

Using Strategic Planning to Meet Emerging Customer Needs

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Associations have always existed to serve the needs of their members. Members have joined them for a number of reasons: to update their professional body of knowledge, to network with their colleagues, to add credibility and status to their resumes. In recent years, however, the world in which we all work has changed dramatically. New legislation has or will deregulate previously regulated segments of our economy (telecommunications, utilities). Health care has shifted from a private practice model to a managed care approach. With these changes come new needs for professionals working in each of these fields. Associations, in order to survive, will have to adapt to meet these needs or they will risk losing members.

Adding to the challenge to maintain or grow memberships in associations is legislation pending that would change tax laws to limit deductions to one professional membership. This coupled with cost cutting in most companies (i.e. reducing the number of memberships they pay for) would seem to predict an increasingly competitive environment for associations.

This article explores how to use strategic planning to energize association staffs and volunteer leaders around the needs of members. Often association employees have information about shifting member needs but are unable to effectively shift the organization to address them. The article also explores the type of information needed to make decisions, how to gather that information in a logical way, how to get consensus on what the information says, and how to develop or revise strategic plans.

Participation is critical

In order to begin addressing a new or shifting set of member needs, an association must begin by being open to focusing on these new needs. One of the quickest ways to re-focus an organization is to develop a new strategic direction and plan. The key to energizing the entire association staff around the new direction is to seek their input, communicate the outcome and follow-up with action planning to address new directions. Joseph McLennan and Mary Lynn Fayoumi of the Management Association of Illinois believe that the new direction their association undertook has been successful because "the staff had significant input into the strategic planning process and embraced the outcomes of the new plan."

The major elements of a strategic planning process are as follows:

- the information needed to determine the direction in which the association will go and strategies that will lead them there.
- the participants in the planning process and the different roles they will play.

- the decision-making process or how strategies will be approved for implementation.
- the communication plan to disseminate the new direction to all those affected by the shift in direction.
- an action planning process to actually change the programs, practices and procedures of the association.

Gathering Information

In order to produce a successful strategic plan an association must gather data regarding:

- issues or needs important to its members;
- government regulations impacting its members and/or the association itself;
- financial constraints the association is dealing with;
- historical strengths and weaknesses of the association.

Member Needs - While member needs should optimally be solicited directly, some staff groups may have valuable data that is more readily available. Membership directors should have information on where new members are coming from, why old members are not renewing, typical member complaints and/or inquiries. Meetings, education and publication staffs should have information on the types of issues the membership is interested in hearing about and addressing. They are on the front lines with your membership and truly in the best place to directly witness what is meeting member needs and what is not. Seeking this information from in-house staffs not only provides solid condensed information but also serves to reinforce the importance you place on the skills and input of your employees.

While association staffs can provide vital information on day to day membership needs and appreciate being heard on key issues affecting the members, only the members themselves can provide direct input on what they are trying to get from their membership. It will be important for your strategic plan's success that you take into account the main reasons members join your association. For instance, one market research group uses a simple questionnaire to categorize each member into one of ten categories, each having a distinct set of associated needs (e.g. want involvement only via the mail, or want to attend conferences when relevant).

Government Regulations - Many large associations have staffs that keep track of pending legislation that could have an impact on the professional lives and economic well being of its membership. This data is extremely important to consider when preparing a new strategic plan, particularly if you are trying to focus on your members' needs.

A second type of government regulation to consider when developing a strategic plan is legislation that would have a direct impact on the culture or very nature of the association itself. An example might be the result of legislation aimed at opening up association boards to supplier members.

Financial Constraints - Whenever reviewing your strategic direction one of the most important things to look at is your financial picture. It usually provides you with a quick snapshot of what has worked and what has not, and if things are headed in the right direction or not. Often you can isolate certain programs that are expensive, lose money and meet very few members' needs.

Financial analysis should be used to explore "what if" situations with regard to pending legislation (e.g. what if we lose our tax-exempt status, what if your members lose their government subsidies?).

Historical Strengths and Weaknesses - When an organization is doing strategic planning and trying to determine the key things they can do to move the organization forward, it can be very useful to review what the organization has been both good and bad at historically. For example, an

association may be successful at running professional training programs for its members, but have difficulty attracting members to its annual business meeting. Since annual business meetings are a requirement for most associations, they may want to develop a strategy that makes the business meeting part of one of their annual conferences where professional training and speakers are provided. The point here is that when reviewing the wide myriad of strategies available one should always consider building on successes and learning from failures.

Listen to All Stakeholders

There are three groups to consider when doing strategic planning: stakeholders, information resources and decision-makers. Stakeholders are those groups that have a vested interest in the outcome of the strategic plan - members, Board of Directors and association staff. It will be important for all stakeholders to feel that they have been heard in the planning process. As a rule, any person or group that has information regarding issues of critical importance to the future success of the organization should be tapped for that input.

Decision-makers in the strategic planning process are those individuals with the direct authority and responsibility for large efforts directly impacting the overall strategic direction of the organization. While senior association staff typically design the strategic planning process and hire the outside facilitator, it is a small group of officers of an organization (e.g. the executive committee) that make decisions on what the strategic plan will look like (e.g. what the strategic objectives of the organization will be). The Board of Directors often acts as the final approval.

Decision-making Process

Whatever decision-making process an organization uses to determine its strategic planning, the importance of the process being clarified at the outset cannot be overstated. If senior staff is asked to recommend strategic goals, that is clearly different from setting strategic goals.

The following steps are usually involved in the strategic planning process in one form or another:

- **Information Gathering** - all information resources are asked for their input on the critical issues facing the organization. This can occur by using structured questionnaires (members), focus group discussions (members and staff), and interviews (officers and senior staff with key areas of responsibility.) Key staff groups may also be asked to submit specific reports to the decision-makers.
- **Gain Consensus** - Summaries of the information gathered are disseminated to the decision-makers to insure that all have the same information and all agree that the issues identified are the critical ones and that none have been left out.
- **Set Strategic Direction** - The decision makers usually meet to review critical issues, discuss options for addressing each, and make recommendations for moving forward. This usually involves setting 5 to 10 strategic goals and developing and/or reviewing the organization's mission statement. The chief elected officer often provides the group with its guidance regarding the overall organizational picture, helps negotiate differences that inevitably come up between various groups within the organization, plays devil's advocate with regard to proposed strategies and should agree to the final set of goals that will go to the Board of Directors. Critical to this step is the use of an objective professional facilitator who is able to move the group to consensus without imposing his/her personal opinions on the direction the group should take.
- **Approval** - The Board of Directors, who have usually been consulted for input, will be asked to approve the final strategic plan. This most often happens at the next scheduled Board meeting, not at the decision-maker's off-site meeting.

Communicate and Activate the Plan

Often an organization develops a strategic plan, the volunteer leaders and senior staff feel better, the plan is put on their respective shelves and that's the last anyone hears about it. IF an association truly wants to shift its direction to address its members' needs, the plan must be effectively communicated to those who will benefit from it (the members) and those who are expected to change as a result of it (the association staff and managers).

An association must be clear with its members when it is shifting in response to their needs. Otherwise, the members may not notice the change or may not recognize that the changes are in response to their emerging needs. A strategic plan summary document along with a letter from the chief elected officer is often used for this purpose.

One of the most effective ways to communicate the new direction and the importance of the shift to employees of the association is by holding staff meetings to discuss what the new objectives mean for the organization. These meetings can also serve to clarify how decisions were made and reinforce that much of the input came from the staff.

As soon as the Board of Directors approves the plan, each department within the association should begin a review of its major functions and projects to determine if they are in support of the new strategic plan or running counter to it. Key objectives should also be assigned to the appropriate departments and/or interdepartmental task forces. These groups should be charged with developing concrete plans to address each of their respective key objectives. This approach will not only help to insure that the plan gets implemented, but can energize staff by giving them a hand in how it will be implemented.

Strategic planning need not be a mysterious adventure with appropriate process to focus staff on members' needs. Patrick Stinson of the National Employee Services and Recreation Association put it this way: "strategic planning is not predicting the future, it is charting a course for the next 3 years to keep you focused on where you and your members want to be."

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