALS AND STRATEGIES
What are the service delivery objectives? Examples may include: - *Number and frequency of events* - *Capacity of service i.e. max no. participants./users* - *Number of participants per event or series of events* - *Lead time to delivery of service* - *Member query response times* - *Quality targets i.e. member satisfaction* *What are the strategies for achieving the goals?*

SERVICE RESULTS TO DATE & PERFORMANCE GAPS
What are the results to date and how do they compare with the plan? Where are the performance gaps? *Number of services?* *Numbers of participants?* *Quality targets?* *Others?*

SERVICE DELIVERY DIAGNOSTIC SHEET

USE THIS FORMAT TO CREATE YOUR OWN TEMPLATE, as in previous sections.

Objective *(examples)*	Planned	Results to date
Number of services delivered		
Number of participants		
Member satisfaction		
Member query response times		
Other (please specify)		

STRATEGIC AREA	CAUSES AND EFFECTS OF GAPS
Finance	*AFTER COMPLETING THIS UPDATE THE SWOT IN SECTION 1 WITH ANY NEW FINDINGS*

NEW OBJECTIVES FOR IMPROVEMENT
1.
2.
3.
4.
5.

NEW STRATEGIES (HOW TO ACHIEVE OBJECTIVE)	OBJECTIVE SUPPORTED (indicate which of the above objectives are affected)

SERVICE DELIVERY TOOLS

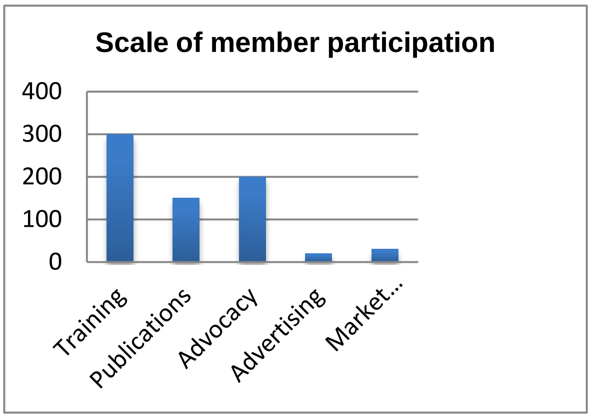
TOOL 1: Satisfaction Survey

Use the helpful hints in marketing & communications, section 2.3, for surveying satisfaction.

TOOL 2: Charts for Customer Satisfaction Analysis

Charts are used for greater visual impact in aiding decision-making.

Many popular office applications software packages include charting tools that make this task simple. Various types of charts are available. Bar-charts and line charts are useful for showing data with two variables involved (for example: Service vs. Satisfaction Rating, or Service vs. Number of Participants).



However when you need to look at three variables on one chart the ‘bubble chart’ is a useful tool (see below for examples). Bubble charts enable plotting of three variables on one chart. For example:

Service	**Importance/Priority (based on market research)**	**Average satisfaction rating**	**Number of members participating**	**Revenues from service**
Trainings				
Networking events				
Newsletter				
Annual Conference				

The above data could be plotted either as:

- Services vs. Importance
- Services vs. Satisfaction
- Services vs. Participation
- Services vs. Revenues
- Priority vs. Satisfaction with the bubble size of a service corresponding to the numbers of participants
- Priority vs. Satisfaction with bubble size of a service corresponding to size of revenue

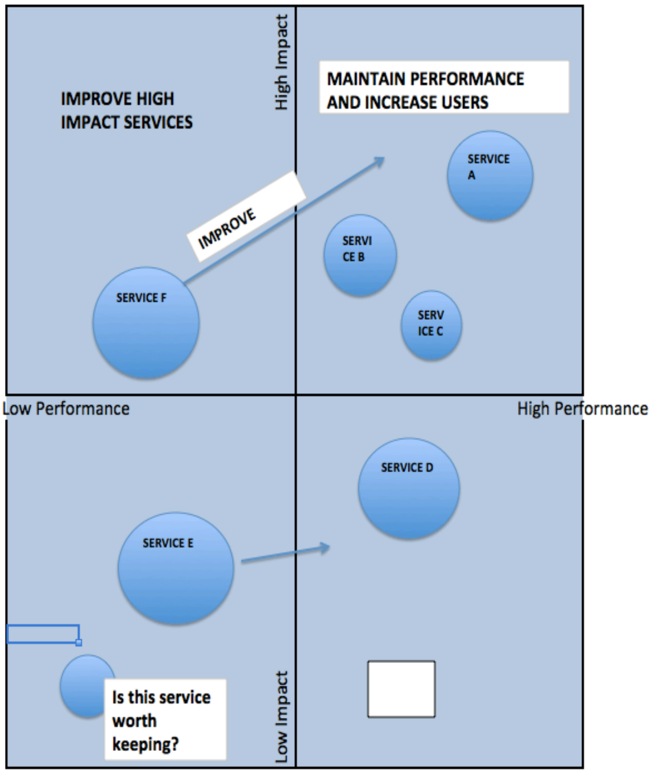
How to use this tool?

Use this tool to aid the analysis of:

- Service priority assigned by members
- Service satisfaction levels
- Service participation levels
- Service revenues or profits

The bubble chart is useful in making decisions about services portfolios. For example:

Services to develop have:	Services to improve or phase out:
- High member priority - High levels of satisfaction - High levels of participation - High revenues and profitability	- Lower priority - Lower satisfaction - Lower participation - Low revenues and poor profitability



Using survey results (performance) and based on real (potential) impact (on members requirements and association development), work out which services need improving. The size of the bubble can be used to indicate usage of services.

Note, in the example to the left Service F has a high usage and is therefore popular so action could be taken to improve service F to perform more efficiently.

Services that have low impact, low performance and low usage may not be worth keeping.

2.6 STRATEGIC AREA 6: ADVOCACY

In simple terms, advocacy means actively supporting something or someone (an idea, action, or person) and attempting to persuade others of the importance of that cause. More specifically, advocacy is a group effort focused on changing particular public policies in an open and transparent manner, and to represent the views of members of a particular group by making their positions known to legislators, regulators, and other policymakers.

The issues addressed by public policy advocacy may include:

- laws and other legislative acts,
- regulations,
- court decisions,
- executive decrees and orders,
- political party platforms, or
- governmental policies.

Advocacy is a key area of association operations in developed economies and has contributed to considerable improvements in the business environment. It is just as important in developing and emerging market economies where there tend to be significantly more constraints obstructing business.

Essential steps in an advocacy process consist of the following:

Step 1: Form an advocacy committee
Step 2: Select issues to advocate on
Step 3: Research solutions
Step 4: Develop an advocacy strategy
Step 5: Develop advocacy materials to be used by the association and members
Step 6: Train members in the use of advocacy materials
Step 7: Prioritize issues with respect to time
Step 8: Establish a budget for advocacy
Step 9: Implement and evaluate progress

Similar to gauging and evaluating Service Operations and delivery, it is critical to understand whether advocacy is important to members of respective associations and plan accordingly in annual strategic plans. The following checklist highlights attempts to prioritize advocacy as a key strategic issue of importance to members. Surveys and working groups are obvious ways in which to combat or address any identified interests with advocacy.

ADVOCACY CHECKLIST

ADVOCACY BASICS
• *Has the association carried out any advocacy projects? If so, please describe the project and its outcomes? Who has been responsible for these initiatives?* • *How does the association identify advocacy issues?* • *Is there an advocacy committee? Who sits on the advocacy committee and what types of skills do they have? Are they able to interact with policy makers and legislators?* • *How does the association organize support for its causes? Does it work with stakeholders outside the association? How did it identify them?* • *Are there any written procedures on setting up and running an advocacy campaign?* • *Who is responsible for organizing the communications and PR aspects of the campaign?* • *How is it funded?* • *Who provides expert advice eg. on legislative and regulatory matters?* • *How are the results assessed and how is achievement measured?*

SERVICE GOALS AND STRATEGIES
• *What are the advocacy goals? Essentially, advocacy projects are about the removal of constraints that inhibit the development of the association members business environment* • *What needs to be changed? How much change should be made? When should the changes be made?* *What are the strategies for achieving the goals?* • *Who can make the changes?* • *How can the case for change be made?* • *How will the changes be implemented?*

SERVICE RESULTS TO DATE & PERFORMANCE GAPS
What are the results to date and how do they compare with the plan? Where are the performance gaps?

ADVOCACY DIAGNOSTIC SHEET

USE THIS FORMAT TO CREATE YOUR OWN TEMPLATE.

Objective *(examples)*	Planned	Results to date
Constraint removal		
Member involvement		
Funding the campaign		
Other (please specify)		

STRATEGIC AREA	CAUSES AND EFFECTS OF GAPS
Finance	*AFTER COMPLETING THIS UPDATE THE SWOT IN SECTION 1 WITH ANY NEW FINDINGS*

NEW OBJECTIVES FOR IMPROVEMENT
1.
2.
3.
4.
5.

NEW STRATEGIES (HOW TO ACHIEVE OBJECTIVE)	OBJECTIVE SUPPORTED (indicate which of the above objectives are affected)

Note: This edition does not include any advocacy specific tools. However, note that the survey (see 2.3) and stakeholder analysis tools (see 2.7 below) are highly relevant for identifying advocacy needs and coalition partners.

2.7. STRATEGIC AREA 7: STAKEHOLDERS

Modern association development involves close collaboration with external stakeholders. In today's world, it is easier to link-up with other organizations and people, and web-based social networks have provided useful contacts just a click of a computer away. Moreover, in the increasingly complex environment we live in it is impossible to work in isolation and today's association eco-system must involve close interaction and work with allies and partners throughout business sectors, such as suppliers, other associations, chamber of commerce, academia, research institutes, non-government organizations, public sector institutions, government departments and agencies, representatives of foreign organizations and institutions, bilateral and multilateral donor organizations, international financing institutions, media, the public, and others. See the diagram on this page.

All these groups consist of an association's wider group of stakeholders, the closest of which are immediate members and the association staff is in the inner circle of stakeholders. Collaboration with them can provide you with many benefits for the association, for example:

- Prestige through collaboration with a recognized and well established stakeholder
- Expertise based on their experiences
- Know-how on specialist subjects
- Partnership on projects in areas in which you have converging goals
- Cost-sharing opportunities
- Grants and donations
- Publicity etc

Good stakeholder relations are essential for an association. Neglect them and they might actively work against you. Manage them well and they will actively promote the association. This section describes how to identify your external stakeholders, determine their interest and include them in your planning process.

STAKEHOLDERS CHECKLIST

STAKEHOLDER BASICS
Stakeholder identification • *Does the association collaborate with any private or public sector institutions or individuals, which are not members of the association, with the experience, expertise and influence to support it in achieving its goals?* • *What has the association done to identify potential stakeholders? What types of stakeholders would make effective partners?* • *What has been done to contact stakeholders? With what outcome?* • *If the outcomes were not positive, what are the reasons for this?* ***Stakeholder collaboration*** • *Is stakeholder collaboration included in the action planning?* • *How are stakeholders involved in the association's affairs?* • *What kind of support have stakeholders provided to the association? How has the association reciprocated?* • *What were the outcomes of collaboration with stakeholders?* • *In the case of positive outcomes, what were the factors that contributed to the success? What are the prospects for continued collaboration?* • *In the case of negative outcomes, what were the reasons behind this? Is there any way of improving collaboration?*

STAKEHOLDER GOALS AND STRATEGIES
What are the association's goals for stakeholder development? *What are the strategies for achieving the goals?*

STAKEHOLDER RESULTS TO DATE & PERFORMANCE GAPS
What are the results to date and how do they compare with the plan? Where are the performance gaps?

STAKEHOLDER DIAGNOSTIC SHEET

USE THIS FORMAT TO CREATE YOUR OWN TEMPLATE.

Objective *(examples)*	**Planned**	**Results to date**
Involvement of existing stakeholders in association development and projects		
Development of relations with new stakeholders		
Other (please specify)		

STRATEGIC AREA	**CAUSES AND EFFECTS OF GAPS**
Stakeholder development	*AFTER COMPLETING THIS UPDATE THE SWOT IN SECTION 1 WITH ANY NEW FINDINGS*

NEW OBJECTIVES FOR IMPROVEMENT
1.
2.
3.
4.
5.

NEW STRATEGIES (HOW TO ACHIEVE OBJECTIVE)	OBJECTIVE SUPPORTED (indicate which of the above objectives are affected)

STAKEHOLDER TOOLS

TOOL 1: STAKEHOLDER IDENTIFICATION CHART

Why use this tool?
The first step to stakeholder development involves identification of the stakeholders. This is a process that requires considerable thought because not all the stakeholders may be obvious at first.

How to use this tool?
List the main groups or individuals who are relevant to the goals of the association.

Brainstorming is a great way for identifying stakeholders. Ask someone to write down and capture every name, organization or type of stakeholder you can think of.

Prepare a table listing stakeholders and the areas in which there could be scope for collaboration. As a start you can list the functional area but you can expand this list or change it if preferred.

The following is an example of a stakeholder list. Create your own template based on this example. See Annex F for the template.

	Areas of collaboration/support				
STAKEHOLDER	**Organizational Development**	**Services delivery**	**Advocacy**	**Marketing & Comms**	**Finances**
Foreign Investment & Export Promotion Agency	Office space.	Market information.			Grants for trade exhibitions & missions.
Foreign Investors Council			Transfer of know-how & advice on lobbying		
Local business school		Trainings			
Media (TV, press)		Publicity	Publicity	Publicity	
International donor projects	Expert advice on capacity building	Trainings	Expert assistance on advocacy		Grant scheme for advocacy projects?
Suppliers of services to exporters (market research, brokers, logistics services etc)		Trainings? Markets information			Donations? Income from advertising.
NGO for free market development			Collaboration on advocacy		
Chamber of Commerce	Access to countrywide network and international branches.	Trainings. Information services	Collaboration on advocacy.		
Bankers Association		Collaboration on export financing services			
Ministry of Economy			Interlocutor on advocacy issues	Publicity	Grants for projects?
Agency for SME development	Access to countrywide business centre network	Trainings		Publicity	
Various other Government agencies	Customs agency		Interlocutor on advocacy issues		
Prospective members		Users	Users		

TOOL 2: STAKEHOLDER INTEREST-INFLUENCE GRID

Why use this tool?

The second step to stakeholder development is to determine level of interest. The only way of determining interest is to research and talk to stakeholders. Research their activities and think about what they have in common with your association's goals. Decide what they have to gain from collaborating with your association. Identify their decision-makers and use your contacts to meet with them. Explain your goals, the challenges you face, the things that link you, what benefits may be realized, and outline areas of possible collaboration.

How to use this tool?

HIGH INFLUENCE	**KEEP CLOSE** **Consult on areas of common interest and try to move them into a key player position**	**KEY PLAYERS** **Focus on this group. Involve them in decision-making. Engage and consult with regularly.**
LOW INFLUENCE	LOW PRIORITY Keep informed and include in mail shots, newsletters. Try to move into the right hand box.	SHOW CONSIDERATION Involve in low risk areas. Consult on interest areas. Use as a goodwill ambassador.
	LOW INTEREST IN SUPPORTING	HIGH INTEREST IN SUPPORTING

The influence vs. interest grid is a useful way of prioritizing stakeholders and developing a strategy for maintaining the relationship with them.

The ones with highest influence and high interest in supporting your group are clearly the key players and these need to be nurtured and engaged in the decision-making.

Look at the grid below. It provides guidance on how to develop the relationship with the different groups. Create your own template based on this example. See Annex F for the template.

The third step is to set objectives and plan actions. Set your goals and put them into the diagnostic sheet in the preceding section. See the example below.

Stakeholder	Goal/Objective
Local business school	Launch of series of association trainings on exporting skills over period of coming 12 months. 10 unit program designed to train 100 SME export managers over next 12 months.
Chamber of Commerce	Development of market information services with Chamber. Provision of information on prospective customers in foreign markets
International donor project	Launch of a major advocacy project to remove 2 specific barriers to SME exporting, to be completed within 18 months.

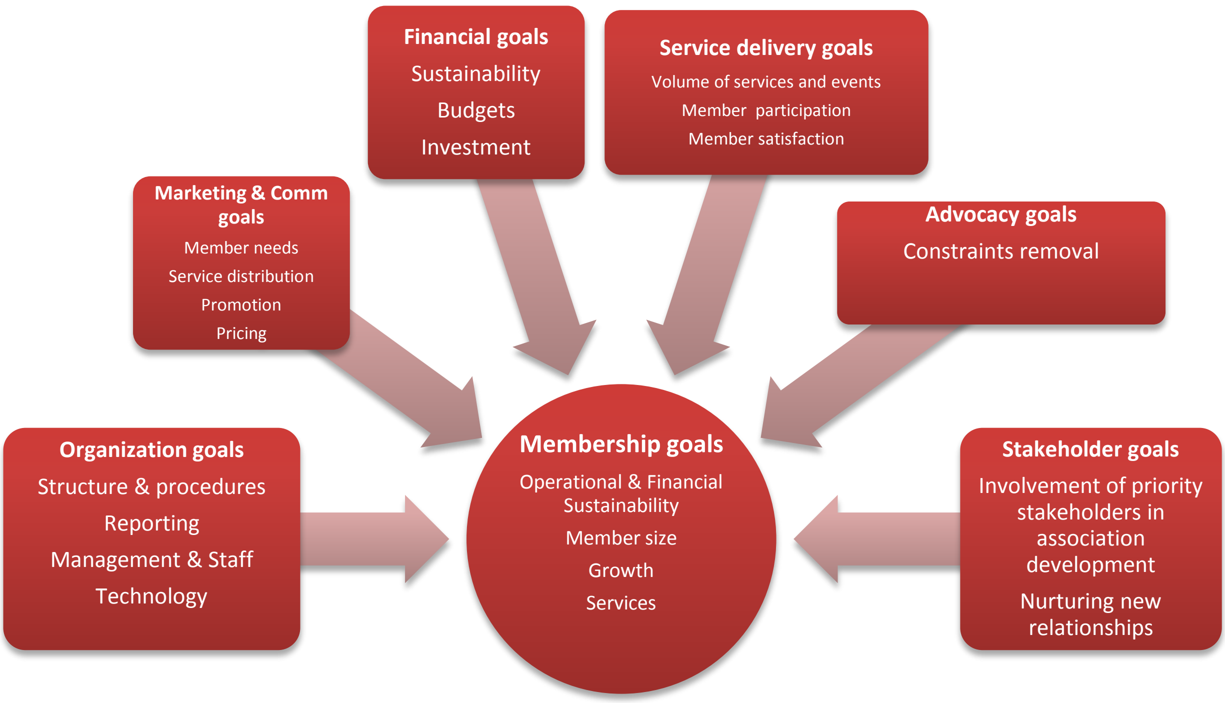
SECTION III: PUTTING IT ALL TOGETHER: THE STRATEGIC ACTION PLAN

3.1 CASCADING THE GOALS FOR THE STRATEGIC AREAS

The output of the above section 2 consists of the following:

- Strategic Area 1: Membership. Overview of association's strategic goals and SWOT.
- Strategic Areas 2 – 7: Situational analyses of each one of these areas with Diagnostics Summary Sheets indicating performance gaps/issues, new goals for improvement and proposals of strategies designed to tackle the problems at root cause and achieve the objectives. Note, every time you complete a strategic area evaluation revise the SWOT formulated during the analysis of Membership by combining all the additional information obtained from the situational analyses combined in strategic areas 2 – 7

The strategies identified in 2 – 7 now need to be integrated into an overall strategic action plan. The Strategic Action Plan will be designed to achieve key membership goals (strategic area 1) through the implementation of strategies for strategic areas 2 -7, each of which have their own objectives. See the diagram below showing how goals for strategic areas 2 – 7 cascade or integrate to achieve the association's overarching goals of membership



3.2 PUTTING THE ACTION PLAN TOGETHER

The strategic action plan is put together as follows:

1. With reference to the SWOT analysis agree on which weaknesses and threats are the priority. Generally speaking those that will have the greatest negative impact on the achievement of Membership goals are the most important. Those that could lead to the collapse of the association are top priority (indicate priority on the SWOT!). Typically critical priorities are those connected with financial sustainability, rapid degradation of membership and poor governance, followed by those that would affect strategic goals for membership growth and services development.
2. The diagnostic sheet for each of the strategic areas 2 – 7 includes strategies (or higher level activity descriptions) for improving performance. Break down the strategies for each of the strategic areas 2 – 7 into tasks, with clear allocation of period of implementation, output and performance indicators, and the individuals responsible for activity. The level of detail in the tasks descriptions should be such that the person responsible should know how to implement or how to direct implementation.

Enter the objectives, strategies and tasks in the template provided in Annex E.

(Strategic Area title) Objectives							
Activity *(title)* task breakdown	Tasks	Resources	Estimated cost	Outputs from task	Start date	End date	Responsible person
Activity *(title)* task breakdown	Tasks	Resources		Outputs from task	Start date	End date	Responsible person
Activity *(title)* breakdown	Tasks	Resources		Outputs from task	Start date	End date	Responsible person

TEMPLATE A

Note:

- The strategic objectives are indicated in the box titled “Strategic Area title” objectives.
- The strategy is put in the box titled “Activity (title)” and broken down into “tasks” as indicated. There are also columns for indicating the resources required included cost (in a separate) column, outputs from the tasks, start and end dates, and person responsible. The final output of a group of tasks should correspond to one of the objectives aimed at.

3. Check the objectives and activities for strategic areas 2 – 7 for consistency, compatibility and non-duplication, as explained in section 1. The objectives for strategic areas 2 -7 must cascade to achieve the overarching membership goals.

For example:

- Services pricing objectives and costs need to be consistent with the financial objectives and funding availability.
- Service delivery resource requirements need to be checked against the availability of people resources. Emerging country associations are frugally staffed and there is considerable multi-tasking carried out by staff.
- Service performance data can be collected by member surveys. This action can also be used to gather member needs information and, thus, the survey action helps to achieve both marketing and service delivery objectives. A survey will help provide data on

member needs, and can also be used to get overall satisfaction ratings. Thus, it can either be included under marketing or service tasks rather than in both.

Also, check that the priorities indicated in the revised SWOT have all been addressed. If not, return to the strategic area related to the priority and make whatever adjustments are necessary to objectives and strategies.

When setting objectives and formulating activities, do not exceed a manageable number. The more objectives you have, and the more activities, the more difficult it will be to manage. Up to 3 strategic objectives and 3-4 activities is probably as much as you should be aiming for, particularly in the early stages of an association's development (1-2 years). Note, the plan can be expanded on revision, to include additional objectives and activities, as progress is made (see the following subsection).

4. Put the final plan together, checking the timing of actions that are dependent on one another. For example, a survey may need to be implemented before a new service is developed.

The plan is put together as the following set of documents:

Mission & Long Term Goals							
Strategic Objectives	Membership	Stakeholders	Institution (Governance, Leadership,	Marketing & Comms	Advocacy	Services	Finance
Objective 1							
Objective 2							
Objective 3							

TEMPLATE B

Enter the association's Mission, the Membership over-arching goals and the strategic area 2 – 7 objectives that contribute to their achievement. The following is an example (note, objectives have only been expressed qualitatively whereas in the plan they should all also include measurable quantities eg. Membership growth from 80 to 110 in next 12 months, 200 new targets identified by Marketing, 10% reduction of costs by Finance):

Mission	Organization	Marketing	Finance	Service delivery	Advocacy	Stakeholders
Membership Growth	Improved governance	Targeting new members	Reduction of office running costs	Improve service satisfaction levels	Commence	
Better services	Improved procedures	Reassess service needs	Investment in service development			
Wider geographic representation	Hire additional skilled staff	Improve distribution channels				
Financial sustainability						

Subsequently each of the strategic areas will have a template for each of strategic areas 2 - 7, as showing above, giving details of strategic actions (or activities) broken down into tasks.

Thus, the strategic plan consists of template B and template A for each of the strategic areas.

3.3 USING KEY PERFORMANCE INDICATORS

The strategic action plan is both a plan and a tool for continuous improvement because it should be regularly referred to and revised as appropriate. Senior association management should review progress on at least a monthly basis and if the plan is not working, steps should be taken to adjust it. The board should review the plan at regular intervals, and certainly no less than twice a year at the mid-point review, though quarterly reviews are preferred.

For each of the sets of strategic actions, you should not only compare with the objectives but also use key performance indicators (KPIs) to measure how much progress you are making in moving towards your objectives.

KPIs are not necessarily the same measure as your objective but are linked to it. They are usually linked to the process implemented to achieve the objective. For example:

Member acquisition:
The ultimate goal is achieving a target number of members. In striving towards that, the following measures would be indicative of progress:

- Number of 1st time contact made with prospective members
- Number of membership applications sent out
- Number of membership applications returned
- Number of membership applications qualified
- Number of new members signed up

Service delivery improvement:
The ultimate goal is achievement of better trainings measured by higher training frequency, more participants and higher satisfaction rating. The following measures would be indicative of progress.

- Number of qualified trainers on roster
- Increasing demand from trainees
- Post-training feedback

Improvement of member inquiries response:

- Number queries per month per member
- Number of queries resolved
- Average period to resolution

Improvement of member dues collections:

- Number of communications sent out to non-payers per month
- Overdue payments collection per month

Establish relevant KPIs and include them in the measurable output of the strategic activities.

SECTION IV: MONITORING AND EVALUATION

4.1 WHY THIS IS IMPORTANT?

Monitoring progress in the implementation of the action plan may be compared to driving to a destination whilst consulting your map and keeping an eye on the car's instrument panel.

The strategic action plan is the road-map. It shows you the route you need take to reach the destination. The destination is achieved when you reach the goal.

Whilst en-route to the destination it will probably be necessary to check time, speed, distance driven, fuel consumption and fuel remaining, oil temperature and even ambient temperature. This information provides you with information on progress. These types of measures are akin to the key performance indicators. If you are sticking to the road-map and your distance remaining in the time elapsed is in line with what has been planned, then you are making good progress. Fuel consumption is indicative of whether you have sufficient (fuel) resource to complete the journey and the oil temperature is another measure of whether the (engine process) process is on track. The KPIs described in section 3.3 are part of your instrument panel.

The above analogy applies to monitoring the strategic action implementation. This has to be data driven – just like reading the indicators on a car's dashboard – and regular reporting is crucial for good monitoring. For this reason a monitoring tool has been included in the toolkit and is explained in section 4.2.

Another useful way of monitoring progress in general is the use of benchmarking. Benchmarking is based on relevant best practice goals and standards to be achieved and measuring progress against them. In the case of associations it is the process of comparing performance and metrics against established good practice. The established good practice should be applicable to the business environment in which they operate it. Since there is no established set of benchmarks for associations in the region, one has been developed on the basis of experience of association development in developing and regional countries in general. These benchmarks are included in the form of statements in questionnaire against which the assessment can be made by comparison of the situation in the association. Also included in the tools in section 4.2 is a simple spider-diagram based tool for plotting the progress against what is considered to be a good standard.

4.2 TOOLS FOR MONITORING AND EVALUATION

ASSOCIATION REPORTING TOOL

Why use this tool?
The Association reporting tool is Excel based and is available from BPI. It should be used for:

i) Entering information collected by the consultant during the diagnostics stage, including basic data and information about the association and notes about observations;
ii) Entering quarterly performance data for progress monitoring and evaluation;
iii) Production of an evaluation and summary report detailing an evaluation period covering up to 8 quarters (2 years elapsed period).

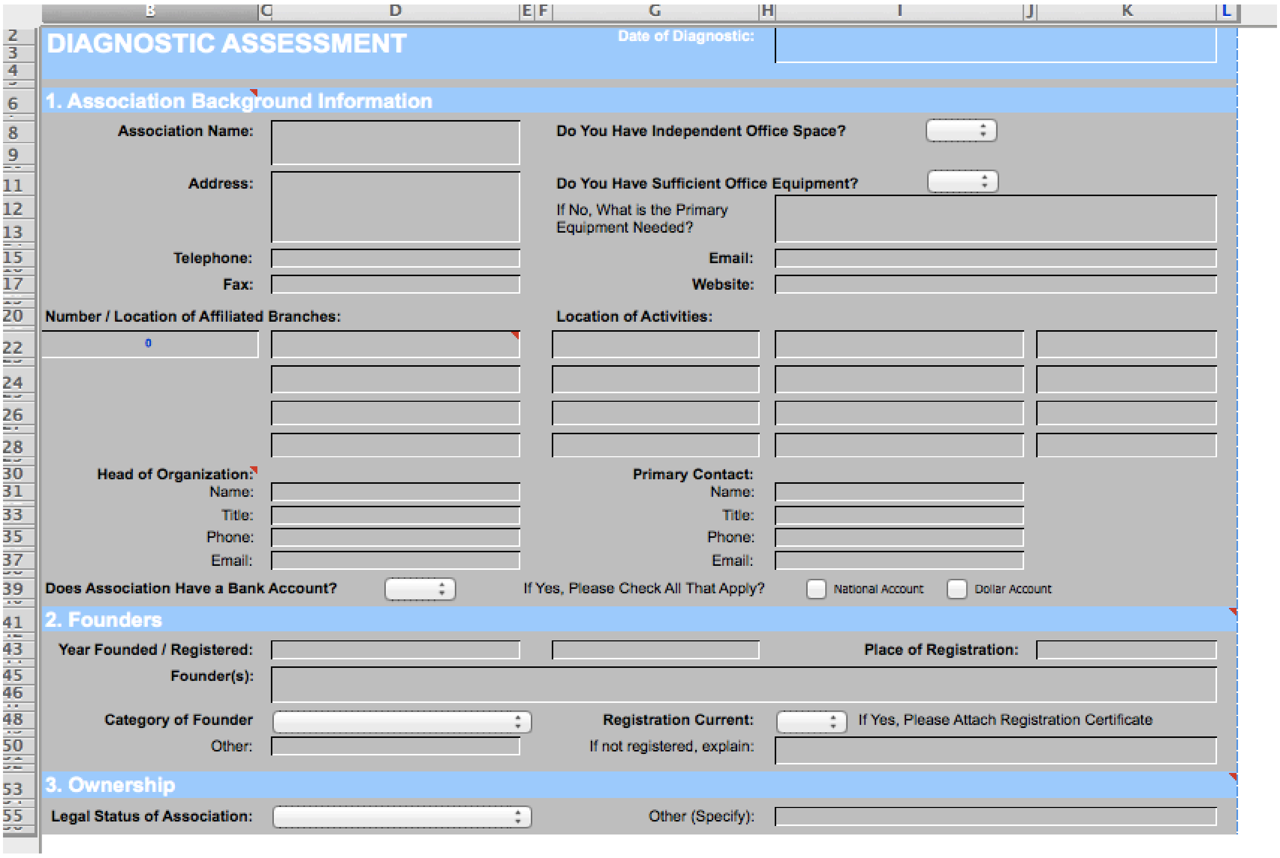
Because the tool is software based, it provides an electronic record of information and data, and can be easily distributed. The association can provide progress information by email and subsequently receive feedback from the consultant.

How to use this tool?
The following should be read with reference to the software tool. The tool consists of the following:

Sheet 1: Initial diagnostic sheet for entering information about the association relating to the current year as well as past year (for data such as member numbers, income, expenses etc), namely:

1. Association Background and Information
2. Founders
3. Ownership
4. Organization Structure/Board of Directors
5. Professional Personnel
6. Membership Information
7. External Relations and Advocacy
8. Non-dues related services/Activities
9. Grant activities and loans
10. Financial information (including income, operating expenses, key monitoring ratios)

See the screenshot below for Sheet 1.



DIAGNOSTIC ASSESSMENT
Date of Diagnostic:

1. Association Background Information

Association Name:
Do You Have Independent Office Space?
Address:
Do You Have Sufficient Office Equipment?
If No, What is the Primary Equipment Needed?
Telephone:
Email:
Fax:
Website:
Number / Location of Affiliated Branches:
Location of Activities:
0
Head of Organization:
Name:
Title:
Phone:
Email:
Primary Contact:
Name:
Title:
Phone:
Email:
Does Association Have a Bank Account?
If Yes, Please Check All That Apply?
National Account
Dollar Account

2. Founders

Year Founded / Registered:
Place of Registration:
Founder(s):
Category of Founder
Registration Current:
If Yes, Please Attach Registration Certificate
Other:
If not registered, explain:

3. Ownership

Legal Status of Association:
Other (Specify):

Note: The above information should be collected when evaluating the 7 strategic areas.

Sheet 2: For notes obtained during meetings with the association. The notes would include observations that you enter into the DIAGNOSTIC sheets provided in this handbook in section 2, from the evaluation of all strategic areas.

Sheets 3,4,5,6: For entering association data relating to Quarters 1,2, 3, 4 respectively.

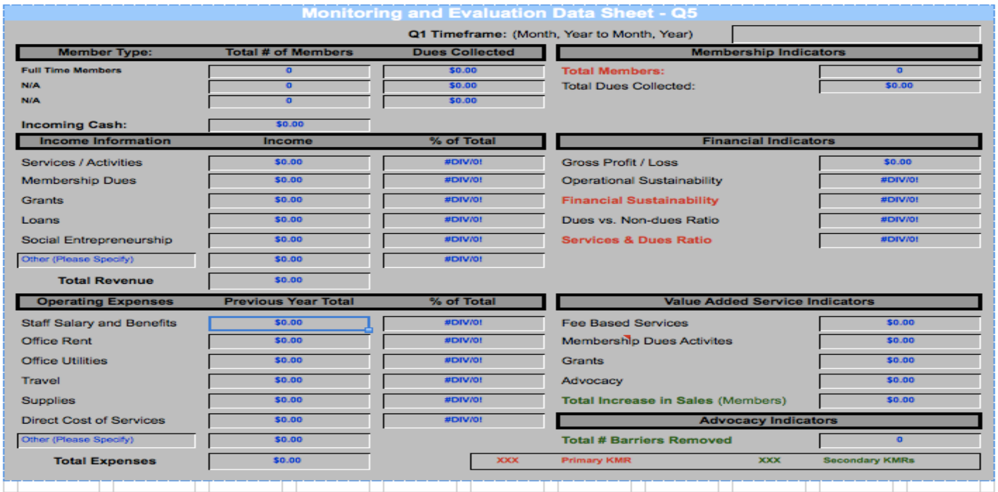
<u>The data entered covers member numbers and dues collected; income from dues, services, grants; operating expenses including staff salaries, office rent, office utilities, travel, supplies, direct cost of service. In short, it will enable the user to understand tenets of financial sustainability of the association.</u>

Sheet 7: Year 1 Evaluation sheet, which provides an annual summary of progress compared with the previous year and request entries on activities undertaken and benefits arising.

Sheet 8: For notes related to Year 1 evaluation.

Sheets 9,10,11,13: For entering data relating to Quarters 5,6,7,8 (year 2) respectively. Above for Sheets 3 to 6.

See screenshot below for the quarterly data entry.



Monitoring and Evaluation Data Sheet - Q5

Q1 Timeframe: (Month, Year to Month, Year)

Member Type:	Total # of Members	Dues Collected
Full Time Members	0	$0.00
N/A	0	$0.00
N/A	0	$0.00
Incoming Cash:	$0.00	

Membership Indicators	
Total Members:	0
Total Dues Collected:	$0.00

Income Information	Income	% of Total
Services / Activities	$0.00	#DIV/0!
Membership Dues	$0.00	#DIV/0!
Grants	$0.00	#DIV/0!
Loans	$0.00	#DIV/0!
Social Entrepreneurship	$0.00	#DIV/0!
Other (Please Specify)	$0.00	#DIV/0!
Total Revenue	$0.00	

Financial Indicators	
Gross Profit / Loss	$0.00
Operational Sustainability	#DIV/0!
Financial Sustainability	#DIV/0!
Dues vs. Non-dues Ratio	#DIV/0!
Services & Dues Ratio	#DIV/0!

Operating Expenses	Previous Year Total	% of Total
Staff Salary and Benefits	$0.00	#DIV/0!
Office Rent	$0.00	#DIV/0!
Office Utilities	$0.00	#DIV/0!
Travel	$0.00	#DIV/0!
Supplies	$0.00	#DIV/0!
Direct Cost of Services	$0.00	#DIV/0!
Other (Please Specify)	$0.00	
Total Expenses	$0.00	

Value Added Service Indicators	
Fee Based Services	$0.00
Membership Dues Activites	$0.00
Grants	$0.00
Advocacy	$0.00
Total Increase in Sales (Members)	$0.00

Advocacy Indicators	
Total # Barriers Removed	0

XXX Primary KMR XXX Secondary KMRs

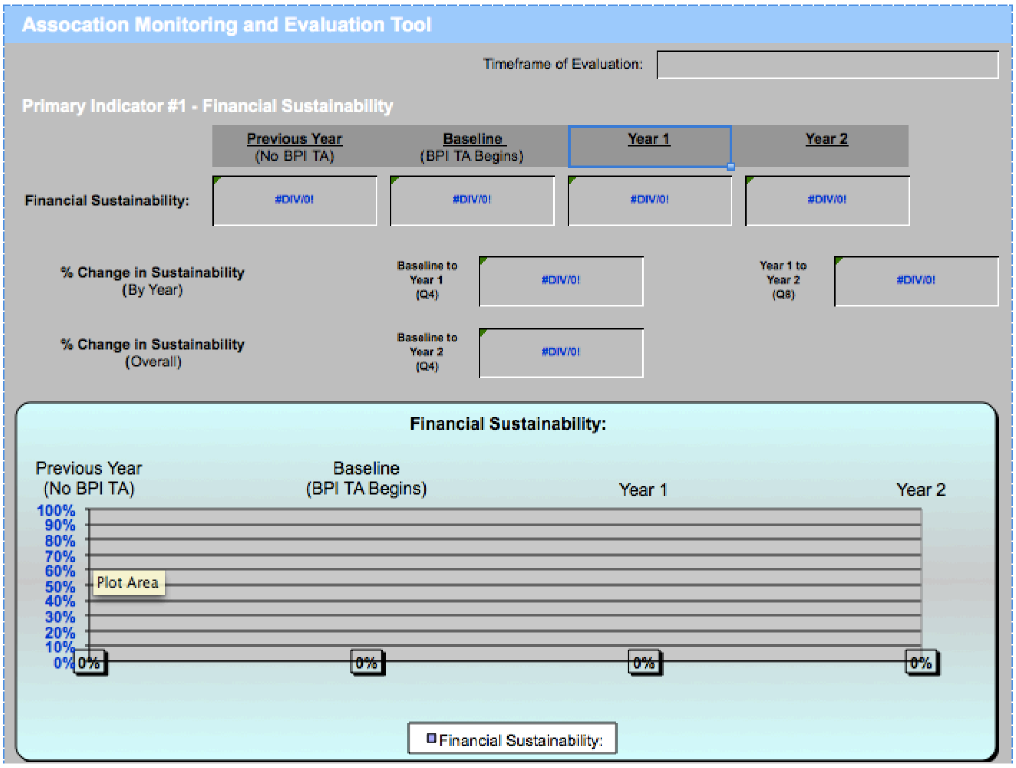
Sheet 14: Year 2 Evaluation, with same content as in Sheet 7.

Sheet 15: For notes related to Year 2 evaluation.

All these sheets lead the user to the last sheet of the Monitoring Tool. **Sheet 16, the 'M&E Summary Sheet'** reports operating results of the association, both in ratio format as well as visually with usage of graphs. The graphs show and represent positive or negative trends that are occurring within the association, in areas including *financial sustainability, membership growth, service/dues ratios, constraints removed (from advocacy actions, sales growth of members (as an indirect indicator of the association's impact on member development).*

While it is important to enter the correct data on the current situation in the association, the crucial outputs from the above are:

- The Year 1 and 2 Evaluation reports (sheets 7 and 15), which summarize progress, of the association.
- The Monitoring & Evaluation sheets, which provide amongst others charts showing the evolution of sustainability, membership growth, services income, and the effects of advocacy initiatives.



An alternate and more subjective monitoring or evaluation tool is utilization of satisfaction surveys followed by construction of Spider or Radar Charts. While subjective, these graphs provide visual displays of ratings, whether positive or negative, in the eyes of membership. This is helpful to management to address issues as foreseen by the association. \

Annex G provides a listing of questions, and criteria for utilization of this evaluation methodology.

ANNEXES

This Annex contains is the inventory of templates and tools that are used in combination with the checklists (in sections 2.1 – 2.7) to complete the Strategic Action Plan and monitor performance of Associations.

Some software-based Tools are available in 'soft' or electronic version, and thus are not included as attachments in this Annex.

A. GENERIC DIAGNOSTICS SHEET

B. MARKETING WORKBOOK

C. SURVEY QUESTIONNAIRES (EXAMPLES)

D. CASH-FLOW TOOL (AVAILABLE AS SOFTWARE)

E. ASSOCIATION ACTION PLANNING TEMPLATES A and B (AVAILABLE AS SOFTWARE)

F. ASSOCIATION STAKEHOLDER IDENTIFICATION SHEET & ASSOCIATION STAKEHOLDER INFLUENCE-INTEREST GRID

G. BENCHMARKING QUESTIONNAIRE & SPIDER (aka Radar) DIAGRAM

H. ASSOCIATION REPORTING TOOL (AVAILABLE AS SOFTWARE, SEE SECTION 4.0)

ANNEX A: GENERIC DIAGNOSTICS SHEET

OBJECTIVES	PLANNED	RESULTS TO DATE

STRATEGIC AREA	POTENTIAL CAUSES AND EFFECTS OF GAPS
NEW OBJECTIVES FOR IMPROVEMENT	

NEW STRATEGIES (HOW TO ACHIEVE OBJECTIVE)	**OBJECTIVE SUPPORTED** (indicate which of the above objectives are affected)

ANNEX B: ASSOCIATION MARKETING PLANNING TEMPLATE

ASSOCIATION NAME

Presented by: Accepted by:

Marketing Consultant/Association Manager Association marketing manager

Approved by:

ASSOCIATION DESCRIPTION

MAIN GOALS

SUMMARY OF SERVICES TO MEMBERS **Distinguish between core services, which all members receive, non-core member services which require additional fees, and fee-based services available to non-members**
.

AREA/TERRITORY OF OPERATIONS

SECTION A: SITUATIONAL ANALYSIS OF MARKETING

SERVICES BENEFITS
What are our services' features? **How do we address the member needs we just identified? Do we address all needs or just some of them? What benefits do we bring to our members and users of services?**

DISTRIBUTION OF SERVICES
Describe how services are delivered to members. Is it done personally or remotely? How are they distributed over the territory of operations?

PROMOTION & COMMUNICATIONS
Describe how services are promoted to attract new members and to reinforce loyalty of existing members? What type of communications methods does the association use to inform members and stakeholders, and obtain their feedback?

FEES AND PRICING POLICY
How do we set membership dues and fees/prices for services? What is our fee and pricing policy? How do we price our services? Cost plus a standard markup? Comparison with the competition? Lowest price? How do we differentiate the fees between membership categories as well as for non-members?

PEOPLE
What does the association do to ensure that its staff and representatives reinforce the image of that it projects? What training is provided? How is staff performance assessed in the area of member relationship management?

COMPETITION (1)
Is there an alternative provider of services to our members? Are there other associations or other organizations, including companies, that offer similar services and are able to meet members' needs?

COMPETITION (2)

Provide a comparison with what you believe to be the closest competitor for different service components.

COMPETITIVE ANALYSIS: Think about competition in the broadest sense- not only other organizations making directly competitive services to ours, but also companies providing similar services. What are our customer's choices? How do we differ from competitors? Do we do anything that provides us with a competitive advantage?

COMPETITOR	THEIR PRIMARYSERVICE FEATURES	COMPARISON OF THE ASSOCIATION'S AND COMPETITOR'S FEATURES. RATE WHETHER THEY ARE BETTER, LOWER OR SAME.

MARKETING SWOT ANALYSIS USING THE SWOT TOOL

For each of the following areas, carry out a SWOT analysis so we can understand what the challenges are and what needs to be fixed. The SWOT is carried out for a number of key marketing areas. Consider prioritizing the issues you identify by numbering them. Think of all the questions you need to consider under each heading. Those given are only examples.

1. THE MARKET: What do we know about the needs for our products and services? Is our market research and competitive intelligence up to date and accurate? Do we carry out regular surveys? What do we know about our share of the market i.e. number of members in our association relative to the total number in the target group)?

INTERNAL		EXTERNAL	
Strengths	**Weaknesses**	**Opportunities**	**Threats**

2. SERVICE AND PRODUCT: Do our services serve market needs? Do they meet the needs? Are they well packaged/bundled? Create a separate SWOT table for each Service if it makes it easier for you to analyze.

INTERNAL		EXTERNAL	
Strengths	**Weaknesses**	**Opportunities**	**Threats**

3. BRAND AND IDENTITY: Are our services well known and easily identified in the marketplace? What do they say about our association?

INTERNAL		EXTERNAL	
Strengths	**Weaknesses**	**Opportunities**	**Threats**

4. PROMOTION & ADVERTISING: How do we promote our services? Is our advertising program cost effective and does it stimulate demand?

INTERNAL		EXTERNAL	
Strengths	**Weaknesses**	**Opportunities**	**Threats**

5. COMMUNICATIONS, NEWSLETTERS AND PUBLICATIONS: Are our support materials up to date and accurate? How good are our publications? Do present business cards?

INTERNAL		**EXTERNAL**	
Strengths	**Weaknesses**	**Opportunities**	**Threats**

6. CONFERENCES & EXHIBITIONS: Do we participate at conferences and exhibitions? Trade shows?

INTERNAL		**EXTERNAL**	
Strengths	**Weaknesses**	**Opportunities**	**Threats**

7. DUES AND FEES: Are we setting the fees properly? Are the fees considered as being good value for money? How do we differentiate between member and non-members fees?

INTERNAL		EXTERNAL	
Strengths	**Weaknesses**	**Opportunities**	**Threats**

8. MARKETING ORGANIZATION: Does our marketing department/section reflect the goals and operational needs of the association? Do we train our staff in marketing methods? Are they well motivated?

INTERNAL		EXTERNAL	
Strengths	**Weaknesses**	**Opportunities**	**Threats**

9. ASSOCIATION MARKETING & MEMBER SERVICE STAFF: What is their role in provide in improving services? Does their behavior project the image of the association we want to build? Are our queries response procedures good? Do we have a member complaints or suggestions procedure?

INTERNAL		**EXTERNAL**	
Strengths	**Weaknesses**	**Opportunities**	**Threats**

10. DISTRIBUTION: Do we reach all potential market segments? Are we using technology in widening our distribution?

INTERNAL		**EXTERNAL**	
Strengths	**Weaknesses**	**Opportunities**	**Threats**

11. TECHNOLOGY & E-MARKETING: Do we use a Web site, email, as components of our overall marketing and sales approach? How do we use technology for distribution and income generation? How do we apply technology for communications?

INTERNAL		**EXTERNAL**	
Strengths	**Weaknesses**	**Opportunities**	**Threats**

12. CONTINUOUS IMPROVEMENT: Do we have feedback mechanisms to fix things that do not work properly? How do we monitor our marketing results?

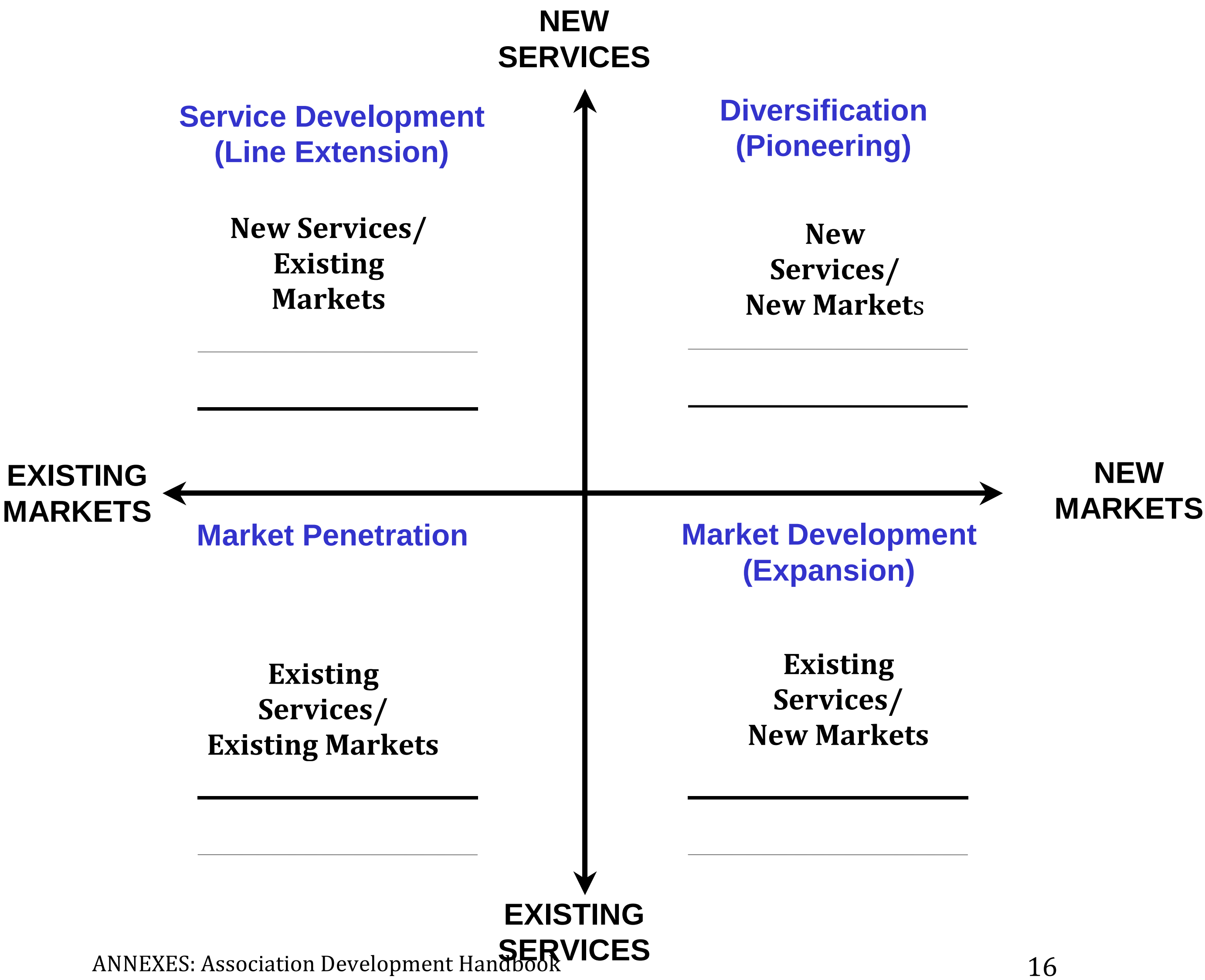
INTERNAL		**EXTERNAL**	
Strengths	**Weaknesses**	**Opportunities**	**Threats**

MARKETING STRATEGY FORMULATION TOOL: GROWTH STRATEGY MATRIX

IN WHICH AREAS WILL WE GROW?

Identify your growth strategy in the diagram below by analyzing where your membership & income growth will come from. Place your primary source of new members and income into the diagram below by deciding on the most efficient and effective combination of:
1. SERVICES: Existing or New; and
2. MARKETS: Existing or New.

Consider that different growth strategies have different financial implications. To achieve growth, you will incur new expenditures before you generate new income. Diversification (Pioneering) is generally the most costly growth strategy, and Market Penetration is the least costly. Service/Product Development and Market Development are in between.



SERVICE IMPROVEMENT TOOL: IMPACT-PERFORMANCE TOOL

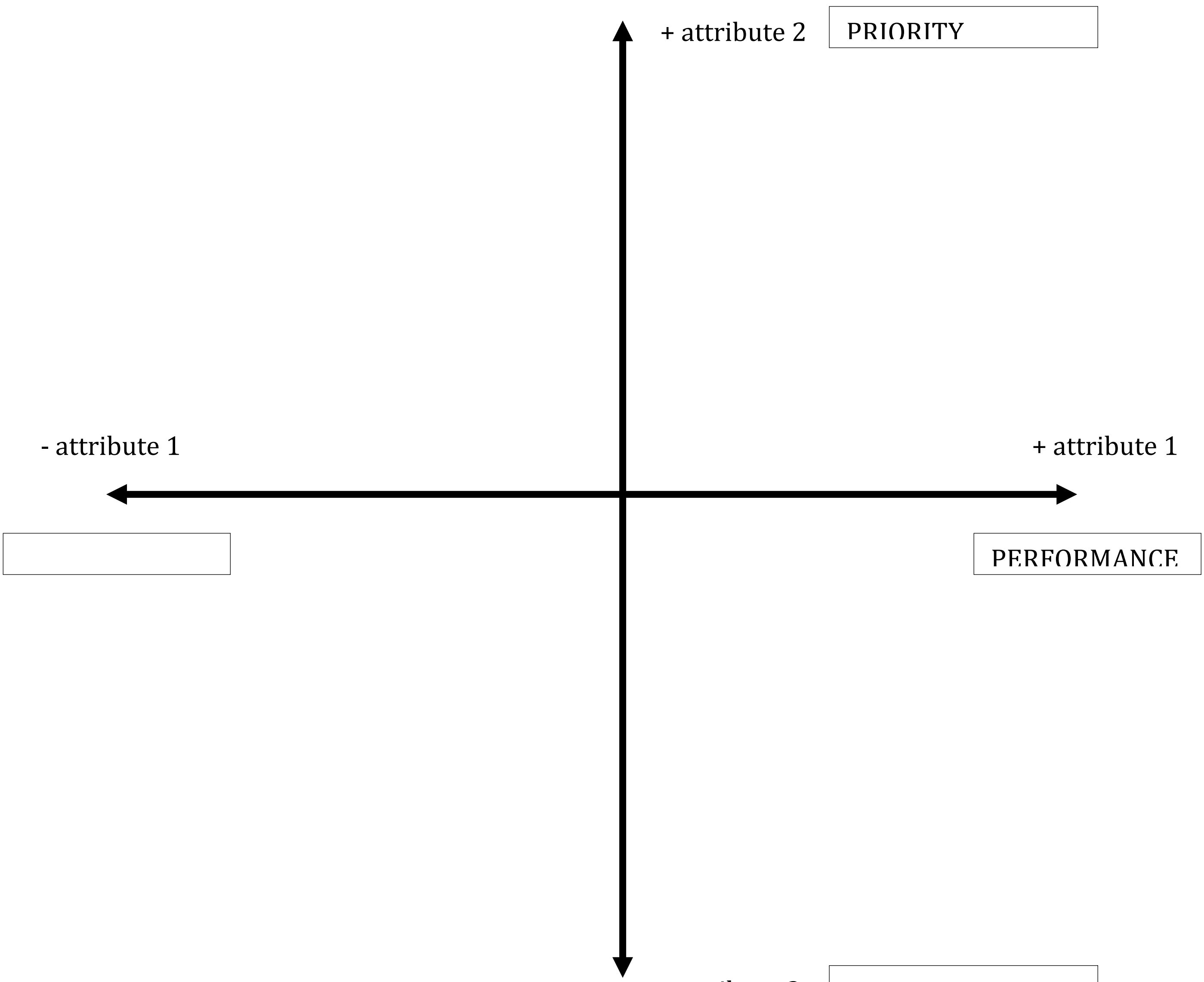
POSITIONING DIAGRAM FOR SERVICES:

Looks at the performance of your services vs. the impact they will have on your association.

1) Identify and position your service has the grid as it is today: Use circles to position yourself in the correct location, and then do the same for your competitors based on what you know about them. Label the circles with your name or the competitor's names. If you have information about size of demand from members/income you can depict them by the size of the circle.

2) Determine where you need to move to in order to improve.

See the handbook reference to the use of bubble charts



SECTION B: FORMULATING MARKETING STRATEGY

<table>
<tr><td colspan="2" align="center">MARKETING STRATEGY (1)</td></tr>
<tr><td colspan="2">LONG TERM GOALS

When comparing with our main market goals today, where do we want our association to go in the medium to longer term? Where do we want to be in 3-5 years time?</td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="2">OBJECTIVES:
How do we translate those goals into SMART market objectives for the short (for the year ahead) and intermediate terms (1-3 years) Note, think about market objectives in terms of SERVICES, MEMBERSHIP GROWTH, INCOME ETC Marketing objectives are usually oriented toward SERVICE INCOME AND MEMBERSHIP GROWTH, MARKET SHARE, NEW AND IMPROVED SERVICES.
How will we measure when we have been successful?</td></tr>
<tr><td>SHORT TERM</td><td></td></tr>
<tr><td>INTER-MEDIATE</td><td></td></tr>
</table>

STRATEGIC MARKETING CHALLENGES: MARKETING AREA	MARKETING CHALLENGES: Based on our SWOT finding, what are the key challenges and obstacles keeping us from meeting our objectives? How can we eliminate our weaknesses? How do we use our strengths? How do we prepare to take on new opportunities and avert threats? Add more rows if necessary. Look at the priorities and focus on critical and strategic issues. Rank them. Critical issues are those that pose a threat to the sustainability of your association, and strategic issues are those that are key to the achievement of association's goals. If something is neither of the aforementioned though important, rank it third.

MARKETING STRATEGY PLAN (2)
STRATEGIES: **What strategies will we apply to tackle the issues identified above? For each of the issues identified above, how are we going to tackle them? Are there strategies that will tackle more than one issue? Do the strategies tackle the critical (if any) and strategic issues? Try formulating no more than 2-3 strategies, perhaps 4 if necessary. It will be difficult to implement more than 3. If you achieve objectives with those 2-3, then you will achieve a lot.**

SECTION C: PROJECTING INCOMES AND MARKETING BUDGET AND PLANNING ACTIONS

INCOMES FORECAST FOR IMPLEMENTING MARKETING STRATEGY		
Source of income & Distribution channel. (add rows as required)	**This year's forecast: (Currency ________)** **Year 20__**	**Next year's forecast: (Currency ________)** **Year 20___**
Members dues		

Member fee Service A		
Member fee Service B		
Member fee Service C		
Non-member service D		
Non-member Service E		
Other sources (grant)		
INCOME (Currency _________)		

TOTAL INCOME		

MEMBER & NON-MEMBER INCOME TARGET DATA Note: This table can be used to provide a further breakdown of targets in terms of quantities of services, where delivered. Note, services delivered via the web might be available country-wide. Distinguish between existing & new members.				
User type	**Service type**	**Number of services delivered**	**Geographical Location**	**This Year's Income (Currency ________)**
Existing members				
New members				

TOTAL INCOME	

MARKETING BUDGET
Plan your marketing expenditures for implementation of your plan. This is likely to be an iterative process and you may need to adjust your budgets as you refine your action plan. The important thing is that your marketing budget should provide sufficient resources to fund the activities forming the strategic marketing plan.

Expense category:	This Year's Budget Year 200___	Next Year's Budget Year 200___
Marketing Budget		
Marketing & Communications staff Salaries		
Design and Identity		
Newsletters, Brochures & Publications		
Website		
Advertisement and Promotion		
Exhibitions		
Market research		
Travel expenses		
Outsourced marketing related services		
MARKETING BUDGET		

STRATEGY 1 ACTION PLAN			
ACTIONS	**Who?**	**From When To When?**	**Cost**

STRATEGY 2 ACTION PLAN			
ACTIONS	**Who?**	**From When To When**	**Cost**

STRATEGY 3 ACTION PLAN			
ACTIONS	**Who?**	**From When To When**	**Cost**

STRATEGY 4 ACTION PLAN			
ACTIONS	**Who?**	**From When To When?**	**Cost**

ANNEX C: MARKET SURVEY QUESTIONNAIRES

There is no single template for a satisfaction or needs analysis questionnaire but below are examples of a survey for an ongoing association, and an example of a questionnaire formulated to assess exporters' needs in advance of setting up an association.

Note, the longer the questionnaire is, the more discouraged people will be in completing it and the less likely it is you would get numerous and complete responses.

Look at the examples in this section to create questionnaires adapted to your own needs. Definitely carry out the survey if you have not yet done so.

The following is an example of a satisfaction survey combined with a needs analysis. Note, it is not short but has been written to give you an overview of the type of questions you might like to ask. Note, the list of services is extensive and also serves to illustrate how wide membership services might be. Of course, not all associations have as wide a list of services as this!

MEMBER SATISFACTION & NEEDS ANALYSIS

Dear Member

Your opinions and ideas are of immense value. By providing them you will help us improve your Association so that it serves your needs better and meets your expectations. The association can only improve if you want it to improve. Please provide us with the information requested below and return by post, email or hand it to association office staff with 2 weeks of receiving this. Thank you!

Should you have any comments or queries about this questionnaire, please feel free to contact Membership Services section at the Association.

Yours respectfully

Association Board Chairman

A. MEMBER DETAILS

Please provide contact details. However, if you prefer to remain anonymous you need only to provide the category of membership d) and years of membership e).

a) Name:……………………………

b) Position:………………………..

c) Contact details:…………………

d) Category of Membership (please tick):

- Full member (corporate)
- Full member (individual)
- Associate member (individual)
- Other

e) Since when have you been a member?: ……….

B. YOUR SATISFACTION WITH THE SERVICES

B.1 Services use in past 12 months and rating:

Please rate services used. If you have not used a service, please row the row empty.

Service	No. of times accessed, used or attended events	Frequency of use/access	Rating
Networking events			
Annual conference			
Newsletter*			
Members handbook*			
Annual sector report*			
Members services directory			
Advocacy projects			
Regular training events			
Publications			
Advertising (in publications)			
Special training events			
Library			
Conference room			
Training room & equipment			
Online library and archives			
Members services online directory*			
Intranet *			
Webinars			
Special market research services			
Translation services			
`Trade Fairs & exhibition services			
Special external service or product joint-purchase service			

Member Financial services
Other

*Please indicate frequency of use/access by following:
- Frequent: Several times per month all year around
- Infrequent: 1 – 12 per year
- Never

Please rate the service according to the following:

4 = excellent. The service exceeds my expectations.
3 = satisfactory. The service is as I would expect it.
2= partially unsatisfactory The service is partially unsatisfactory.
1 = poor. The service is of poor quality and unacceptable.

Please provide your feedback on poor service in section B.3

B.2 Member query handling

Please give us feedback on whether you are satisfied with the way your queries are handled by association staff. Please circle the applicable number

1 2 3 4

4 = Excellent. Association staffs exceed expectations in the way in which they deal with my queries.
3 = Satisfactory. Association staff responds to my queries promptly, courteously and deals with them in good time.
2 = Partially unsatisfactory. I am sometimes disappointed in the manner in which my queries are handled.
1 = Poor. The manner in which association staff handle my queries is totally unacceptable.

B.3 YOUR FEEDBACK ON YOUR SPECIFIC EXPERIENCES

You are invited to provide feedback on specific aspects of service or response to your queries that you would like to see improved. Please indicate service in question in a). If your comment is not related to a specific service proceed to b), c.) and d). If no specific feedback go to B.4.

a.) Service and;
Name of event (if applicable)
b) Please describe the nature of the problem.
c) Did you report the problem to anyone at the association?
d) What was the outcome?

B.4. Overall level of satisfaction

What is your overall level of satisfaction with the association? Please indicate:

1 2 3 4

4= Excellent. The association even exceeds my expectations in responding to my needs.

3= Satisfactory. The association supports me and meets my needs in the way I would expect.

- 2= Partially unsatisfactory. I am unhappy with some aspects of the association's activities and behavior, and I have indicated by providing feedback in the boxes above.

1=Poor. I am totally dissatisfied with the association and do not see any benefits from being a member.

C. YOUR NEED FOR NEW SERVICES

Please provide your ideas for new services and activities:

Training & Education:

1. **……..**

Public advocacy on legal and regulatory barriers to business:

2. **………..**

Other services. Please provide your suggestion.

3. **……
……**

Other service. Please provide your suggestion.

4. **……
……**

D. ANY OTHER COMMENT?

Please feel free to comment on anything else to do with the association.

……

THANK YOU FOR RESPONDING TO OUR SURVEY!

The following is an example of a survey set up to gauge exporters needs ahead of setting up an exporters association. Note, this survey was posted on a website and provided useful information that led to the start-up of an exporters association.

Exporters Survey Questions

1. Do you export? Yes/No

How long have you been exporting? …….

2. Are you planning to export in the next 2-5 years?
Yes No

3. In what sector is your business?
- Agribusiness
- Auto industry
- Banking, insurance, other financial services
- FMCG (Fast Moving Consumer Goods)
- Wood industry (wood processing and furniture)
- Education
- Energy
- Chemicals

- Construction
- Electronics
- ICT
- Life Science/Pharmaceuticals and Health Care
- Logistics & Transport
- Metals
- Mining and ores
- Professional Services (excluding ICT)
- Textiles/Apparel
- Tourism
- Other ....

3. How long has your company been in business (yrs)?......

5. How many employees do you have:
- up to 10
- up to 50
- up to 250
- up to 500
- over 500

6. Your annual revenue in millions of dinars:
- up to 20
- 20-50
- over 50

7. Your total exports in 2010:
- up to 500,000 Euros
- up to 1,000,000 Euros
- 1 – 5 million Euros
- more than 5 million Euros

8. What are your export markets? Note all that apply.
Austria
Italy
Germany
Other EU countries (note ....)
Former Yugoslavia
Other (note...)

9. Do you outsource any corporate services?
- no
- yes
If yes, which ones:
  - Accounting
  - ICT
  - Legal
  - Marketing
  - Pay-roll
  - R&D
  - Other.................

10. What markets would you like to pursue in 2-5 years?
Austria
Italy
Germany
Other EU countries (note ….)
Former Yugoslavia
Russia/former USSR
Asia
USA
Other (note…)

11. If an Exporters Association is formed in XXXXa, what services should this association provide:
- Market research (other markets, technical standards, etc)
- B2B partners finding
- Government advocacy to improve legislation/policies related to exporting
- Local market promotion
- Foreign fairs assessment and presentation
- Legislative assistance (local and foreign markets)
- Logistics assistance
- Regular information sharing, e.g. Newsletter
- Other (please indicate) ……………..

12. Which services would be most important to your company in becoming a better exporter ?
- Market research (other markets, technical standards, etc)
- B2B partners finding
- Government advocacy to improve legislation/policies related to exporting
- Local Domestic market promotion
- Foreign fairs assessment and presentation
- Legislative assistance (local and foreign markets)
- Logistics assistance
- Regular information sharing, e.g. Newsletter
- Advice on export financing
- Advice on issues related to technical barriers to trade
- Access to network of overseas offices for foreign marketing and sales visits
- Other (please indicate)……………..

13. Are you interested in specific trainings/seminars related to exporting:
- yes
- no
Please indicate the topics of interest….

14. Should the future Serbian exporters association be organized as a:
- Non-profit NGO
- Commercial for-profit organisation
- Integral part of the XXXXXX Chamber of Commerce
- Other……….

15. If the Exporters Association of XXXXXX is established, would your company be a member? Yes No

16. What would be your key reason/s for membership in Exporters Association of XXXXXXXX ?
Government Advocacy
Opportunity to meet foreign trade partners
Networking with other Serbian Exporters

17. What membership fee would you be prepared to pay on an annual basis?
100 Euros
up to 500 Euros
up to 1000 Euros

18. Barriers to business:

Please briefly describe one or more difficulties you had encountered in foreign marketing or exporting:

Country of export:...
Product:...
Nature of problem:..

Country of export:...
Product:...
Nature of problem:..

Country of export:...
Product:...
Nature of problem:..

19. Additional comments
You may enter any additional comments here….

ANNEX D: CASHFLOW PLANNING TOOL

The cash-flow planning tool is a Excel based tool , which consists of a worksheet with entries for fixed running costs, services related expenditure, as well as income divided into membership dues, service fees, and other sources such as grants.

Office running costs:

Planned expenses	Estimated total	Mo.1	Mo.2	Mo.3	Mo.4	Mo.5	Mo.6	Mo.7	Mo.8	Mo.9	Mo.10	Mo.11	Mo.12	End Year 1
		June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
Fixed costs														
Accountant	100	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Office rental	100													
ADSL+Internet	50	50	50	50	50	50	50	50	50	50	50	50	50	600
Power utilities+communal tax+land line	200	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Mobile phone bills for executive director	50	50	50	50	50	50	50	50	50	50	50	50	50	[illegible]00
Office supplies	100	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Office cleaning	50	50	50	50	50	50	50	50	50	50	50	50	50	600
Office rent	500	500	500	500	500	500	500	500	500	500	500	500	500	6,000
IT service	100	100	100	100	100	100	100	100	100	100	100	100	150	1,250
Part time experts - Legal services + Auditing	500 annually	0	0	0	0	0	0	0	0	0	0	0	0	500
Local transport	50	50	50	50	50	50	50	50	50	50	50	50	50	600
Mail	50	50	50	50	50	50	50	50	50	50	50	50	50	600
Local taxes	150	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Contigency	200	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Expenses Sub-total 1	1,700	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,650	19,750
	Cumulative	*1,600*	*3,200*	*4,800*	*6,400*	*8,000*	*9,600*	*11,200*	*12,800*	*14,400*	*16,000*	*17,600*	*19,750*	

Salaries														
Executive Manager	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,400
Assistant	400	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Total Salaries	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	19,200
Capital Expenditures														
Library publications (Prof.books, subcriptions)	2000 in year 1													0
Office equipment: laptops,printer/scanner/fax, desks and chairs	7000 in year 1													0
Expenses Sub-total 2	9,000	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cumulative	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*9,000*	
Marketings & Communications														
Website, flyers	3000 in year 1	2,000	1,000											3,000
Round tables, conferences, trainings	6000 in year 1	1,000	1,000		1,000			2,000			1,000			6,000
Expenses Sub-total 3	9,000	3,000	2,000	0	1,000	0	0	2,000	0	0	1,000	0	0	
	Cumulative	*3,000*	*5,000*	*5,000*	*6,000*	*6,000*	*6,000*	*8,000*	*8,000*	*8,000*	*9,000*	*9,000*	*9,000*	9,000
Training services														
Website, flyers	3000 in year 1	2,000	1,000											3,000
Round tables, conferences, trainings	6000 in year 1	1,000	1,000		1,000			2,000			1,000			6,000
Expenses Sub-total4	9,000	3,000	2,000	0	1,000	0	0	2,000	0	0	1,000	0	0	
	Cumulative	*3,000*	*5,000*	*5,000*	*6,000*	*6,000*	*6,000*	*8,000*	*8,000*	*8,000*	*9,000*	*9,000*	*9,000*	9,000
Publications														
Website, flyers	3000 in year 1	2,000	1,000											3,000
Round tables, conferences, trainings	6000 in year 1	1,000	1,000		1,000			2,000			1,000			6,000
Expenses Sub-total 5	9,000	3,000	2,000	0	1,000	0	0	2,000	0	0	1,000	0	0	
	Cumulative	*3,000*	*5,000*	*5,000*	*6,000*	*6,000*	*6,000*	*8,000*	*8,000*	*8,000*	*9,000*	*9,000*	*9,000*	9,000
Fairs & Exhibitions														
Website, flyers	3000 in year 1	2,000	1,000											3,000
Round tables, conferences, trainings	6000 in year 1	1,000	1,000		1,000			2,000			1,000			6,000
Expenses Sub-total 6	9,000	3,000	2,000	0	1,000	0	0	2,000	0	0	1,000	0	0	
	Cumulative	*3,000*	*5,000*	*5,000*	*6,000*	*6,000*	*6,000*	*8,000*	*8,000*	*8,000*	*9,000*	*9,000*	*9,000*	9,000
Other services														
Website, flyers	3000 in year 1	2,000	1,000											3,000
Round tables, conferences, trainings	6000 in year 1	1,000	1,000		1,000			2,000			1,000			6,000
Expenses Sub-total 7	9,000	3,000	2,000	0	1,000	0	0	2,000	0	0	1,000	0	0	
	Cumulative	*3,000*	*5,000*	*5,000*	*6,000*	*6,000*	*6,000*	*8,000*	*8,000*	*8,000*	*9,000*	*9,000*	*9,000*	9,000
Planned Expenditures		18,200	13,200	3,200	8,200	3,200	3,200	13,200	3,200	3,200	8,200	3,200	3,250	83,450

Planned Revenues	Projection	Mo.1	Mo.2	Mo.3	Mo.4	Mo.5	Mo.6	Mo.7	Mo.8	Mo.9	Mo.10	Mo.11	Mo.12	End Year 1
		June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
Revenues														
Membership subsription -full corporate	24,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Membership subscription - full individual														
Membership subscription - associate														
Trainings for members	5,000			1,250			1,250			1,250			1,250	5,000
Training for non-members														
Special services for members	12,600													12,600
Special services for non-members	12,000													12,000
Grant for advocacy project	3,000													3,000
Incomes Sub-total 1	56,600	2,000	2,000	3,250	2,000	2,000	3,250	2,000	2,000	3,250	2,000	2,000	3,250	56,600
	Cumulative	*2,000*	*4,000*	*7,250*	*9,250*	*11,250*	*14,500*	*16,500*	*18,500*	*21,750*	*23,750*	*25,750*	*56,600*	
Planned Income Less Expenses		-16,200	-11,200	50	-6,200	-1,200	50	-11,200	-1,200	50	-6,200	-1,200	0	113,200
	Cumulative	*3,000*	*3,000*	*3,000*	*3,000*	*3,000*	*3,000*	*3,000*	*3,000*	*3,000*	*3,000*	*3,000*	*3,000*	

Total Expenditure Period Month M 2012 - Month M plus 12 months 2013	83,450
Total Revenue Period Month M 2012 - Month M plus 12 months 2013	113,200
Account balance Period Month M 2012 - Month M plus 12 months 2013	29,750

ANNEX E: STRATEGIC ACTION PLANNING TEMPLATES

Summary sheet of Strategic objectives for each of the 7 Strategic Areas. Note, Membership over-arching goals, and Strategic Areas 2 – 7 objectives should cascade to achieve Membership goals.

Mission & Vision							
Strategic Objectives	**Membership**	**Organization**	**rketing & Communicatio**	**Finance**	**Services delivery**	**Advocacy**	**Stakeholders**
Objective 1							
Objective 2							
Objective 3							
Objective 4							

The following template is for the strategic activities for each of the Strategic Areas 2 – 7.

Thus, the strategic action plan should consist of 6 separate planning sheets.

Strategic Area Goals	

Strategic Activity 1	Tasks	Resources	Estimated cost	Outputs from task	Start date	End date	Indicators	Responsible person
Strategic Activity 1	**Tasks**	**Resources**		**Outputs from task**	**Start date**	**End date**		**Responsible person**
Strategic Activity 1	**Tasks**	**Resources**		**Outputs from task**	**Start date**	**End date**		**Responsible person**
Strategic Activity 1	**Tasks**	**Resources**		**Outputs from task**	**Start date**	**End date**		**Responsible person**

ANNEX F: STAKEHOLDER DEVELOPMENT TOOLS

STAKEHOLDER IDENTIFICATION TABLE

	Areas of collaboration/support				
Stakeholder					

STAKEHOLDER INFLUENCE-INTEREST GRID

HIGH INFLUENCE		
LOW INFLUENCE		
	LOW INTEREST IN SUPPORTING	HIGH INTEREST IN SUPPORTING

ANNEX G: BENCHMARKING TOOL

Evaluation participants score themselves 0 – 5, as described hereunder, for each strategic area. At the end of each strategic area evaluation, an average score is computed and corresponds to the score attained for the strategic area.

The "Spider chart" visualizes the profile of the association after all areas had been assessed subjectively by the membership base and stakeholders participating in evaluation. Spider charts, also known as radar charts, are easily constructed within Microsoft Office Excel. It highlights areas as identified by those surveyed and perceived as weak, versus strong. Association management can then being to address perceived deficiencies.

Not being done	Early stage	Between early stage and midway	midway to goal	Between midway and high-stage of development	High stage of development
0	1	2	3	4	5

	MEMBERSHIP: MISSION, GOALS AND STRATEGIES
1	Mission, goals and strategy are clearly communicated and well understood by membership
2	There is a written strategic plan with clear priorities that includes the methods of implementation, which is based on member needs
3	Membership size is representative of the target market and is a force with resources to make a big impact
4	The association is financially sustainable and funds operations solely from membership dues and fees for services
5	Membership needs are being met to a high level of satisfaction

	ORGANIZATION: GOVERNANCE, LEADERSHIP, AND ADMINISTRATION
1	The organizational structure reflects mission and strategy
2	There is an organizational chart showing reporting lines, functions and responsibilities
3	The organizational structure is in accordance with the Law and bylaws for the association
4	The organizational structure includes member committees to tackle specific issues or to organize and supervise specific events (eg.elections)
5	Board decision making and outcomes are transparent to all members, and there is a prevailing culture of trust
6	The association has sufficient staff resources for effective implementation of the strategy, and they are adequately qualified to do their jobs
7	There is strong leadership, which guides the association, inspires change and improvement, and communicates effectively with all association stakeholders

8 Processes and procedures and well documented to ensure consistency and repeatability

9 Staff receive training in all aspects of association management

10 The association uses technology eg. IT, for improving managerial efficiency, communications, distribution and delivery of services eg. IT databases, CRM, Website, intranet.

MARKETING & COMMUNICATIONS

1 The association has a marketing specialist(s) dedicated to this function, responsible for marketing planning and reporting

2 Marketing surveys members and has identified a range of service and corresponding benefits that fully meets the current needs of membership, and assess them by comparing with competition

3 The marketing department works closely with finance and service delivery in evaluating the effectiveness and efficiency of services

4 Marketing has developed a range of distribution methods that enable service delivery to all members in all parts of the target territory

5 The association is very effective in how it communicates with its members, target market and all stakeholders, who know about the association, and the benefits it offers.

FINANCES

1 The association has a financial specialist who manages and forecasts the income and expenditure, and provides regular reports to the board on the financial condition using data and financial ratios.

2 Membership dues are fully collected and the number of overdue or non-payments is not a burden for the association

3 The revenues of the association fully cover the operating costs, and there is a surplus for the further development of the association, without relying on grants and donations

4 The financial specialist works closely with marketing and services on analyzing revenues and operating costs.

5 The association's procurement methods ensure procurement of services and supplies on economic terms.

SERVICES

1 The association has a person responsible for ensuring that services are delivered in a way that meets the quality requirements (on time, right quantity, required quality)

2 Members feedback on service performance is monitored, analyzed and corrective actions are taken without delay. This includes a member complaints and queries handling process.

3 Service delivery staff work closely with marketing and finance on the improvement of services

4	Service staff collaborate closely with external service providers eg. trainers, to ensure quality and timely inputs to the delivery processes
5	The feedback from members indicates that members are highly satisfied with the full range of member services

	ADVOCACY
1	The association regularly identifies government or regulatory issues affecting members and formulates goals relating to public policy, laws & regulations
2	There is an advisory committee whose members have the required skills to tackle advocacy issues
3	Advocacy strategies are development and are implemented with member participation. There is evidence that they are working
4	The association has mechanisms for effective communication with government and public institutions, and the latter are aware of the issues
5	The association forms effective coalitions in undertaking its advocacy initiatives

	STAKEHOLDERS
1	The association has identified stakeholders whose support benefits the attainment of association goals
2	Stakeholder development is part of the strategic plan
3	Stakeholders advise the association, and are involved in association events and activities
4	The association has a long term view on stakeholder relationships and builds them up over a period of many years
5	In working with stakeholders, the association helps them to achieve their goals