

## 2006 Components ROI Survey Summary of Major Findings

ASAE & The Center invited associations with components to tell us more about their component programs. The purpose of the survey is to help design a framework for calculating the value or return on investment of component programs. This report explores the ways associations are currently supporting and measuring component activities. Armed with this information, the researchers will work with respondents and others interested in exploring this issue to build metrics for tracking component value.

This report includes a summary of major findings. The survey instrument is attached. For more information on the survey, contact the ASAE & The Center Component Section Council.

### OVERVIEW OF COMPONENT TYPE

Most responding organizations reported having components, defined as chapters, divisions, special interest groups, state or regional affiliates or any other types of component groups (77%). If they reported any type of component, the most common is geographic in nature as 94% reported either affiliated geographic groups (83.2%) or unaffiliated allied societies or federations (16.8). Fewer than half (42.5%) reported having Special Interest Groups (SIGs) and only 6% reported stand-alone cyber/electronic communities (CCs). Of note is that 45% of respondents reported having more than one type of component and nearly all with SIGs had at least one other type of component.

Respondents report that on average, one-half of association members participate in geographic components regardless of whether they are affiliated or independent of the national organization. In contrast, they report that only 20% and 10% respectively participate in SIGs and CCs. The data does not reveal why involvement is greater among geographic components but they tend to have a longer history and are generally more prevalent. On average 40 affiliated-geographic and 30 non-affiliated geographic groups vs. 12 SIGs and 7 CCs were reported.

Based on statistics collected in the 2006 edition of ASAE's *Policies and Procedures in Association Management* (P&P) nearly half (48%) of all member associations report having components. They were found to be much more likely in individual membership organizations (IMOs) than in trade associations (59% vs. 34%). Components are more likely as the number of full-time employees increase.

*Note: Because the sample size other types of component is small, most of the following section is based on responses relating to affiliated and non-affiliated geographic groups.*

### HOW ASSOCIATIONS SUPPORT COMPONENTS

Association budgets for component activities vary widely based largely on the size of the organization. The median budget is \$55,000 but this amount varies considerably by size of organization. (This is confirmed in the 2006 P&P which found a median of \$70,000

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and range of \$5,000 in 1-2 FTE organizations to \$600,000 in those with 100 or more FTEs.)

Survey respondents reported three key areas of support: (1) **administrative support** (e.g., database management, dues processing); (2) **staffing**; and (3) **leadership training**. Just under 80% offer some level of administrative support largely at no cost to the components as only 36% collect fees. Nearly 50% have at least one full-time staff person devoted to components activities. The third area is reported anecdotally in the comments and is supported through other Component Section qualitative research.

It was interesting to note a couple of comments regarding the budget indicating the dollars reported were direct and did not reflect staff and overhead suggesting that in some cases the cost is understated.

In return, most national organizations require activity reports of some kind at least annually (79%) and about half, 54% require annual financial reports.

### ***A Look at Administrative Support***

Most, but not all respondents report that their organization provides administrative support for components (79.8%) The most common forms of administrative support are:

- database management (75.7%),
- dues collection and invoicing (68.8% and 65.3% respectively),
- website administration (65.3%) and
- communications, such as blast e-mail and fax (63.2%).

National organizations also helped with event promotion. Only about one-third offer registration processing, accounting and/or bookkeeping.

Of the administrative support services provided, only dues collection and invoicing were significantly different by organization budget size. Organizations with the smallest (under \$1 million) and the largest budgets (\$25 million or more), were less likely to collect or invoice dues than were organizations in the three middle categories (\$1-5 million; \$5-10 million; and \$10-25 million respectively). In the former between 40-50% of organizations report dues collection and/or invoicing compared to between 66-83% of those in the latter budget categories.

Interesting to note, organizations that reported having a full-time person assigned to components (49.4%) were no more likely than those who did not report having a full-time staff member assigned to components to report providing administrative support for components.

While database management is offered frequently it is largely limited to maintaining and sharing basic contact information. This is perhaps one reason why many associations have difficulty in tracking member involvement and assessing value related to component participation. For example, volunteer activities and event registrations are only shared about half the time (56% and 51% respectively). Less than a quarter of respondents share purchase information.

## WHAT COMPONENTS DO FOR THEIR NATIONAL ORGANIZATION

We asked survey respondents how components contributed to the national organizations. We looked at three areas:

1. Components as a service provider to members
2. Components as a contributor to larger organization
3. Components as a revenue driver

**As Service Providers ...** For virtually all respondents, components are first and foremost service providers to members. This survey does not rate the effectiveness in this area but simply reports the frequency in which components engage in specific activities. Events and communications topped the list with career services, study programs and product sales at the bottom. Of note, 74% develop their own education/professional development programs and 17% are involved in product development such as books and videos.

| Activity   | %    |
|--|------|
| Education/professional development program delivery                | 85.5 |
| Regularly scheduled meetings/events                                | 84.3 |
| General local networking activities                                | 84.3 |
| Education/professional development program development             | 74.7 |
| Publish newsletters or other periodical publications               | 74.7 |
| Website (separate from the parent organization)                    | 66.3 |
| Tours or special events (e.g. plant tours, galas, holiday parties) | 57.8 |
| Student programs/activities  | 53.0 |
| Public service/charitable programs                                 | 50.0 |
| Publish a member directory   | 45.8 |
| Trade shows/expo   | 42.2 |
| Career services (e.g. job bank)                                    | 33.7 |
| Product sales  | 28.9 |
| Preparation or study programs in support of certification programs | 26.5 |
| Product development (books, videos etc.)                           | 17.5 |

**As Contributors ...** Ninety-eight percent of respondents reported that components do support the national organization. Topping the list at 81%, this support was in the form of promoting attendance at the national organization's meetings and events. Supporting membership development either through new member recruitment (77%) or retention (67%) was a strong second. Nearly 68% reported that components served as a farm team for national leadership. Other areas of contribution include lobbying, certification programs and fundraising.

| Activity   | %    |
|--|------|
| Promoting attendance at the national meetings/events | 81.4 |
| New member recruitment programs                      | 77.3 |
| 'Farm team' for parent organization leadership       | 67.8 |

|   |      |
|---|------|
| Member retention programs                             | 65.8 |
| Lobbying activities                                   | 43.7 |
| Promoting the organization's certification program(s) | 41.5 |
| Fundraising/development                               | 36.6 |

**As a Revenue Driver ...** Only 24.7% of respondents reported attributing revenue to the annual budget, however most do indicate components are key in new member recruitment and retention as noted above. The median contribution is \$31,443 with a wide range from a few thousand to more than 1 million.

| <u>Budget Size</u>        | <u>Median</u>   |
|---------------------------|-----------------|
| Under \$1 Million.....    | \$4,000         |
| \$1-4.99 Million .....    | \$64,222        |
| \$5-9.99 Million .....    | \$260,000       |
| \$10-<24.99 Million ..... | \$30,000        |
| <b>Total.....</b>         | <b>\$31,443</b> |

## HOW ASSOCIATIONS ARE TRACKING COMPONENT VALUE

While associations are almost unanimous in their belief that components contribute to an association and nearly a quarter report revenue contributions, less than 50% specifically track these contributions and a slight 8.5% calculate an ROI. Those tracking contributions are looking at two main areas: (1) **member retention** (41.5%) and (2) **member recruitment** (44.8%).

Follow-up interviews with select respondents revealed more about the strategies relating to tracking and ROI. In terms of tracking membership, those doing this are largely comparing rates by component within the organization. Some go as far as setting recruitment and retention goals and rewarding based on achieving those.

Some areas associations reported tracking currently or intention to in the future:

- Publication sales, attendance at national meetings/education programs
- Support of national programs, such as legislative activity
- Membership market share
- Contributions to political or foundation activities
- Number of dual parent/chapter members recruited and retained
- Number of chapter members solicited for parent conferences
- Volunteer base by Chapter/region
- Number of board members each year that started out as component leaders
- Presence in the media; name recognition for the organization
- Filter membership participation/retention rates of those engaged by chapters versus those who are not.

Assess value based on programming such as:

- Developing a local/regional advocacy network to complement the parent organization's limited national network.
- Look at the number of our members who are involved in our component activity that might not otherwise be involved.

Surveys are used by several associations, including these examples:

- Annual member satisfaction survey demonstrates that national members who are members of one or more chapters are more satisfied with their national membership.
- Survey member satisfaction annually regarding HQ and components' services ... could affix a dollar amount for the components services (what it would cost for HQ to develop/deliver on its own) and set a baseline metric for satisfaction for members.
- Based ROI on our bi-annual J.D. Power & Associates member survey that has a segment that deals with members' perceived value & satisfaction with programs/services provided at the local level (sections and chapters).

## Component ROI

Please pick one of the answers below.

**Does your organization have components (chapters, divisions, special interest groups, state or regional affiliates or any other types of component groups)**

- Yes
- No
- Our organization is a component

Please check all that apply and/or add your own variant.

**What types of components does your organization have? (Check all that apply)**

- Geographic - affiliated with the parent (state, regional or international chapters or branches)
- Special Interest Groups (SIGs) or Communities of Practice --affiliated with the parent
- Stand-alone cyber/electronic communities independent of the above types
- Allied Societies or Federations independent of the parent

Other. Please describe:

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Please use the blank space to write your answers.

**What is the total number of components affiliated with your organization in each category below? (Please enter a whole number in the applicable space(s) below.)**

Geographic -- affiliated with the parent (state, regional or international chapters or branches)

.....

Special Interest Groups (SIGs) or Communities of Practice -- affiliated with the parent

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Stand-alone cyber/electronic communities independent of the above

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Allied Societies or Federated organizations independent of the parent

.....

Other types of component

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Please use the blank space to write your answers.

Approximately what percent of your organization's members participate in component activities in each component category below? (Please enter 1-100% in the applicable space(s) below.)

Geographic - affiliated with the parent (state, regional or international chapters or branches)

Special Interest Groups (SIGS) or Communities of Practice -- affiliated with the parent

Stand-alone cyber/electronic communities independent of the above

Allied Societies or Federations independent of the parent

Other types of component

Please mark the corresponding circle - only one per line.

Please answer 'yes' or 'no' to each of the questions below. If 'not applicable' please answer 'no'.

|  | Yes                   | No                    |
|--|-----------------------|-----------------------|
| Are any components separately incorporated?  | <input type="radio"/> | <input type="radio"/> |
| Does your organization provide administrative support to your components?  | <input type="radio"/> | <input type="radio"/> |
| Does your organization collect fees from components to support them?   | <input type="radio"/> | <input type="radio"/> |
| Are any components outside the United States or Canada?  | <input type="radio"/> | <input type="radio"/> |
| Are components required to file annual financial reports with your organization?   | <input type="radio"/> | <input type="radio"/> |
| Are components required to submit reports describing their activities or achievements at least annually                  | <input type="radio"/> | <input type="radio"/> |
| Is there anyone in your organization (the parent organization) who is devoted full-time to component support/activities? | <input type="radio"/> | <input type="radio"/> |

Please check all that apply and/or add your own variant.

If your organization provides administrative support to components, please check all of the administrative functions provided to components by your organization: (check all that apply)

- Dues invoicing
- Dues collection
- Registration processing
- Bookkeeping/accounting services
- Database/data management
- Blast e-mail or fax
- Website or website administration
- Event promotion

Other services, please describe:

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Please check all that apply and/or add your own variant.

Please check the types of member data that are shared between the parent and components or vice versa. (Check all that apply)

- No information is shared
- Event or meeting registration
- Volunteer activities
- Publication purchases
- Contact information

Other. Please describe:

.....

Please mark the corresponding circle - only one per line.

Are the contributions of components to the parent organization tracked in any of the following ways:

|   | Yes                   | No                    |
|---|-----------------------|-----------------------|
| Member retention rates are calculated by component    | <input type="radio"/> | <input type="radio"/> |
| Member recruitment attributed to component activities | <input type="radio"/> | <input type="radio"/> |

Please check all that apply.

Which of the following programs/services are provided to members through components (in whole or in part)?  
(Check all that apply)

- Education/professional development program development
- Education/professional development program delivery
- Regularly scheduled meetings/events (e.g. monthly or quarterly meetings)
- Preparation or study programs in support of certification programs
- Tours or special events (e.g. plant tours, galas, holiday parties, etc.)
- Product development (books, videos etc.)
- Product sales
- General local networking activities
- Public service/charitable programs
- Trade shows/expo
- Career services (job bank or other activities in support of employment)
- Sponsoring programs/activities for students
- Website separate from the parent organization
- Publish a member directory
- Publish newsletters or other periodical publications

Please write your answer in the space below.

If your components provide members any access, programs or activities not listed above, please describe below.

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Please mark the corresponding circle - only one per line.

Do components support the parent organization in any of the following ways?

|   | Yes                   | No                    |
|---|-----------------------|-----------------------|
| New member recruitment programs                                   | <input type="radio"/> | <input type="radio"/> |
| Member retention programs   | <input type="radio"/> | <input type="radio"/> |
| Fundraising/development   | <input type="radio"/> | <input type="radio"/> |
| "Farm team" for parent organization leadership                    | <input type="radio"/> | <input type="radio"/> |
| Lobbying activities   | <input type="radio"/> | <input type="radio"/> |
| Promoting the organization's certification program(s)             | <input type="radio"/> | <input type="radio"/> |
| Promoting attendance at the parent organization's meetings/events | <input type="radio"/> | <input type="radio"/> |

Please pick one of the answers below and add your comments.

Does your organization attribute the contribution of components in its annual budget.

- Yes
- No

If yes: What amount was attributed to components in the last fiscal year? \$

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Please use the blank space to write your answers.

What is your organization's budget for component activities in the current fiscal year? (Please enter a whole dollar \$ amount below.)

Component budget in the current fiscal year:

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Please pick one of the answers below.

Does your organization currently use any method to calculate its return on investment (ROI) in components?

- Yes
- No

Please write your answer in the space below.

In what ways does your organization now -- or do you think you could in the future -- calculate return on investment (ROI) in components?

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Please pick one of the answers below.

May we contact you to discuss your responses in more detail?

Yes

No

Please write your answer in the space below.

Please provide your name and the best way to contact you in the space provided below.

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