

MEMBERSHIP

Coming back from the brink

How one association turned their revenue around.

A year ago, the Telecommunications User Association of New Zealand (TUANZ) was on the brink of bankruptcy. Now, they have refocused their operations and have a plan to return to health.

TUANZ is a membership organisation that shares industry information and training. It also does a large amount of advocacy work on behalf of users of information and communication technology services, which includes a range of member businesses.

Craig Young, the organisation's CEO, says that when he took over in 2014, TUANZ was "in downfall".

Before his arrival, the association advocated for users against Telecom New Zealand, a telecommunications company with an effective monopoly.

In 2008, the New Zealand Government introduced ultra-fast broadband. To partner in the project, Telecom was required to separate into three divisions. While the association viewed this as a positive move, it also meant the association was a victim of its own success.

"There was no specific issue or burning platform any more. We hadn't yet shifted our focus," Young said. "In the past TUANZ relied on advocacy (against the telco monopoly) as a selling point but that had lost its validity."

Add to that the wider issues of the global financial crises and TUANZ was facing a challenging situation.

The small association was so engrossed in everyday details that "we had no chance to think about alternative revenue sources", Young said.

Building on momentum

TUANZ realised that it had three things in its favour. Firstly, it had a strong group of loyal members, though they were too small to move the company forward.

Secondly, it had a future leaders program that was able to get the interest of young people.

And lastly, it also ran a popular series of networking events and conferences.

"We used our reserves to build momentum around our key services, like the events, but we hadn't yet turned it into revenue," Young said.

Young invited membership specialist Belinda Moore to a one-day planning session. She worked alongside Young, the board and a few members of the association's future leaders program.

By the end of the day, the group had sketched a plan onto the whiteboard. They drafted an six-month immediate plan with a 12-month vision to turn the organisation around. This included measurable targets and target dates.

The plan looked at "how we could avoid falling over and how to diversify revenue streams," Young said.

Since the board collaborated in the process, the plan was signed off within two weeks.

"Membership organisations have unique difficulties. Often there can be stakeholders with opposing views and the environment today is so fast moving," Young says.

"I think there is this urge when working in a membership organisation to look around at what other organisations are doing and think 'I need to do that'.

"Having a plan helps us focus and utilise value from what we already do."

The four steps to TUANZ's plan

The most well thought-out plan counts for naught if it is not executed effectively, so TUANZ broke its new strategy down into some key steps.

First, the organisation set out to create a revenue stream out of its networking events and conferences. In the past the association focused on covering costs for these events. It now asks for a minor hosting fee for the 10 to 12 events it hosts a year.

Given the association's greater focus on events, TUANZ then developed an event plan for 2018. This was replaced the more ad hoc approach that had previously ruled their events strategy.

The event plan was shown to prospects and members to generate interest in getting more involved in the association. It also meant that pre-existing members did not see disruption in events while the organisation was undergoing change.

Thirdly, TUANZ needed to find a broader group to rely on for revenue than solely its members. To do this, it created a partner program, allowing them to engage interested businesses that may not want to commit to standard membership.

Within a month, the association had reached its target of three partnerships. Young said the partnerships changed the way the association approaches prospects. "We now talk about the value of the organisation differently and view the organisation differently," he said.

Lastly, the company is now revising the renewal process for members. Young also said the association can now take another look at membership acquisition.

Looking to the future

Young said the plan gave a structure to how it will achieve sustainable revenue growth.

“A lot of membership organisations, I think, have this belief that their identity is defined by what they, as an organisation, do,” he said. “When you have someone questioning the way you do things they view it as questioning who you are. But that is not the case.”

“A lot of it we already knew and I had already considered as CEO. But to have someone with membership organisation

experience – who was also an outsider – meant we were able to bring an honest eye to our work. It helped us prioritise.

TUANZ was typical of many associations. They had a wealth of opportunities that they didn’t realise existed and the talent to get it done. They just hadn’t drawn the connections. It was one of the situations where, once the pathway was made clear, it was straightforward to implement the change needed to turn the association around.

“The main bit of advice I would give to a membership organisation in a similar situation to that which we were in is to see if you can find a resource that is experienced but also external to the organisation,” Young said.

“Certainly we are not out of the woods yet but we have turned it around.”

KEY TAKEAWAYS

IDENTIFY WHERE YOUR VALUE LIES

TUANZ was originally established with an education focus, rather than a lobbying one. Refocusing on events as a revenue stream reflects that history while still providing value to loyal members. Knowing what your members want and doing it really well is a simple but effective strategy.

LOOK FOR OPPORTUNITIES TO COLLABORATE

Creating a partner program provided TUANZ with both another revenue stream and an opportunity to collaborate with new groups. For other organisations, collaboration can represent innovation, improved customer service or more agility.

CREATE A DOCUMENTED STRATEGY

A documented strategy doesn’t need to be a mountain of paper. But a written pathway forward outlining the specific steps you need to achieve is critical.

ASK THE HARD QUESTIONS

In a turnaround situation all potential change is on the table. Be open to ideas and ask the hard questions.

ASK FOR HELP

When you are so invested in the everyday operations of an association, it can be difficult to see your opportunities. In that case it can be helpful to get help from an experienced outsider. Young says that it was valuable to have someone to look at their work and “ask questions about why we were giving away certain things for free”.

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