

### Overview

One of the key questions facing many membership bodies is: How do we remain relevant and demonstrate and deliver value to our members?

Some of the key overarching **objectives** of many membership organisations are:

- providing value-for-money services relevant to members' needs
- supporting members in meeting new regulatory requirements
- making representations to government and regulators on sector-wide issues
- setting and maintaining professional standards to enhance the reputation of the profession

... all the while generating revenue to support these offerings.

In today's economy, membership revenue can no longer be assumed as a given – membership bodies need to change and adapt in order to remain relevant and sustainable. It is important that membership bodies have a clear **strategic direction** that continues to meet the needs of existing members – in addition to attracting new ones – in order to have a sustainable future. This paper outlines three key areas, drawn from Frontline's experience of working with membership organisations, that we consider to be key to their success and sustainability: the ability to adopt a long term strategic view; careful consideration given to the characteristics of both current and future members; and the use of technology.

### Long Term Strategic View

The very make-up of many membership organisations can breed short-termism – there is a constant need to demonstrate and deliver value to its members, with the focus often on the immediate value and offering. What many organisations find challenging is taking a **longer term strategic view**, based on identified long-term objectives. Equally, in the current economic climate, there is a temptation for organisations to be conservative in their ambitions, and protect what they have and the way that they have traditionally operated.



Gary Hamel and CK Prahalad, authors of *Competing For The Future*, suggest that, often, "the urgent drives out the important, the future goes largely unexplored and the capacity to act, rather than the capacity to think to think and imagine, becomes the sole measure of leadership."

On that basis it is important, as a membership organisation, to consider the following questions:

1. What percentage of your time is spent on external rather than internal issues?
2. Of this time, how much is spent considering how the world will be different in five to ten years' time?
3. Of the time devoted to looking outward and forward, how much of it is spent consulting with colleagues and stakeholders to build a shared, well tested view of the future?

The answers to these questions typically follow what is called the **40/30/20 Rule**. This rule suggests that typically 40% of a senior manager's time is devoted to looking outward and, of this time, about 30% is spent looking into the future. Of that time spent looking forward, no more than 20% is devoted to building a collective view of the future.

Therefore, on average, senior managers devote less than 3% of their time to building a corporate perspective on the future. Our experience of working with membership organisations suggests that, to develop a sustainable future, senior managers must be willing to devote considerably more of their time to this longer term perspective.

## Membership profile

It is also important for membership organisations to **understand the make-up and characteristics** of current and future members in order to stay relevant. Different generations develop different value systems, and this impacts on how younger and older members interact with the world around them and with each other. Such a challenge is especially pertinent at this time when the Baby Boomers generation is reaching retirement. It is this group that most membership organisations are highly reliant on, as illustrated in the figure below.

<b>Boomers</b> 1943 – 63  <i>Idealist</i>	<b>Generation X</b> 1964 – 81  <i>Reactive</i>
<b>Generation Y</b> 1982 – 2001  <i>Civic</i>	<b>Millennials</b> 2001 – 2222?  <i>Adaptive</i>

Those born pre-1964 are very aligned with the organisation and feel they get benefit from it; those born post-1964 demand more from their membership, requiring more resourcing. There is also a big divide between younger members who are social media-savvy and the older ones who are much less so. The danger is that not only is the Baby Boomer generation the group that membership organisations rely on the most – both for member fees and involvement – but they are also largely the public face of the membership organisation, and could present an image out of alignment with the aspirations of Gen Y.

## Technology

It is important that membership bodies recognise the need to offer on-line, technologically-relevant forms of training and learning to its members in order to effectively engage them. However, many learning tools for Gen Y are being designed by Baby Boomers and Gen X, who do not fully understand the needs of the new generation of members and those they want to attract to membership.

## How Frontline Can Help

Frontline helps membership organisations change and adapt by helping them do things better. As part of our **consultancy services** we undertake market research, both primary and secondary, looking at key industry/market trends and developments, as well as conducting full competitor analysis. In addition to this we carry out stakeholder consultations in the form of interviews, e-surveys and focus groups with key industry opinion formers to gain their views on the industry/market sector. Findings are then used to make informed recommendations about an organisation's strategy going forward. Frontline recently undertook a feasibility and options appraisal for the Law Society of Scotland to help inform its future strategic direction.

Culturally, many membership organisations, while largely understanding the power of **digital communication and technology** to deliver and demonstrate value, have only begun to utilise it to its full potential, manifested through their websites and initial forays into the social sphere.

Online content – via websites and social media – is the shop window of the membership organisation and, presenting its unique and valuable status, a critical member benefit. Technology has also become an important way through which to learn – Gen Y, who are well attuned to technology, expect much more web-based learning/CPD.

**The Law Society of Scotland** commissioned Frontline to undertake a feasibility and options appraisal to help inform its future strategic direction. As member needs were changing it was important for the Society to understand and adapt its strategic approach in order to better meet these needs.

We carried out market research on the legal marketplace including key trends and developments as well as conducting competitor analysis. We also carried out consultations with a wide range of members and opinion formers.

We then devised a range of strategic options that encompassed market penetration and product development, focusing on the provision of an efficient and effective future service. Our work is allowing the Society to make informed decisions about its strategy going forward.

## What next

If we can help your membership organisation address these issues, please get in touch with

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