

Summary

As we near the end of the financial year 2019/2020, many associations are preparing to launch their annual membership renewal campaign. Typically, this has been a roll-out of much of the same messaging and strategies of previous years, but the unwelcome appearance of COVID-19 means this must change for 2020/2021. In particular, our advice for these membership renewals and those for the rest of the year (including anniversary memberships) is to focus on three key things. We must remember that most of all, this is not about the organisation, it is about the member.

1. **Strategy and planning**

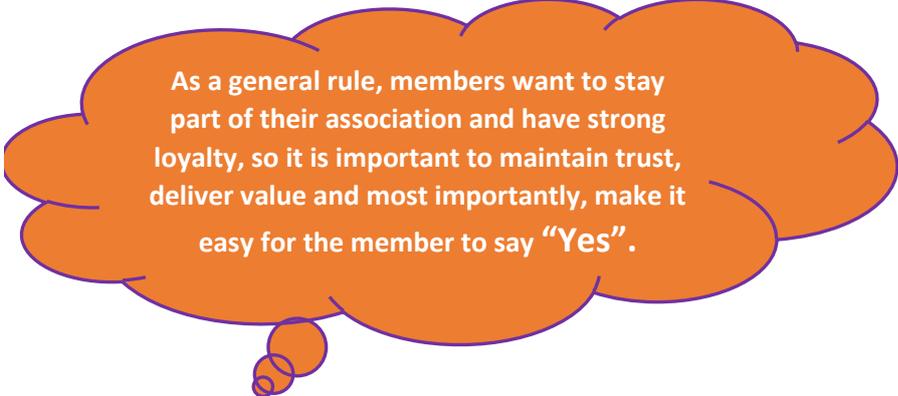
Staying true to the purpose of the organisation

2. **Messaging**

How do you sell the benefits and the value proposition?

3. **The process**

Who to, how and when?



As a general rule, members want to stay part of their association and have strong loyalty, so it is important to maintain trust, deliver value and most importantly, make it easy for the member to say "Yes".

Strategy and Planning

At the end of the day, the Board needs to balance up the strategic needs of the organisation, empathy with members' circumstances and, most of all, with the provision of a value proposition, which members can relate to from a financial perspective. It is not recommended that associations discount the basic face value of their commercial offering unless there has been a significant change to the benefits being provided. It is recommended that associations look at other incentives / initiatives to make it clear to members that the organisation understands the financial and probably logistical pressures members are enduring. These might include extending membership periods, providing alternative payment plans or providing incentives for new member introductions, as examples. Ultimately, having a means by which those suffering financial hardship can participate in, or discuss alternate payment methods is vital.

There will be a need to:

1. **Assess the needs of the association (Strategic)**

With Board Directors and Officers legislated to act in the best interests of the members and with a duty of care, any decisions taken must be properly assessed from both the member need and the financial needs of the association. The Board cannot risk being held negligent by failing to adequately manage the financial well-being of the association. As a result, all decisions and considerations should be financially modelled, risk assessed and passed following a process of good governance. In particular, the financial decisions relating to membership fees, benefit costs and overheads need to be incorporated in a sound budget model with supporting assumptions and cash-flow forecasts.

Members need to know that due process has been followed in assessing membership dues and that members are not simply being asked to subsidise the association in a challenging time.

2. Assess the needs of the Members (Empathetic)

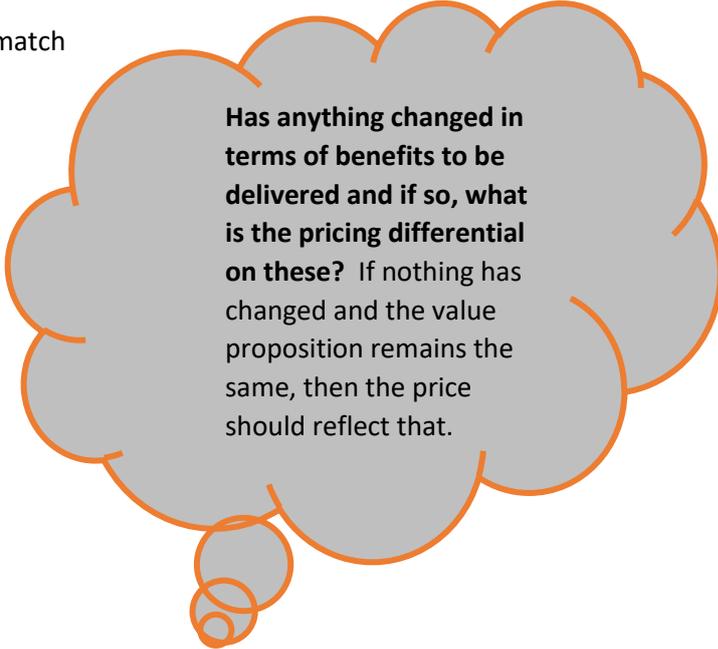
Any decision around membership fees and renewal processes under COVID-19 must take into account the state of the industry sector of the organisation and the individual circumstances of the members. It is important to remember that there cannot be separate rules for each member, it has to be a one size fits all solution with an easy avenue to assess individual requirements as they arise. Ultimately, the fee needs to match the value proposition with the payment method designed to suit the association requirements and member circumstances. Some associations may be fortunate that their members have been relatively unaffected financially, but the delivery of benefits may have changed significantly (events in particular). Other associations may be in sectors which have been decimated by the change of circumstances meaning the association is struggling to be able to deliver meaningful benefits. Each Board and Executive must spend time assessing what has been the effect on the industry and the members then build that into any strategic decision-making.

3. Benefits

There should be a very clear plan developed for the next 12 months as to exactly what member benefits the Board and Executive intend to deliver to the members for the coming year. This may have changed in format (face-to-face v online events for instance), in regularity or in detail but whatever it is, they should be carefully planned and announced well in advance if possible. Members will need to know what they can expect in order to assess their renewal capacity and capability.

4. Pricing

As noted, the basic membership fee should match and deliver a fair return on the value proposition. TAS would not recommend “discounting” against the value proposition but would recommend adjusting payment terms and methodologies to match industry circumstances. Boards should therefore price the upcoming membership fee to match the value of the benefits that will be offered. A full assessment of what is being offered for the year in terms of benefits whether tangible or intangible should be assessed against previous pricing models.



Has anything changed in terms of benefits to be delivered and if so, what is the pricing differential on these? If nothing has changed and the value proposition remains the same, then the price should reflect that.

5. Payment Methodology

This is the area where Boards should be looking at the ability of the association to assist its members financially and to recognise the ability of the members to afford / pay the fees due. In particular, we would recommend consideration is given to:

- a. Extended membership periods if benefits are reduced – i.e. 18 months for the price of 12
- b. Early bird payment rates for prompt payment
- c. Quarterly or deferred payment plans to aid member cash-flow
- d. Incentives to introduce new members
- e. Incentives for Group / multiple memberships – 3 for 4 for example
- f. Use of association reserves to subsidise pricing

Any change to payment methodology needs to be properly modelled from a cash-flow perspective against 'reliable' assumptions – what are the options, how many will take it up, what effect will it have, and can we afford it? This needs to be documented and approved as part of any offering by the Board.

Messaging

The messaging to members concerning renewals will be fundamental to the success of the membership renewal process, whether members are hurting or not. Members want to trust in the value proposition of their association so the messaging must deliver this clearly and concisely. Any messaging will need to cover the following:

- a. A clear message that the association understands what is happening in its industry and is responding accordingly
- b. A summary of what the association has done in the past year / past few weeks in terms of delivery of benefits and value to members (it should not be just about the past few weeks but these should not be ignored, particularly if there have been some “major wins”). This does not need to be extensive and we certainly would not recommend a full set of financials / reports, but it does need to show the worth of the benefits provided, many of which are intangible such as Government lobbying, Committee attendance / representation, industry participation etc. A simple one-pager highlighting the successes may well suffice and TAS has seen some good examples of these recently.
- c. A summary of what the members can expect from the association in the next 12 months (short and medium term) noting the severe restrictions to definitive planning (if appropriate) caused by the lack of certainty in the market today.
- d. A clear explanation of what the fees will be used for the next period (and how long that period is), when they will be due, how they can be paid and any incentives for payment terms (such as early payment).
- e. Detail surrounding any changes to benefits such as CPD requirements, accreditation terms etc, for the coming period

- f. Finally, there must be an easy way for the member renewing or joining to get help. Make it clear that if members are having issues renewing, paying subscriptions, logging on to portals etc that it is very clear where they can get help – email, phone etc. Organisations need to make sure offices (whether virtual or not) are being attended at times stated by people who can respond knowledgeably.

As we have said time and time again, any messaging must make it easy for the member to say “YES – I should renew and I might as well do it now!”

The Process

Any plan cannot afford to ignore the process behind the successful delivery of the membership renewal for 2020/2021. The organisation needs to give itself maximum opportunity to renew as many members as it possibly can by targeting the broadest market, using the most appropriate systems, addressing the right contacts and ensuring best follow up processes. In order to achieve this, we would recommend consideration is given to the following areas in particular:

a. Database

There is a window of opportunity between now and the end of the membership year to ensure that the database you have is as accurate and as widespread as possible. Consideration should be given to who you will target – past members, new markets, current members etc. Give as many potential members the opportunity to renew / join as you can by selling the “right” message. Currently there are many people short of work who would be delighted to have an opportunity to do some data research to help you build and confirm your current database of contacts. You need to check the accuracy of your data before you send your messaging. Why not send a confirmation email now requesting all current members check their communication details and follow that up with a full check on any bounce-backs / updates? In particular, if you have corporate members, make sure you have the right contact first time to send information to get a renewal.

b. Delivery

Decide what the most appropriate method will be to deliver your messaging to get maximum response. Is it email, mail or some other form? Include a range of methods such as SMS messaging and postal reminders. All returns / bounce-backs must have a plan in place for swift action to ensure members are not lost for the year or future.

c. Renewal Process

The technology and process behind the renewal system needs to be as easy and comprehensive as possible. Ideally it should all be online but alternatives should be clearly spelled out as needed. Members should be encouraged to renew and pay immediately. You do not want to be chasing unpaid invoices sitting on your Balance Sheet for the rest of the year. Make sure the system has been properly tested before you broadcast to members (including any special deals). Members need transparency to ensure they are getting what they are paying for.

d. Follow-Up

Have a very clear process for following up with reminders and notifications. In this market early but amicable follow-up should be the standard. You do not want to lose members through lack of empathy but equally you don't want to lose them forever. Have a plan which balances the two. We would suggest renewal notices for a July 1st start date would go out in mid to late May with a first reminder towards the end of June. A follow-up in August should be followed by a more direct connection either through messaging or phone calls before the end of August. In this market you cannot underestimate the value of personal phone calls / contacts from the Board, Executives or other influential supporters to "get people over the line".

e. Support

As we have already noted it is vital there is proper and swift capability to respond to any membership enquiries. The organisation cannot afford to lose members by failing to respond to enquiries professionally and accurately. Ensure it is clear to a member where they can get help, when they can get help and how they can get help in any communications. At the other end of the enquiry line, ensure staff are trained to respond knowledgeably and swiftly in such a way that the member finds it easy to do whatever is needed to get them renewed.