

# Why is the Association essential for Members?

Data-driven analysis and qualitative insights that define strategy.



# The Association wanted to understand how it could provide the most value to its membership.

## BACKGROUND

The Association is a 100+ year old association of industrial and manufacturing companies. It has close to 700 members. The industry represents over \$150 billion in annual revenue.

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## CONTEXT

The Association recently hired a new Executive Director.

The Association has a typical suite of products and services including: organizing the industry's marquee trade show; publishing the market-leading trade magazine; consolidating market intelligence; providing training and continuing education from the shop floor to advanced technical levels; and organizing networking opportunities.

The industry is comprised of primarily privately held, small-to-medium sized companies (\$20M to \$200M in annual revenue.) Generational leadership transfer and industry consolidation—by private equity and large strategic buyers—is rapidly changing this composition.

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## OBJECTIVE

Prepare the Association's executives and board members to think strategically about how to evolve to serve more members and serve them better in order to remain financial viable.



# Why does the Association have a 100+ year history and serve 700+ members today?

## The detailed answers...

- "We struggle with finding skilled workforce. The association's training helps us address this by developing existing staff."
- "Interacting with my peers keeps me aware of changes in the industry I need to be aware of and gives me ideas for how to adapt."
- "We get tremendous value out of being where our customers are. The ABC show provides us that."
- "It gives us access to a variety of ongoing professional development training."
- "Sponsorships are part of our marketing plan."
- "Honestly, being new to the industry, I'd have paid the annual membership just for access to the market data that is included."
- "Regulations continue to impact our ability to be profitable."

## The short answer:

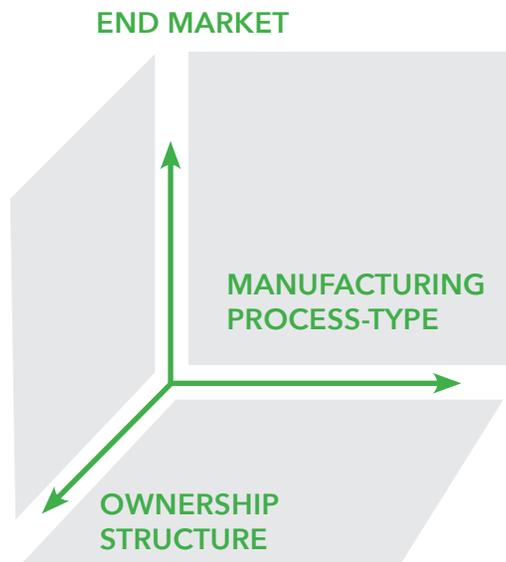
- "Members see value in belonging."

*Charting the future of the Association required understanding how members value the Association and how they engage with its products and services.*

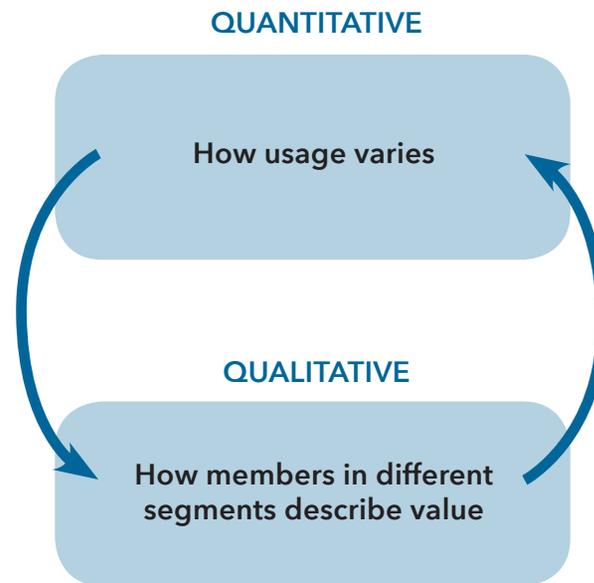


# To help member companies grow, it is critical to understand both **WHAT** services they value and **WHY**.

## Define Member Segments



## Analyze Usage & Understand Value



## Think Strategically With The Board

### PHASE 1

Profile Members to understand their needs

### PHASE 2

Determine the Association's strategy

### PHASE 3

Operationalize the strategy in the organization

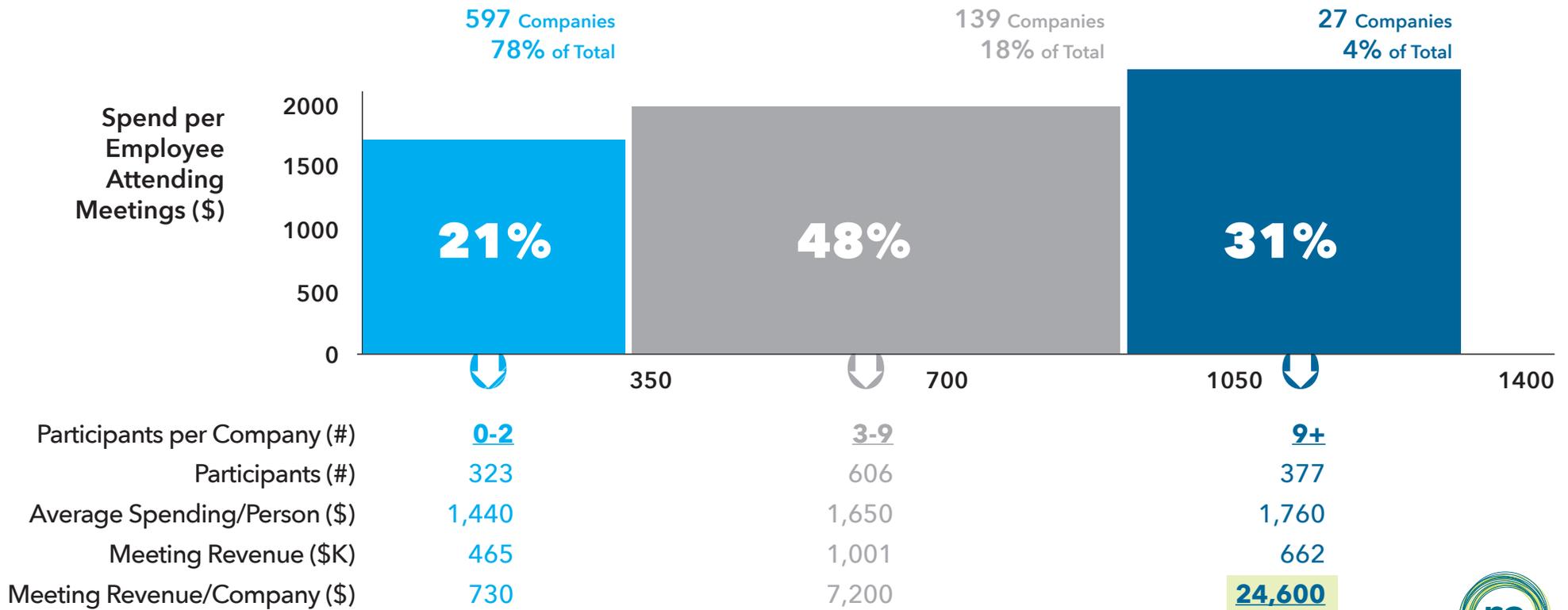
*One way re uncovered how members found the Association essential was analyzing the ways employees of member companies engage with the Association's meetings and events*



# Quantitatively, **79%** of attendance revenue was generated from **22%** of member companies.



## % of Revenue by Company's Level of Engagement



**79% of meeting revenue comes from...**

**22% of Members.**

QUANTITATIVE

QUALITATIVE

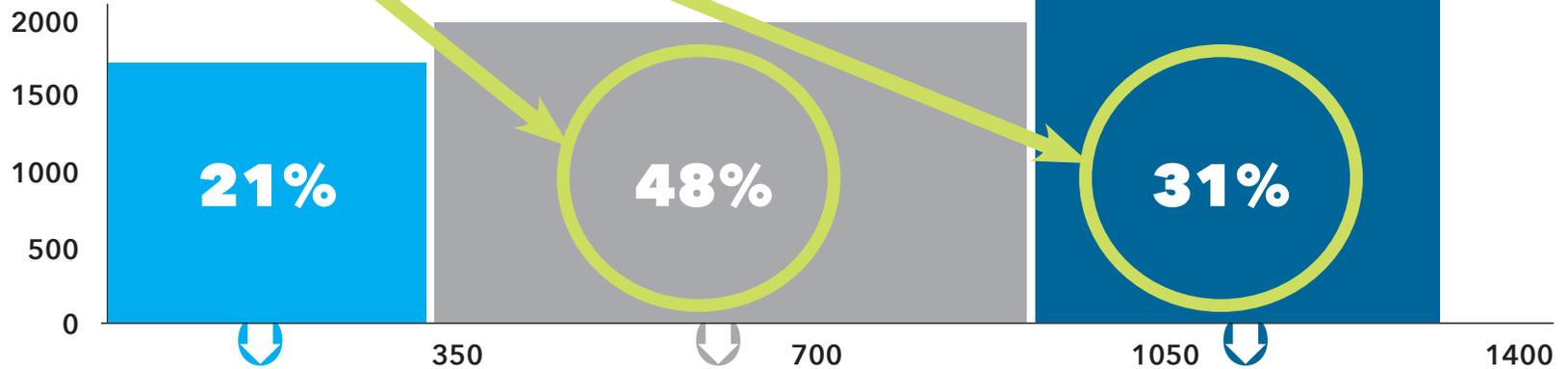
**% of Revenue by Company's Level of Engagement**

597 Companies  
78% of Total

139 Companies  
18% of Total

27 Companies  
4% of Total

Spend per Employee Attending Meetings (\$)



Participants per Company (#)	<b>0-2</b>	<b>3-9</b>	<b>9+</b>
Participants (#)	323	606	377
Average Spending/Person (\$)	1,440	1,650	1,760
Meeting Revenue (\$K)	465	1,001	662
Meeting Revenue/Company (\$)	730	7,200	<b>24,600</b>



# Qualitatively, the way participants engaged with the Association determined how they valued membership.



	1-2 Participants	3-8 Participants	9+ Participants
<b>Primary Participants</b>	<ul style="list-style-type: none"> <li>• CEOs and Senior Staff</li> </ul>	<ul style="list-style-type: none"> <li>• Purchasing &amp; Engineering (Industry Members)</li> <li>• Sales (Associate Members)</li> </ul>	<ul style="list-style-type: none"> <li>• Operations &amp; Engineering staff</li> </ul>
<b>Perceived Value</b>	<ul style="list-style-type: none"> <li>• Networking with peer group</li> </ul>	<ul style="list-style-type: none"> <li>• Establish supply chain networks (Industry Members with suppliers; Associate Members with customers)</li> </ul>	<ul style="list-style-type: none"> <li>• Continuing Technical Education</li> <li>• Workforce attraction</li> <li>• Workforce training</li> </ul>
<b>Association Services</b>	<ul style="list-style-type: none"> <li>• Networking Groups (primarily invitational)</li> <li>• Business reports</li> </ul>	<ul style="list-style-type: none"> <li>• Tradeshow, including sponsorships</li> <li>• Technical working groups and other professional involvement sessions</li> </ul>	<ul style="list-style-type: none"> <li>• Technical working groups and other professional involvement sessions</li> <li>• Training for shop floor workforce</li> </ul>



# Understanding different member profiles and how they saw value, launched the Board's strategic thinking.

## MEMBER PROFILE THEMES

**People:** Every company is challenged to attract, train and retain talent.

**Competitive Landscape:** Member companies must compete in a price-sensitive, global marketplace, increase their use of technology to meet customer requirements, improve efficiency, adjust to a consolidating industry, and manage their operations with shortened lead times and lengthened financial terms.

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## STRATEGIC QUESTIONS

- 1) What is the competitive advantage of independent, mid-sized companies that form the core of the Association's membership? How is that changing?
- 2) How do the Association's Services address the challenges members highlighted?
- 3) As the industry structure changes, and companies in the industry evolve, how does the Association need to change its products, programs, and services to continue to be an essential source of support to its members?



**Want to know how re can help  
your organization and your board  
develop a strategy to  
**BE ESSENTIAL** to your membership?**

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## **Shelley Freed**

*Chief Learner, Strategist & Manic Gardener*

Shelley is a co-founder of re. Experienced in market research, strategic planning and consulting, her curiosity and inventive thinking translate to creative and practical growth strategies. She believes that the unique value of re is rooted in both the research and preparing people to DECIDE AND DO something different and better. She tends to drop the volume of her voice when she wants you to really listen.



## **Troy Meinhard**

*Numbers Guy, Strategist & Coach*

Troy is a frequent co-conspirator with re. He combines his finance, strategy and operations experience with a willingness to dig deep to help clients develop a deeper understanding of what matters most in their business. While not a sure thing, the smart money is betting that he is currently coaching a youth baseball, soccer or wrestling team.

