

## **Chapter 4**

### **GENERATING REVENUE**

***This chapter addresses the following topics:***

- Membership Recruitment/Retention
- Keeping Dues Manageable Through Non-Dues Revenue
- Additional Sources of Non-dues Revenues

## Overview

Chapters are always looking for ways to increase their revenue stream. The important thing to remember is that it is rare to find one grand-slam home run source of revenue. And you don't want to become too reliant on one source of revenue; if you have just one bad year, it could take a long time to recover. Most importantly, you need to make sure returns on investment have been examined. If you have to invest \$60,000 (plus your time) into holding a program that makes \$60,000, what's the point?

According to the American Society of Association Executives, associations receive an average of 42% of their total income from dues (regular, associate, and other categories). The most popular sources of non-dues income include convention registration fees, educational programs, exhibit fees, periodical revenue, and investments.

With membership being an important source of revenue and volunteer support, it's critically important to make sure your chapter is effectively managing membership recruitment and retention operations. To keep dues manageable, most chapters undertake non-dues revenue activities. This chapter will provide you with some basics needed in these important areas of chapter operations.

## MEMBERSHIP RECRUITMENT/RETENTION

No longer can we view the members of our chapters as a "captive audience," committed to joining purely for the sake of joining. They don't belong because they "should." They belong because you've earned their trust and support and then reinforced the value of membership through words and actions throughout the year. This chapter addresses the two critical aspects of membership: 1) keeping the members you have and 2) finding new ones.

In today's economy, it is estimated that it costs 10 times more to attract a new member than to keep one. With that in mind, we'll focus first on one of the most overlooked aspect of membership--keeping current members satisfied.

### Keeping Members

#### Make a Commitment to Retention

Member retention starts the moment an individual joins your organization. Too often, membership retention in organizations is an afterthought, with little attention paid during the year to reinforcing the value of membership whenever and wherever opportunities arise. Instead, a push is made just before the new invoices go out. However, chapters with successful member retention approaches may take a different tack. At every meeting, they talk about the value of belonging. They share examples of how chapter membership has paid off for someone they know. These groups publicly thank members for their involvement and reinforce how much stronger the chapter is because they belong. Above all, chapters successful at member retention find a way to keep members by educating them to the value of membership, engaged in activities through recognition and involved in programs through volunteerism.

#### Paying Attention to Member Needs

Research tells us that members of most organizations want programs that:

- Save them time and/or work
- Reduce expenses
- Help them make decisions
- Improve their relationships at work
- Help them do their jobs better
- Help them avoid costly errors or reduce risks
- Advance their opportunities for professional success
- Provide an established network.

While this list is not comprehensive, it has at its core the questions members ask most frequently in these days of limited time and dollars to devote to an organization, “*What’s in it for me?*” Therefore, when developing programs, be sure the program meet at least three of the above-mentioned criteria.

The most effective way to determine exactly what members want is by continually assessing member needs. Use surveys, focus groups and one-on-one discussions to discover what they expect from membership in both your chapter and ASHE. Then make an effort to deliver what they want. Reinforce that message in your newsletter by talking about the services you offer. Remind members about services at chapter meetings. Send them a list of services along with their invoice at renewal time. Above all, create a leadership mindset that doesn't presume that just because someone joined once, they will renew. Each existing chapter member needs to be "sold" on the value of belonging as much as a prospective member does.

## **The Critical First Year**

If a member renews after the first year, there’s a good chance they will continue to maintain their membership for many years to come. *So how do you ensure that first year members will renew the following year?* First, consider developing a mentoring program for new members. This type of program will allow them to receive “one-on-one” assistance, connect with other industry professionals and engage their participation in chapter activities. Second, conduct new member orientations as a way to educate new members about the value of the membership and allow them to meet chapter leaders, officers and administrative staff. Finally, establish a new member welcoming committee, encourage board/committee members to call new members and welcome them within their first 45 days. By developing a strong member outreach – you will strengthen your membership.

## **Nurture Your Unemployed Members**

There may be times that you find your membership suffering as a result of the economy. It would benefit your chapter to offer a membership waiver for those members who are out of work. It may also be a good idea to establish a small networking support group to aid in their [career search](#). When unemployed, a member can feel disenfranchised and cut off from support systems. By being there in a non-judgmental way, your chapter creates a bond. Insert link to Career Development button.

## **Pay Attention to Your Systems**

Don't assume membership is down because of economic factors or changes in the industry. In many cases, membership is down because of your internal processing system. People may not be receiving their invoices at the right address. They may have been dropped from a listing. Periodically review the way in which you record membership information, as well as the way in which invoices are processed, to ensure there isn't a problem.

## **Recruiting New Members**

### **Where to Find New Members**

The sources of potential [members](#) are limited only by your imagination. Try to think “out of the box” about how you are currently recruiting members as well as less obvious sources you may not have explored. Consider forming a recruitment task force to brainstorm both possible sources and the names of potential members. Consider some of the following:

- Ask your existing members for the names of people they know who should belong. Ask your members to get involved in recruiting these folks. Offer incentives for members to bring a guest to an upcoming event, establish a member referral program, hold an annual recruitment event invite only non-members and your chapter leadership/board.
- Look in the yellow pages for hospitals and health care and long-term care facilities that might have employees who aren't involved and should be.

- Get involved with your local Chamber of Commerce. This is a great way for you to talk about the chapter with the people you meet. They may be able to offer ideas and leads. Check your Yellow Pages for the U.S. Chamber of Commerce in your area. Embed a link to show readers how to access local or state FEMA for hospital contact information.
- Use other organizations' directories of people who work in related fields.
- Read health care industry literature for references to individuals in your area.
- Ask members to post on their bulletin boards about the chapter and its services.
- Alert the local media through press releases of your meetings. Regularly published announcements about meeting topics and speakers will attract prospective members.
- Attend some local colleges to encourage students leaning toward health care careers to get involved with your chapter so they can learn more about the field and meet other experienced professionals in the field.
- Look to related health care associations as a possible source of new members. Attend their meetings and discretely talk about the value of your chapter.
- Stay in touch with your Regional Director. They have frequent contact with potential chapter members, and by keeping an open line of communication, your chapter will be in a good position to recruit these individuals as soon as they are identified. In addition, [Regional Directors](#) send welcome letters to all new ASHE members that also promote your chapter.
- Don't overlook your own employees. They also need to be educated and mentored. Show readers how to access local or state FEMA for hospital contact information.

## Getting Potential Members Interested

Simply identifying a prospective member isn't enough. You need to pique their interest in the organization and create an understanding of the value of affiliation. You can do that in several ways:

- **Telephone recruitment campaign.** Set aside half a day, once a quarter, and enlist the aid of a few members to call prospective members and talk about the value of belonging. A personal touch is a critical element of this approach. You can also call members who have not renewed their membership. You'll find many times that the individual simply forgot to renew, moved, or in many instances, changed responsibilities and is no longer interested in membership. If that's the case, don't forget to ask for the name of the person who replaced that individual, and then actively recruit the new person for membership.
- **Direct mail solicitations.** Well-written direct mail efforts can be very effective but more costly by the time you create the cover letter and brochure, order labels, coordinate the effort, track responses and do a follow-up. In this approach you send the meeting invitation to the Directors of Engineering or Clinical Engineers (depending on your target market) and their staff, and request that they post it on the employee bulletin boards. If you choose to go the traditional direct mail route, remember that the value of the mailing is directly proportional to the quality of the mailing list you use. An outdated list with obsolete addresses and inaccurate names wastes your money and weakens your credibility. So if you choose to go with this approach, check the lists carefully for currency and accuracy. The best direct mail response falls in the 2-3% range. Just as important to the list is the offer made. Offers can include, for example, a free report, complimentary first meeting or a discount on products/services, etc.
- **Send personal letters from members to people they know suggesting they join.** This is a more effective approach for many chapters, both because it spreads the cost and relies upon the credibility of the member

sending the letter. The downside is ensuring that the letters get out, because this approach is outside the control of chapter leaders or staff.

- **Invite a prospective member to your meeting.** If you can afford it, the chapter should pick up the cost of lunch the first time a prospect attends. When you think about it, it is a pretty cheap way of recruiting. Identify prospective members with a special badge and ask existing members to introduce themselves to these individuals. You don't want a hard sell, but your current members are your best sales force when it comes to believability.
- **Offer Conference/Membership package.** Some chapters, as well as ASHE, have had a lot of success in both recruitment and retention by packaging a membership with a meeting registration. Keep in mind, though, that you may experience a lot of "churn" with these types of memberships if people aren't able to attend the [conference](#) each year.

### **Develop and Maintain Your Prospect List**

- Record important information about potential members, including demographics on each person, their institutional information, how their name surfaced as a prospect, if they have attended any meetings, etc.
- Break information into market segments to help you better target your mailing efforts. For instance, you should be able to differentiate between plant engineers, planners, construction managers, facilities management people, buildings and grounds, safety, etc.
- Keep your list up-to-date through periodic clean-ups to save time and money on mailings.

### **Track Recruitment Messages and Approaches**

- Use the system to track responses to recruitment efforts and conversion rates on non-members into members.
- Code the different reply devices or applications you use to determine the success of each different kind of mailing so you can tell which worked best.

### **Personalize the Approach for More Appeal**

- Make it friendly by devising a way to use your system to personalize letters.
- Develop different paragraphs within the body of the letter to reflect the different needs of different prospective members. For instance, the needs of facilities managers could be discussed somewhat differently than the needs of clinical engineers or security officers.

### **Provide Peer-To-Peer Recruitment Assistance**

- Give the names of non-members and potential leads in their areas to your membership committee recruiters.
- Implement a quick response system to provide names to members interested in recruiting their colleagues.
- Consider offering rewards to top recruiters. Some people respond well to a little motivation like free registrations or other items you might be able to obtain through vendor members.

### **Obtain Status Reports**

A solid system can give you reports on the effectiveness of your overall recruitment effort and an analysis of the success of each recruiter for the chapter. When you identify someone who has been particularly successful, don't hesitate to find out what else he or she is doing that works so well.

### **Avoid Possible Limits on Membership**

You may, unknowingly, be working against your best recruiting efforts if your chapter bylaws restrict potential members. Do you limit membership to those working only in hospitals, or do you welcome anyone working in the broader health care industry? Do you restrict the type of membership someone working in the trades can hold? Or can they belong at all? Periodically review any limitations that appear in your bylaws and consider modifying

them if they are too restrictive. These limitations may have been appropriate 20 years ago, but as the health care arena changes, your chapter also needs to change.

## **KEEPING DUES MANAGEABLE THROUGH NON-DUES REVENUE**

Keeping membership dues reasonable is the secret of success for many chapters. The more realistic and affordable the dues, the more members you will have. But in order to keep dues in this range, chapters need to find alternative sources of non-dues revenues to supplement their revenue stream in a way that allows them to operate effectively.

## **ADDITIONAL SOURCES OF NON-DUES REVENUE**

### **Fundraising Efforts**

Fund raising--asking for financial or in-kind support--is one way to generate revenue. It is particularly effective when linked to a specific outcome. For instance, you can conduct a campaign to raise money for college scholarships offered by the chapter, carry out a research project with broad appeal, or institute a new educational series. Asking for money without connecting to how it will be spent is an extremely difficult approach to take, and is not likely to yield strong results.

The exception to this rule is asking your vendors for financial support for programs in return for some added exposure for the vendor. This is not traditional advertising, but it works essentially the same way. A vendor agrees to host a dinner, meeting or cocktail reception at a conference in return for printing their company name on the registration brochure or signage, and mentioning their name in a brief speech during dinner. Make no mistake, you are selling a commodity when you take this approach and it is critical that your chapter delivers on what was promised.

If you do identify a worthy cause for soliciting funds across a wide spectrum of individuals and organizations, you will need the commitment of a dedicated group of volunteers and strong leadership to guide the program. Without commitment and personal involvement, traditional fund raising efforts are exceptionally difficult.

### **Creating Trade Shows for Information and Income**

A trade show is an opportunity for members and non-members to view the products and services of a group of vendors to our industry who pay a fee for the exposure to attendees at the show. The trade show can be simple tabletop displays, or they can be very elaborate. They can include educational sessions on the show floor or be restricted to one-on-one discussions between vendors and potential customers. It is up to you to set the parameters of the trade show.

Careful planning is essential to running a successful trade show. As with other planning efforts, the first step is the formulation of objectives and policies. From this base, the details of the trade show emerge. Basic policies, established well in advance, allow for proper direction and control of the show. They provide the foundation upon which all else is constructed.

If the trade show is held jointly with a convention or annual meeting, the exhibit schedule should avoid conflict with any other scheduled events. This will ensure maximum attendance, and the price you charge for vendor booth space is driven largely by attendance.

### **Advertising**

If you produce a regular chapter newsletter, consider selling advertising space or running a listing of "business cards" ads of vendors to the field. Your vendor community wants to reach your members and will pay for the privilege. If you publish a directory of members, include a listing of vendors, and charge for inclusion, in addition to any ad space the suppliers may buy.

## **Logo or emblematic items**

This is another good source of revenue--things like coffee cups, tee shirts or paperweights with your Society's logo imprinted on them. [Emblematic items](#) are best if produced in conjunction with an event--like an annual conference--where they can be sold quickly and face-to-face. Be careful, however, warehousing and maintaining an inventory of these items can be expensive enough to diminish the profitability of the project and make it cost prohibitive.

## **Social Events**

Include a variety of social/networking events into your program in order to bring members together and produce some additional income for the chapter.

## **Types of Events to consider**

- Silent Auction
- Golf Outing
- Boat Cruise
- Receptions at Historic/Popular Attractions
- Walk-a-Thons
- Dine-Around