

Case Study 1: Revenue Streams

Todd Macdonald was the executive director of the Alternative Therapy Association of Canada (ATAC), a professional body representing over 2,500 members providing non-traditional health and wellness services ranging from natural medicine to feng shui. The association provided education, advocacy and networking opportunities for its members. It also had a supplier category that was just over 500 members strong.

Todd was going over the quarterly financial statements and had good reason to be concerned: After seeing a strong and steady upward trend in ATAC's membership numbers since its inception in the late 1990's, growth had softened alarmingly over the past couple of years.

Given the state of the economy, this was not in and of itself surprising to Todd. Many ATAC members were self-employed or else worked in small, entrepreneurial-style businesses. When he or his staff followed up with lapsed members over the phone, the reason given for non-renewal was usually that their employer was no longer willing to cover the membership cost and/or that tight personal finances were forcing them to pick and choose where they spent their discretionary dollars.

What bothered Todd was that he would have expected to see some recovery in the membership numbers by now, particularly given the promising

signs he'd been seeing that the economy was slowly on the mend.

For the most part, members were satisfied. Ratings on the most recent membership satisfaction survey were strong and the association continued to have good attendance at events such as the annual conference, monthly mingles and quarterly speaker series. A small number of members had complained recently about having to pay for some of these services, feeling that more should be included as part of the annual membership fee, but they were a small minority.

What worried Todd most was that three-quarters of the association's total revenue currently came from membership dues. Approximately 15% of revenue came from the annual tradeshow and conference, while the remainder was raised through the association's various networking and educational events.

If membership numbers kept decreasing, Todd knew ATAC would be in some serious trouble. Before the recession, the association had been comfortably able to keep 6 months' operating expenses in the bank, but this number had been shrinking steadily for the past four years.

Todd knew they couldn't afford to wait too much longer to take some decisive action where the association's revenue was concerned...the question was, what should they do?

Case Study 2: Board Structure

Francine Farrel was the ED of the Canadian Emu Farmers' Association (CEFA). She was just starting her third year on the job and lately she had been spending more and more time wondering why the heck she had accepted the position in the first place.

The emu is the second-largest bird in the world. While native to Australia, the emu is farmed in many countries, including Canada where it is used for its meat, oil and to make leather. The CEFA represented approximately 1,500 small and medium-sized Emu farm businesses across Canada.

Francine sat back and listened to the bickering going on around her in the board room. For once, all 25 members were in attendance at the monthly board meeting...but they were getting nowhere. What exasperated Francine was the topic of discussion: For the last twenty minutes, the argument had been about the communications director Hank Watson, and whether or not he should attend an upcoming social media conference in Toronto.

Despite having a set budget that was supposed to be used at her discretion for staff training and development and the fact that reaching out to current and potential members using social media had been a much-hyped priority at last month's strategic planning session, one board member was arguing that the expense for the conference was not justified.

What they should be talking about, Francine thought, was the TV interview one of the newer board members had recently given to the media in response to emerging questions about the true health benefits of emu meat – a key selling point for emu farmers. Without consulting Francine or the rest of the board, this individual had completely botched things up on national TV by giving the completely wrong message. The association would now need to do some serious damage control.

If only they had implemented the last year's carefully-crafted public awareness and marketing strategy, perhaps the industry wouldn't have come into question in the first place, she thought. Unfortunately, the association's one-year executive succession policy meant that the president that had spearheaded the strategy had been replaced before implementation could get underway. The new president had other priorities and had let the initiative fall by the wayside.

Francine sighed – she was tired of having her and her staff's work and priorities constantly shift to accommodate the crisis of the day or the incoming president's pet project. This board meeting was the last straw. Francine made a mental note to update her resume over the weekend and start job-hunting.

Case Study 3: Succession Planning

As Anna-Maria Wilson read over the agenda she had typed for the upcoming board meeting, she worried about what she would say about last month's annual conference. In all of her years at the helm of the School Counselors' Association of Canada (SCAC), she had never seen such poor results for this event. Conference revenues were down 15% over 2010! While the economy may have had some influence on the poor results, Anna-Maria knew what was at the root of the problem...and her name was Sophie Cowell.

Sophie had been SCAC's conference manager for the last seven years and was a model employee. From the moment the conference ended each year, she was already making preparations for the coming year's event. She worked hard and delivered consistent results year after year.

While she had some support from the conference committee as well as from some of the other staff, Sophie did a lot of the work for the conference single-handedly. In addition to organizing all of the logistics, she had developed and nurtured excellent relationships over the years with SCAC's sponsors and trade show participants. She also had a talent for finding speakers who always hit on topics that were timely and top-of-mind for attendees.

Just after the 2010 show ended, however, something terrible happened: Sophie was rear-ended on her way to work and abruptly had to go on disability to allow her neck to heal. She was

gone for seven months so Anna-Maria had been forced to pass on the management of the 2011 conference to education coordinator, Mia Bryce.

Mia was also a strong employee but, while she was eager to prove herself with the conference, it was obvious that she was out of her element. Mia had never run a big event like this before and didn't have the vendor relationships that Sophie did. Despite her extremely hard work, the inevitable result was poor revenues, low attendance and a marked decrease in attendee satisfaction on the post-conference survey compared to the year before.

Anna-Maria became even more concerned when she started looking at her other staff: Of SCAC's ten full-time employees, four were within five years of retirement and one was scheduled to start maternity leave in less than six months.

While everyone on her staff had specific areas of responsibility, Anna Maria realised she would have a hard time writing an accurate job description for any of the people that worked for her, since they all wore many 'hats.'

Anna-Maria knew some changes were needed and added one more item to the upcoming board meeting agenda: It was time for a serious discussion about succession planning.